

File No. 110291

Committee Item No. 9

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Land Use and Economic Development Date May 2, 2011

Board of Supervisors Meeting Date _____

Cmte Board

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| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Resolution |
| <input type="checkbox"/> | <input type="checkbox"/> | Ordinance |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input type="checkbox"/> | <input type="checkbox"/> | Budget Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Introduction Form (for hearings) |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Subcontract Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Contract/Agreement |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Form 126 – Ethics Commission |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
| <input type="checkbox"/> | <input type="checkbox"/> | Application |
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OTHER (Use back side if additional space is needed)

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| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>Tax Increment Pledge Allocation Agreement</u> |
| * <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>Transition Housing Rules and Regulations</u> |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>Interagency Cooperation Agreement</u> |
| * <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>Treasure Island Infrastructure Plan</u> |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>TIDA Resolution Nos. 11-16-04/21, 11-18-04/21 and 11-24-04/27</u> |
| * <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>Disposition and Development Agreement</u> |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |

Completed by: Alisa Somera Date April 29, 2011

Completed by: _____ Date _____

An asterisked item represents the cover sheet to a document that exceeds 25 pages.
The complete document can be found in the file.

1 [Disposition and Development Agreement and Interagency Cooperation Agreement -
2 Treasure Island/Yerba Buena Island]

3
4 **Resolution approving a Disposition and Development Agreement between the Treasure**
5 **Island Development Authority and Treasure Island Community Development, LLC, for**
6 **certain real property located on Treasure Island/Yerba Buena Island; approving an**
7 **Interagency Cooperation Agreement between the City and the Treasure Island**
8 **Development Authority; and adopting findings that the agreements are consistent with**
9 **the City's General Plan and Eight Priority Policies of City Planning Code Section 101.1.**

10
11 WHEREAS, Former Naval Station Treasure Island (the "Base" or "Treasure Island") is
12 a former military base consisting of approximately 550 acres on Treasure Island and Yerba
13 Buena Island, and is currently owned by the United States of America, acting by and through
14 the Department of the Navy (the "Navy"); and,

15 WHEREAS, The Base was selected for closure and disposition by the Base
16 Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its
17 subsequent amendments, and the Base ceased operations in 1997; and,

18 WHEREAS, Under the Treasure Island Conversion Act of 1997 (AB 699), which
19 amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to
20 Chapter 1333 of the Statutes of 1968, the State Legislature (i) granted to the Board of
21 Supervisors the authority to designate the Treasure Island Development Authority ("TIDA") as
22 a redevelopment agency under California Community Redevelopment Law with authority over
23 the Base; and (ii) with respect to those portions of the Base that are subject to the public trust
24 for commerce, navigation and fisheries (the "Public Trust"), vested in TIDA the authority to
25 administer the Public Trust as to such property; and,

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1 WHEREAS, In 1994, the Treasure Island/Yerba Buena Island Citizens Advisory Board
2 ("CAB") was formed to (1) review reuse planning efforts for Treasure Island by the San
3 Francisco Planning Department and the San Francisco Redevelopment Agency, and (2) make
4 recommendations to the City's Planning Commission and Board of Supervisors; and,

5 WHEREAS, After completion of a competitive master developer selection process, in
6 2003, TIDA and Treasure Island Community Development, LLC ("Developer") entered into an
7 Exclusive Negotiating Agreement ("ENA") with respect to portions of Treasure Island and
8 Yerba Buena Island to facilitate the planning for the reuse and development of the Base (the
9 "Project"); and,

10 WHEREAS, The ENA and its subsequent amendments set forth the terms and
11 conditions under which TIDA and the Developer have been negotiating a Disposition and
12 Development Agreement and other transaction documents for the conveyance, management
13 and reuse and redevelopment of portions of the Base consisting of those portions of
14 Assessor's Block 1939, Lots 1 and 2 described as the "Project Site" in the Disposition and
15 Development Agreement, including a schedule of performance for major milestones; and,

16 WHEREAS, One of the key milestones in the ENA was the completion of a
17 comprehensive Term Sheet summarizing the key policy goals, basic development guidelines,
18 financial framework and other key terms and conditions that formed the basis for the
19 negotiation and completion of the Disposition and Development Agreement and final
20 transaction documents; and,

21 WHEREAS, In 2006, the Board of Supervisors by Resolution No. 699-06 endorsed a
22 Development Plan and Term Sheet for the Project that set forth the proposed terms of the
23 Project, a copy of which Resolution is on file with the Clerk of the Board of Supervisors in File
24 No. 061498 and incorporated herein by reference; and,

25
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1 WHEREAS, In May of 2010, the Board of Supervisors endorsed a package of
2 legislation that included an update to the Development Plan and Term Sheet, terms of an
3 Economic Development Conveyance Memorandum of Agreement for the conveyance of the
4 site from the Navy to the TIDA, and a Term Sheet between TIDA and the Treasure Island
5 Homeless Development Initiative ("TIHDI") in Resolution Nos. 242-10, 243-10 and 249-10,
6 copies of which Resolutions are on file with the Clerk of the Board of Supervisors in File Nos.
7 100428, 100429 and 100432, and incorporated herein by reference; and,

8 WHEREAS, The Navy and TIDA have negotiated an Economic Development
9 Conveyance Memorandum of Agreement (the "Conveyance Agreement") that governs the
10 terms and conditions for the transfer of the Base from the Navy to TIDA, which is concurrently
11 being considered by the Board of Supervisors, a copy of which is on file with the Clerk of the
12 Board of Supervisors in File No. 110290, and incorporated herein by reference;
13 and,

14 WHEREAS, The City, acting through the Board of Supervisors, is concurrently
15 considering a General Plan Amendment, including adopting a Treasure Island/Yerba Buena
16 Island Area Plan (the "General Plan Amendment"), Planning Code Amendments, including
17 adoption of the Treasure Island/Yerba Buena Island Special Use District ("SUD"), and the
18 Treasure Island and Yerba Buena Island Design for Development (the "Design for
19 Development"), which is referenced in the SUD; and,

20 WHEREAS, TIDA, the City and the CAB have been working for more than a decade to
21 plan for the reuse and development of Treasure Island, and as a result of this community-
22 based planning process, TIDA and the Developer have negotiated the Disposition and
23 Development Agreement, the purpose of which is to govern the disposition and subsequent
24 development of the Project after the Navy's transfer of Treasure Island to TIDA in accordance
25 with the Conveyance Agreement; and,

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1 WHEREAS, Under the Disposition and Development Agreement and other transaction
2 documents, the Project is anticipated to include (1) up to 8,000 new residential units, at least
3 25 percent of which (2,000 units) will be made affordable to a broad range of very-low to
4 moderate income households, including 435 units to be developed by TIHDI and its member
5 organizations, (2) adaptive reuse of approximately 311,000 square feet of historic structures,
6 (3) up to approximately 140,000 square feet of new retail uses and 100,000 square feet of
7 commercial office space, (4) approximately 300 acres of parks and open space, (5) new
8 and/or upgraded public facilities, including a joint police/fire station, a school, facilities for the
9 Treasure Island Sailing Center and other community facilities, (6) a 400-500 room hotel, (7) a
10 new 400 slip marina, and (8) transportation infrastructure, including a ferry/quay intermodal
11 transit center; and,

12 WHEREAS, TIDA wishes to enter into the Disposition and Development Agreement
13 with the Developer, substantially in the form on file with the Clerk of the Board in File
14 No. 110291, and incorporated herein by reference; and,

15 WHEREAS, The Disposition and Development Agreement governs the Developer's
16 right to develop the Project in a series of Major Phases and Sub-Phases and to sell or ground
17 lease developable lots to vertical developers for development, all in accordance with all of the
18 governing land use and entitlement documents, including the General Plan Amendment, SUD
19 and Design for Development and the Mitigation Monitoring and Reporting Program; and,

20 WHEREAS, The Disposition and Development Agreement also governs the
21 Developer's obligations with respect to the Project and requires the Developer to invest
22 hundreds of millions of dollars of private capital in the initial construction of public
23 infrastructure, affordable housing and community benefits and payment of the Navy payments
24 under the Conveyance Agreement; and,

1 WHEREAS, The Housing Plan attached to the Disposition and Development
2 Agreement includes the Transition Housing Rules and Regulations that the TIDA Board of
3 Directors approved on April 21, 2011 to implement direction from the Board of
4 Supervisors that existing residents be provided with the opportunity to remain on Treasure
5 Island; and,

6 WHEREAS, The Financing Plan attached to the Disposition and Development
7 Agreement provides that TIDA and the City will incur financial obligations to finance certain
8 costs of the Project, including the formation of one or more infrastructure financing districts
9 ("IFDs") under applicable provisions of the California Government Code (the "IFD Law") to
10 finance acquisition and construction of certain public infrastructure facilities described in the
11 Financing Plan and replacement housing to the extent required by the IFD Law; and,

12 WHEREAS, The Disposition and Development Agreement includes a Schedule of
13 Performance that includes outside dates for the completion of public infrastructure, public
14 parks and open space, community facilities, and payment of subsidies for affordable housing,
15 transportation, communities facilities, and open space operations and maintenance; and,

16 WHEREAS, The Disposition and Development Agreement provides TIDA with
17 remedies in the event that the Developer does not meet its obligations under the Schedule of
18 Performance or other provisions of the Disposition and Development Agreement, these
19 remedies include, but are not limited to, specific performance, liquidated damages,
20 termination and a right of reverter; and,

21 WHEREAS, In order to promote development in accordance with objectives and
22 purposes of the Disposition and Development Agreement, the City intends to undertake and
23 complete proceedings and actions necessary to be carried out by the City to assist in
24 implementation of the Disposition and Development Agreement; specifically, the City wishes
25 to enter into an Interagency Cooperation Agreement with TIDA, substantially in the form on

1 file with the Clerk of the Board in File No. 110201 and incorporated herein by
2 reference (the "Interagency Cooperation Agreement"), to provide for cooperation between the
3 City and TIDA in administering the process for control and approval of subdivisions, and other
4 applicable land use, development, construction, improvement, infrastructure, occupancy and
5 use requirements, and in establishing the policies and procedures relating to such approvals
6 and other actions as set forth in the Interagency Cooperation Agreement for the Project Site;
7 and,

8 WHEREAS, On April 21, 2011, the Planning Commission by Motion
9 No. 10325 and the TIDA Board of Directors by Resolution
10 No. 11-14-04/21, as co-lead agencies, certified the completion of the Final
11 Environmental Impact Report for the Project, of which the Disposition and Development
12 Agreement and the Interagency Cooperation Agreement form a part; and,

13 WHEREAS, On April 21, 2011, the TIDA Board of Directors, by Resolution
14 No. 11-15-04/21, adopted environmental findings pursuant to the California
15 Environmental Quality Act ("CEQA") with respect to approval of the Project, including the
16 mitigation monitoring and reporting program and a statement of overriding considerations;
17 and,

18 WHEREAS, On April 21, 2011, the Planning Commission, by Motion No.
19 10326, adopted environmental findings pursuant to CEQA with respect to approval
20 of the Project, including a mitigation monitoring and reporting program and a statement of
21 overriding considerations; and,

22 WHEREAS, The Planning Commission determined that the Project, and the various
23 actions being taken by the City and TIDA to approve and implement the Project, are
24 consistent with the General Plan and with the Eight Priority Policies of City Planning Code
25 Section 101.1, and made findings in connection therewith (the "General Plan Consistency

1 Determination"), a copy of which is on file with the Clerk of the Board of Supervisors in File
2 No. 110220 and is incorporated into this Resolution by reference; and,

3 WHEREAS, The Board of Supervisors has reviewed and considered the information
4 contained in the General Plan Consistency Determination, and concurrently with this
5 Resolution is adopting said findings as its own and said findings are on file with the Clerk of
6 the Board of Supervisors in File No. 110220, and incorporated into this Resolution
7 by reference; and,

8 WHEREAS, Concurrently with this Resolution, the Board of Supervisors has adopted
9 Resolution No. _____, adopting findings under CEQA, including the adoption of a
10 mitigation monitoring and reporting program and a statement of overriding considerations in
11 connection with the development of the Project, which Resolution is on file with the Clerk of
12 the Board of Supervisors in File No. 110320, and incorporated herein by reference;
13 and,

14 WHEREAS, The Interagency Cooperation Agreement was presented to the CAB at
15 duly noticed public meetings on January 10, 2011 and April 19, 2011, and
16 on _____, 2011 the CAB voted to endorse the Interagency Cooperation
17 Agreement; and,

18 WHEREAS, The Disposition and Development Agreement was presented to the CAB
19 at duly noticed public meetings on March 8, 2011 and April 19, 2011,
20 and on _____, 2011 the CAB voted to endorse the Disposition and Development
21 Agreement; and,

22 WHEREAS, The Interagency Cooperation Agreement was presented to the TIDA
23 Board at duly noticed public meetings on April 27, 2011 and January 26,
24 2011, and on _____, 2011 the TIDA Board voted to approve the Interagency
25 Cooperation Agreement; and,

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1 WHEREAS, The Disposition and Development Agreement was presented to the TIDA
2 Board at duly noticed public meetings on March 9, 2011 and April 21,
3 2011, and on _____, 2011 the TIDA Board voted to approve the Disposition and
4 Development Agreement; and,

5 WHEREAS, TIDA's organizational documents require TIDA to obtain approval from the
6 Board of Supervisors prior to entering into contracts with a term of more than 10 years or
7 \$1 million or more in anticipated revenue; and,

8 WHEREAS, The Interagency Cooperation Agreement and the Disposition and
9 Development Agreement are contracts with a term in excess of 10 years, provided that it is
10 not terminated; now, therefore, be it,

11 RESOLVED, That the Board of Supervisors finds that the Disposition and Development
12 Agreement and the Interagency Cooperation Agreement are consistent with the General Plan
13 and the Eight Priority Policies of City Planning Code Section 101.1 for the reasons set forth in
14 the General Plan Consistency Determination; and, be it

15 FURTHER RESOLVED, That the Board of Supervisors determines that the Project
16 proposed under the Disposition and Development Agreement and the Interagency
17 Cooperation Agreement is in the best interests of TIDA, the City, and the health, safety,
18 morals and welfare of its residents, and is in accordance with the public purposes and
19 provisions of applicable federal, state and local laws and requirements; and, be it

20 FURTHER RESOLVED, That the Board of Supervisors hereby approves and
21 authorizes the Director of Redevelopment for TIDA ("Director") to execute the Disposition and
22 Development Agreement between TIDA and the Developer, and approves and authorizes the
23 Director and the appropriate City officers to execute the Interagency Cooperation Agreement
24 between TIDA and the City, in substantially the forms filed with the Clerk of the Board in File
25 No. 110291, and any additions, amendments or other modifications to such

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1 agreements (including, without limitation, its exhibits) that the Director, on behalf of TIDA, and
2 the applicable City officers, on behalf of the City with respect to the Interagency Cooperation
3 Agreement, determine, in consultation with the City Attorney, are in the best interests of TIDA
4 and the City, do not otherwise materially increase the obligations or liabilities of TIDA or the
5 City or decrease the benefits to TIDA or the City, and are necessary or advisable to effectuate
6 the purpose and intent of this Resolution; and, be it

7 FURTHER RESOLVED, That to the extent that implementation of the Disposition and
8 Development Agreement involves the execution and delivery of additional agreements,
9 notices, consents and other instruments or documents by TIDA that have a term in excess of
10 10 years or anticipated revenues of \$1 million or more, including, without limitation,
11 instruments conveying developable lots to vertical developers (including, without limitation,
12 Vertical Disposition and Development Agreements, Ground Leases, Lease Disposition and
13 Development Agreements, Assignment and Assumption Agreements and Permits to Enter)
14 (collectively, "Subsidiary Agreements"), TIDA and the Director, as they or any of them deem
15 necessary or appropriate, in consultation with the City Attorney, are hereby authorized to
16 enter into all such Subsidiary Agreements so long as the transactions governed by such
17 Subsidiary Agreements are contemplated in the Disposition and Development Agreement, do
18 not otherwise materially increase the obligations or liabilities of TIDA, and are necessary and
19 advisable to effectuate the purpose and intent of this Resolution, such determination to be
20 conclusively evidenced by the execution and delivery by such person or persons of any such
21 documents; and, be it

22 FURTHER RESOLVED, That the Board of Supervisors authorizes and urges the
23 Mayor, Controller, and any other officers, agents, and employees of the City to take any and
24 all steps (including the execution and delivery of any and all agreements, notices, consents
25 and other instruments or documents) as they or any of them deem necessary or appropriate,

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1 in consultation with the City Attorney, in order to consummate the Disposition and
2 Development Agreement, the Interagency Cooperation Agreement and any Subsidiary
3 Agreement in accordance with this Resolution, or to otherwise effectuate the purpose and
4 intent of this Resolution, such determination to be conclusively evidenced by the execution
5 and delivery by such person or persons of any such documents.

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**FORM SFEC-126:
NOTIFICATION OF CONTRACT APPROVAL
(S.F. Campaign and Governmental Conduct Code § 1.126)**

City Elective Officer Information <i>(Please print clearly.)</i>	
Name of City elective officer(s): Members, San Francisco Board of Supervisors	City elective office(s) held: Members, San Francisco Board of Supervisors

Contractor Information <i>(Please print clearly.)</i>	
Name of contractor: Treasure Island Community Development, LLC	
<i>Please list the names of (1) members of the contractor's board of directors; (2) the contractor's chief executive officer, chief financial officer and chief operating officer; (3) any person who has an ownership of 20 percent or more in the contractor; (4) any subcontractor listed in the bid or contract; and (5) any political committee sponsored or controlled by the contractor. Use additional pages as necessary.</i>	
Treasure Island Community Development, LLC, is a limited liability company formed by Lennar Homes of California and KSWM Treasure Island, LLC, each of whom hold a more than 20% ownership interest. Its Managing Member is Lennar Homes of California. Members of its Executive Committee are: Emile Haddad; Greg McWilliams; Tom Sheaff; Kofi Bonner; Terry Fancher; Darius Anderson; Chris Meany	
Contractor address: Treasure Island Community Development, LLC, c/o Lennar, 1 California Street, Suite 2700, 94111	
Date that contract was approved:	Amount of contract: More than \$50,000
Describe the nature of the contract that was approved: Development Agreement, Disposition and Development Agreement and ancillary documents setting forth rights and obligations of TICD for the development of Treasure Island.	
Comments:	

This contract was approved by (check applicable):

the City elective officer(s) identified on this form

a board on which the City elective officer(s) serves _____

Print Name of Board

the board of a state agency (Health Authority, Housing Authority Commission, Industrial Development Authority Board, Parking Authority, Redevelopment Agency Commission, Relocation Appeals Board, Treasure Island Development Authority) on which an appointee of the City elective officer(s) identified on this form sits _____

Print Name of Board

Filer Information <i>(Please print clearly.)</i>	
Name of filer: Clerk of the Board of Supervisors	Contact telephone number: (415) 554-5184
Address: 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102	E-mail: Board.of.Supervisors@sfgov.org

Signature of City Elective Officer (if submitted by City elective officer)

Date Signed

Signature of Board Secretary or Clerk (if submitted by Board Secretary or Clerk)

Date Signed

**TAX INCREMENT ALLOCATION PLEDGE AGREEMENT
(TREASURE ISLAND/YERBA BUENA ISLAND)**

This TAX INCREMENT ALLOCATION PLEDGE AGREEMENT (TREASURE ISLAND/YERBA BUENA ISLAND) (as amended from time to time, this "Agreement") dated for reference purposes as of _____ (the "Reference Date") is between the CITY AND COUNTY OF SAN FRANCISCO, a charter city and county (the "City"), and the TREASURE ISLAND DEVELOPMENT AUTHORITY, a public body, corporate and politic, of the State of California (together with any successor public agency, the "Authority"), in reference to the Disposition and Development Agreement (Treasure Island/Yerba Buena Island) dated for reference purposes as of _____, by and between the Authority and TREASURE ISLAND COMMUNITY DEVELOPMENT, LLC, a California limited liability company (together with its successors, "Developer") (including all attached and incorporated exhibits and as amended from time to time, the "DDA"). Capitalized terms used but not otherwise defined in this Agreement shall have the meanings for such terms set forth in the DDA.

RECITALS

A. In accordance with the California Community Redevelopment Law (Health and Safety Code sections 33000 et seq.) (the "CCRL"), the City, acting through its Board of Supervisors, approved a Redevelopment Plan for Treasure Island/Yerba Buena Island ("Redevelopment Plan") by Ordinance No. _____ adopted on _____ ("Adoption Date"). In cooperation with the City, the Authority is in the process of implementing the Redevelopment Plan. The Redevelopment Plan was recorded on _____, 2011, as Document No. _____ in the Official Records of the City. The Redevelopment Plan provides for the redevelopment, rehabilitation and revitalization of former Naval Station Treasure Island as described in the Redevelopment Plan (the "Redevelopment Plan Area").

B. The Redevelopment Plan authorizes the Authority to use tax increment funds from the Redevelopment Plan Area to finance the redevelopment of the Redevelopment Plan Area, including the issuance of tax allocation debt secured by a pledge of property tax increments from the Redevelopment Plan Area, subject to the Redevelopment Plan's time limits on incurring indebtedness. The Redevelopment Plan limits the total amount of bonded indebtedness of the Authority to be repaid from an allocation of tax increments under the CCRL from the Redevelopment Plan Area that can be outstanding at one time to \$1.5 billion (in nominal dollars) in the aggregate. Under the Redevelopment Plan, the Authority may not pay indebtedness or receive tax increments from the Redevelopment Plan Area after forty five (45) years from the date the Authority begins collecting a total allocation of tax increment funds exceeding one hundred thousand dollars (\$100,000), unless such date is extended pursuant to an amendment to the Redevelopment Plan.

C. The City and the Authority have made findings pursuant to CCRL sections 33445 authorizing the payment of costs for the installation and construction of Infrastructure and Improvements relating to the Project.

D. In order to facilitate the implementation of the Project, the Authority and Developer entered into the DDA. Attached to the DDA is the Financing Plan under which the Authority has incurred certain executory financial obligations, including the obligation to pledge Net Available Increment for the purposes of the Financing Plan. The Redevelopment Plan, and its implementing documents, including the DDA, and related ordinances and regulations, are referred to in this Agreement collectively as the “**Plan Documents.**” The Authority and Developer are also entering into the Acquisition and Reimbursement Agreement setting forth the procedures by which Developer will be reimbursed for Qualified Project Costs and Authorized Payments from the Funding Sources.

E. The redevelopment of the Project Site in accordance with the Plan Documents affords numerous public benefits for the City and its residents, which include: eliminating blighting influences from and revitalizing the blighted Project Site; constructing infrastructure, land preparation and flood protection, constructing substantial new rental and for-sale affordable and market-rate housing; creating publicly accessible open space and new, enhanced public access to the waterfront; and generating new jobs, including employment opportunities for economically disadvantaged individuals.

F. In accordance with the Financing Plan, the Authority will establish CFDs for the Project Site. The CFDs, through the Authority, will levy special taxes and issue CFD Bonds to finance the construction of Infrastructure and other Improvements as described in the Financing Plan before and after development in the Project Site will generate tax increment. In addition to CFD financing, tax increment from the Project Site and Tax Allocation Debt and Supplemental Obligation Financing secured by such tax increment will be used to pay or otherwise directly reimburse Qualified Project Costs. The Financing Plan establishes Funding Goals for Public Financing under the Financing Plan and describes the general terms and conditions under which the Authority will issue CFD Bonds, Tax Allocation Debt, Supplemental Obligation Financing, and Alternative Financing.

G. Except as provided in the Financing Plan, no tax increment revenues generated outside the Project Site will be made available for the Project. Also, Developer agrees in the Financing Plan to pay certain shortfalls in the available tax increment after Tax Allocation Debt is issued by the Authority to finance Infrastructure and other Improvements. This payment obligation applies to a decrease in tax increment caused by Developer’s initiation of a reassessment of property owned by Developer in the Project Site while Tax Allocation Debt is outstanding. Developer’s payment obligation for any such shortfalls will terminate upon the occurrence of certain conditions described in the Financing Plan.

H. The CCRL requires the Authority to set aside at least twenty percent (20%) of the tax increment it receives to increase, improve, and preserve the City’s supply of housing for persons and families of very low-, low-, or moderate income (the “**Low and Moderate Income Housing Fund**”) within the Redevelopment Plan Area. Attached to the DDA is the Housing Plan. The Authority and the City intend to reserve and dedicate Housing Increment as provided in the Housing Plan and the Financing Plan.

I. The Authority’s use of Housing Increment from the Project Site is essential for: (1) developing the Affordable Housing Units in the Project Site; (2) the Authority’s compliance

with the CCRL requirement that at least fifteen percent (15%) of the new and rehabilitated housing units in the Redevelopment Plan Area be affordable; and (3) achieving the DDA objectives for Affordable Housing Units as more particularly described in the Housing Plan.

J. To promote development in accordance with objectives and purposes of the Redevelopment Plan and the DDA, the City and the Authority are entering into that certain Interagency Cooperation Agreement (Treasure Island/Yerba Buena Island) to provide for their cooperation in administering the control and approval of subdivisions, and all other applicable land use, development, construction, improvement, infrastructure, occupancy, and use requirements applicable to the Project.

K. To create a reliable source of funds to pay all of the Authority's contractual obligations under the Financing Plan, the Parties now wish to: (1) agree to pledge irrevocably Net Available Increment to finance or refinance Qualified Project Costs; and (2) authorize and approve the Authority's incurrence of bonded indebtedness for these purposes, all on the terms and conditions further set forth below.

AGREEMENT

ACCORDINGLY, in consideration of the matters described in the foregoing recitals, the covenants contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are mutually acknowledged, the City and the Authority agree as follows:

1. PURPOSE

The purpose of this Agreement is to facilitate the implementation of the Project in accordance with the Plan Documents. The City and the Authority agree that: (a) the development of the Project in accordance with the DDA is in the best interests of the City and the health, safety and welfare of its residents, and in accord with the public purposes and provisions of applicable federal, state, and local laws; and (b) Developer is entitled to rely on this Agreement, receive the benefits of this Agreement for the Project and enforce any provision of this Agreement against any Party, but neither the Authority nor the City will be liable to Developer or any Transferee for damages under this Agreement, as provided in Section 9.2. The Parties intend that all Net Available Increment generated in the Project Site shall be irrevocably pledged to finance or refinance Qualified Project Costs, all in accordance with the terms and conditions of the Financing Plan.

2. PLEDGE OF NET AVAILABLE INCREMENT FOR INFRASTRUCTURE

In accordance with the CCRL, the City recognizes and approves the incurrence of indebtedness by the Authority under the Financing Plan for the purpose of financing or refinancing, in whole or in part, the Qualified Project Costs in accordance with the terms and conditions of the Financing Plan. The City agrees that all Net Available Increment and any interest earnings thereon shall be irrevocably pledged by the Authority, as a first pledge, for the payment of the Authority Indebtedness of the Authority. Net Available Increment excludes: (a) Housing Increment and (b) payments to taxing agencies required under the CCRL. The City and

the Authority hereby determine and agree that Net Available Increment is being pledged to the payment of Authority Indebtedness that has been incurred for "redevelopment activity" pursuant to section 33678 of the CCRL.

3. AUTHORIZATION OF AUTHORITY INDEBTEDNESS

3.1 Authority Indebtedness. The City authorizes and approves the Authority to:

(a) incur indebtedness (including Tax Allocation Debt and Supplemental Obligation Financing) to finance or refinance Qualified Project Costs (the "**Authority Indebtedness**");

(b) pledge irrevocably all Net Available Increment produced from the Redevelopment Plan Area, plus any accrued interest earnings, to pay the Authority Indebtedness; and

(c) pledge irrevocably all Housing Increment generated in the Redevelopment Plan Area, plus any accrued interest earnings, to finance or refinance development permitted under section 33334.2 of the CCRL.

3.2 Cooperation.

(a) The City agrees to aid the Authority, and the City and the Authority agree to cooperate with one another, to expeditiously implement the Project in accordance with the Plan Documents and undertake and complete all actions or proceedings reasonably necessary or appropriate to ensure that the objectives of the Plan Documents are fulfilled during the term of this Agreement; including making appropriate additional findings pursuant to sections 33445 and 33678 of the CCRL as necessary to fulfill the objectives of the Plan Documents.

(b) City actions and proceedings subject to this Agreement shall be through the Mayor or his or her designee and shall include:

(i) taking actions necessary to obtain the Board of Supervisors' approval of the Authority's budget and to allocate Net Available Increment and Housing Increment to the extent required to fulfill the terms of this Agreement and the DDA (including the Financing Plan);

(ii) upon the written request of the Authority, using the City's good faith efforts to implement, or assist the Authority in the implementation of, any Supplemental Obligation Financing or Alternative Financing, provided that the City shall not be obligated to implement any Supplemental Obligation Financing or Alternative Financing that is not consistent with the Funding Goals; and

(iii) upon the written request of the Authority in compliance with and under CCRL Section 33607.5, subordinating the City's right to receive a portion of tax increment revenues collected from the Redevelopment Plan Area, to debt service on any Tax Allocation Debt or any Supplemental Obligation Financing issued on or after the Reference Date.

4. JOINT COMMUNITY FACILITIES AGREEMENT

4.1 Authorized Activities. The City and the Authority acknowledge and agree that the Infrastructure, other Improvements, and Qualified Pre-Development Costs described in the DDA to be constructed or provided by Developer and that will be ultimately owned by the City or other public agencies may be financed by one or more CFDs formed by the Authority over the Project Site under the Mello-Roos Community Facilities Act of 1982, Chapter 2.5 (commencing with § 53311) of Part I of Division 2 of Title 5 of the California Government Code (as amended from time to time, the “**CFD Act**”). In addition, the CFDs may be formed for the purpose of financing certain services on property in the Project Site to be owned by the City and other public agencies. The CFDs are to be formed by the Authority from time to time in connection with the development of the Project. It is the intention of the Authority and the City that: (a) any CFD may finance Infrastructure or other Improvements that will be owned or controlled by the City and any other public agency; and (b) any CFD may finance services on property owned or operated by the City and any other public agency for the Project, as provided in the Financing Plan. This Agreement constitutes a joint community facilities agreement within the meaning of section 53316.2 of the CFD Act.

4.2 Benefit. The City and the Authority find and determine that this Agreement will be beneficial to the residents residing within the respective boundaries of the City and the Authority.

4.3 Limited Liability and Control. The City and the Authority agree that, as between themselves, the Authority will make all decisions regarding the CFDs (including boundaries, tax formulas, use of special tax or bond proceeds, and costs), and all proceeds of bonds and special taxes shall be allocated to the CFDs to be disbursed as determined by the CFDs in accordance with the Financing Plan, and the City will not have any liability for any CFD Bonds.

4.4 Cooperation. The City and the Authority agree to take all reasonable steps, and execute such documents necessary, to give effect to the provisions of this Section 4 and to consummate the financing of the Infrastructure, other Improvements, Qualified Project Costs, and services under the CFD Act as described in the Financing Plan.

4.5 Infrastructure. The Authority agrees to: (a) use CFD Bonds, CFD special taxes, Net Available Increment, Supplemental Obligation Financing, Tax Allocation Debt, and Alternative Financing in accordance with the Financing Plan and the Acquisition and Reimbursement Agreement to pay a portion of the City’s or any other public agency’s cost to acquire or finance Qualified Project Costs, Infrastructure, and other Improvements after the City or other public agency has inspected and found the components acceptable for acquisition; and (b) otherwise cooperate with the City and other public agency in accepting Infrastructure and other Improvements to be accepted as provided in the Financing Plan, the Interagency Cooperation Agreement, and the Acquisition and Reimbursement Agreement.

5. STATEMENT OF INDEBTEDNESS; COVENANT TO ALLOCATE

5.1 Authority Covenant. The Authority agrees to submit to the City Controller a Statement of Indebtedness annually for as long as the Authority is entitled to collect tax

increment generated in the Project Site. The Statement of Indebtedness must report the amount of funds the Authority needs to meet its obligations under the Financing Plan and the Housing Plan and all other requirements of the CCRL for the Project.

5.2 City Covenant. The City covenants to take all actions necessary to allocate to the Authority, to the extent legally permissible, all Net Available Increment and Housing Increment, based on the Authority's Statement of Indebtedness.

5.3 Satisfaction of Indebtedness. The City and the Authority agree that Net Available Increment may be used only in accordance with this Agreement, the DDA, including the Financing Plan, and the CCRL.

5.4 Qualified Pre-Development Costs. The City and the Authority agree that Qualified Pre-Development Costs may be financed from the Funding Sources in the same manner as Qualified Project Costs are financed under the Financing Plan.

6. EFFECTIVE DATES AND TERMS

6.1 Effective Date and Term. As to the Redevelopment Plan Area, the provisions of this Agreement other than Section 4 will:

(a) become effective (the "**Effective Date**") on the latest of: (i) the date the Redevelopment Plan becomes effective; (ii) the date a Board of Supervisors resolution authorizing and approving this Agreement becomes effective; and (iii) the date this Agreement, including Developer's consent, has been fully executed and delivered; and

(b) remain in effect until the date that is forty five (45) years from the date the Authority has received tax increment funds from the Redevelopment Plan Area exceeding one hundred thousand dollars (\$100,000), unless such date is extended by an amendment to the Redevelopment Plan.

6.2 Effective Date and Term of Section 4. The provisions of Section 4 relating to CFDs shall become effective upon execution of this Agreement and shall remain in effect so long as CFDs exist on the Project Site.

7. NO GENERAL FUND COMMITMENT

This Agreement covers only the Authority indebtedness payable from Net Available Increment and Housing Increment, including any accrued interest (and not from any other funds or assets of the Authority). This Agreement is not intended to and does not create any City commitment or obligation to satisfy any portion of the Authority's indebtedness from the City's General Fund, nor may this Agreement be construed in any manner that would violate the debt limitations under article XVI, section 18 of the State Constitution or of the City's Charter, including section 3.105 of the Charter. As further provided in the Financing Plan, the lack of sufficient tax increment proceeds to finance all of the Qualified Project Costs and Qualified Pre-Development Costs of the Project will not relieve Developer of its obligations under the DDA to complete the Infrastructure, so long as Net Available Increment is pledged and allocated consistent with this Agreement and the Financing Plan.

8. LIMITATIONS ON TAX INCREMENT

8.1 No Increment from Other Areas. The Parties recognize and agree that in accordance with the DDA and the Redevelopment Plan, no property tax increment or bond proceeds from areas other than the Project Site will be made available for the Project.

8.2 [Reserved]

9. DEFAULT

9.1 Default Procedures.

(a) Notice of Default. If any Party defaults in the performance of this Agreement (each a “TAA Default”), the non-defaulting Party may deliver a written notice of default to the other. The notice of default must state with reasonable specificity the nature of the alleged TAA Default, the provision(s) under which the TAA Default is claimed to arise, and the manner in which the TAA Default may be cured.

(b) Meet and Confer. After notice of a TAA Default is delivered, the City and the Authority, together with Developer, will meet promptly to discuss the TAA Default and the manner in which the defaulting Party can cure the same so as to satisfy the noticing Party’s concerns. The City, the Authority, and Developer will continue meeting regularly, discussing, investigating, and considering alternatives for up to sixty (60) days from the delivery of the notice of a TAA Default. After the sixty (60) day meet and confer period, if the noticing Party no longer holds the view that the other Party is in default, the noticing Party will rescind the notice of a TAA Default.

(c) Cure. No later than the end of the sixty (60) day meet and confer period, the defaulting Party must begin to cure the noticed TAA Default, and proceed diligently to cure the TAA Default. If: (i) the defaulting Party does not commence within sixty (60) days after the end of the meet and confer period and diligently pursue a cure, or the TAA Default is not cured within a reasonable time, not to exceed sixty (60) days after the end of the sixty (60) day meet and confer period; or (ii) the defaulting Party refuses to meet and confer regarding the noticed TAA Default, then, subject to Section 9.2, the noticing Party or Developer may institute proceedings to obtain a cure and remedy for the TAA Default, including proceedings to compel specific performance by the defaulting Party. Nothing in this Section 9.1(c) requires a Party to postpone instituting any injunctive proceeding if it believes in good faith that postponement will cause it irreparable harm. The Parties acknowledge that termination of this Agreement is a remedy only if the Plan Documents terminate, as further provided in this Agreement.

9.2 No Monetary Damages. The Parties have determined that monetary damages are generally inappropriate and that it would be extremely difficult and impractical to fix or determine the actual damages to a Party as a result of a TAA Default and that equitable remedies including specific performance, but not including damages, are the appropriate remedies for enforcement of this Agreement. The Parties would not have entered into this Agreement if either of them were liable to the other or to any other Person, for damages under or with respect to this Agreement. Consequently, the Parties have agreed that neither Party will be liable in damages to the other, or to any other Person, and each Party covenants not to sue for or claim any damages

and expressly waives its right to do so: (a) for any TAA Default; or (b) arising from or connected with any dispute, controversy, or issue regarding the application, interpretation, or effect of this Agreement.

9.3 Attorneys' Fees. In the event of any dispute or any legal action or other dispute resolution mechanism to enforce or interpret any provision of this Agreement, each Party will bear its own attorneys' fees, whether or not one Party prevails.

10. NOTICES

All notices, requests for consent or approval, and responses to requests under this Agreement by either Party to the other must be delivered by hand or by registered or certified mail, postage prepaid, addressed as follows:

To the Authority:

Treasure Island Development Authority

Attn:

Executive Director

Re: Treasure Island/Yerba Buena Island
Tax Allocation Agreement

With a copy to:

Office of the City Attorney

City Hall, Rm. 234

1 Dr. Carlton B. Goodlett Place

San Francisco, California 94102

Attn: Real Estate/Finance

Re: Treasure Island/Yerba Buena Island
Tax Allocation Agreement

To the City:

Office of Economic and Workforce
Development

City and County of San Francisco

City Hall, Rm. 448

1 Dr. Carlton B. Goodlett Place, Third Floor

San Francisco, California 94102

Attn: Director

Re: Treasure Island/Yerba Buena Island
Tax Allocation Agreement

With a copy to:

Office of the Controller

City and County of San Francisco

875 Stevenson Street, Rm. 235

San Francisco, California 94103

Attn: Controller

Re: Treasure Island/Yerba Buena Island
Tax Allocation Agreement

And to:

Office of the City Attorney
City Hall, Rm. 234
1 Dr. Carlton B. Goodlett Place, Rm. 232
San Francisco, California 94102
Attn: Real Estate/Finance
Re: Treasure Island/Yerba Buena Island
Tax Allocation Agreement

And copies of all notices to:

Treasure Island Community Development,
LLC

Attn: Kofi Bonner / Chris Meany

And to:

Gibson Dunn & Crutcher LLP

Attn:

Every notice given under this Agreement must be in writing and must state (or must be accompanied by a cover letter that states) substantially the following, as applicable:

1. the Section of this Agreement under which the notice is given and the action or response required;
2. the period of time within which the recipient of the notice must respond;
3. a "Request for Approval under the Tax Allocation Agreement"; and
4. the specific reasons for disapproval or objection, if the notice conveys disapproval or an objection for which reasonableness is required.

Any mailing address may be changed at any time by giving written notice of the change in the manner provided above at least ten (10) days before the effective date of the change. All notices under this Agreement will be deemed given, received, made, or communicated on the date personal receipt actually occurs or, if mailed, on the delivery date or attempted delivery date shown on the return receipt.

11. RELATED AGREEMENTS

11.1 Amendments to Agreement. Except as otherwise provided in this Agreement, this Agreement may be amended or modified only by a written instrument executed by the City and the Authority. Developer's written consent to any amendment or modification of this Agreement will be required until Developer has been reimbursed for all Qualified Project Costs provided in the Financing Plan and has completed all Infrastructure and other Improvements contemplated in the DDA. The Mayor and the City Controller (or any successor City officer as designated by law) may consent on the City's behalf to any Non-Material Change or other modifications to this Agreement. A "**Non-Material Change**" means any change that does not increase or decrease the pledge of tax increment that is the subject of this Agreement or otherwise materially increase

the City's liabilities or obligations or materially decrease the availability of Net Available Increment for the Project. All amendments to this Agreement that do not constitute a Non-Material Change must be first approved by the Board of Supervisors by resolution.

11.2 Amendments to DDA Documents. Except as otherwise provided in the Financing Plan, the Authority agrees not to amend the Financing Plan, the Infrastructure Plan or the Housing Plan in any manner that would increase or decrease the pledge of Net Available Increment or increase or decrease the pledge of Housing Increment contemplated by this Agreement without in each case obtaining the City's prior written consent, which the City may give or withhold in its sole discretion. The Mayor and the City Controller (or any successor City officer as designated by law) may act on the City's behalf in response to a request for the City's consent under this Section 11.2.

11.3 Developer Consents. Any consent required of Developer under this Agreement must be given by a Developer Representative.

12. MISCELLANEOUS

12.1 Severability. If a final court order finds any provision of this Agreement invalid or inapplicable to any Person or circumstance, then the invalid or inapplicable provision will not affect any other provision of this Agreement or its application to any other Person or circumstance, and the remaining portions of this Agreement will continue in full force and effect, unless enforcement of this Agreement as so modified would be unreasonable or grossly inequitable under all of the circumstances or would frustrate the fundamental purposes of this Agreement. If any applicable federal or state law prevents or precludes compliance with any material term of this Agreement, the Parties agree to modify or amend this Agreement, or any portion of this Agreement, in a manner that preserves to the greatest extent possible the benefits of this Agreement absent the conflict with federal or state law. However, if: (a) such amendment, modification or suspension would deprive the City or the Authority of the substantial benefits derived from this Agreement or make performance unreasonably difficult or expensive, and (b) Developer has been reimbursed for all Qualified Project Costs provided in the Financing Plan and has completed all Infrastructure and other Improvements contemplated in the DDA; then either the City or the Authority may terminate all provisions of this Agreement except Section 4, which will remain in effect so long as CFDs exist on the Project Site, upon written notice to the other Party. Termination will be effective on the date stated in the notice, and following that date, all rights and obligations under this Agreement, except Section 4, will be extinguished.

12.2 Non-Waiver. A Party's (or Developer's) delay or failure to exercise any right under this Agreement may not be deemed a waiver of that or any other right contained in this Agreement.

12.3 Successors and Assigns; Third Party Beneficiary. This Agreement inures to the benefit of and binds the City's and the Authority's respective successors and assigns. Developer (and its Transferees) and Vertical Developers are intended third party beneficiaries of this Agreement. Except for Developer (and its Transferees) and Vertical Developers, this Agreement

is for the exclusive benefit of the Parties and not for the benefit of any other Person and may not be deemed to have conferred any rights, express or implied, upon any other Person.

12.4 Governing Law. This Agreement is governed by and must be construed in accordance with the laws of the State of California.

12.5 Counterparts. This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which taken together will constitute one and the same instrument.

12.6 Entire Agreement. This Agreement contains all of the representations and the entire agreement between the Parties with respect to the subject matter of this Agreement. Any prior correspondence, memoranda, agreements, warranties, or representations relating to such subject matter are superseded by this Agreement. No prior drafts of this Agreement or changes from those drafts to the executed version of this Agreement may be introduced as evidence in any litigation or other dispute resolution proceeding by either Party or any other Person, and no court or other body may consider those drafts in interpreting this Agreement.

13. INTERPRETATION

13.1 Captions. All references to a Section, Article, or paragraph refer to this Agreement unless otherwise specified. The captions preceding the Articles and Sections of this Agreement have been inserted for convenience of reference only and do not define or limit the scope or intent of any provision of this Agreement.

13.2 Words of Inclusion. The words “including”, “such as” or words of similar import when following any general term may not be construed to limit the general term to the specific terms that follow, whether or not language of non-limitation is used in the reference. Rather, these terms will be deemed to refer to all other terms that could reasonably fall within the broadest possible scope of the term.

13.3 References. All references to any provision, term, or matter “in this Agreement”, “herein” or “hereof” or words of similar import will be deemed to refer to any and all provisions of this Agreement reasonably related to the provision, term, or matter in the context of the reference, unless the reference refers solely to a specific numbered or lettered, Section, paragraph, or subdivision of this Agreement.

13.4 Recitals. Recitals provide the context for this Agreement and do not have legal effect.

13.5 Further Assurances. The Authority and the City each agree to take all actions and do all things, and execute, with acknowledgment or affidavit if required, any and all documents that may be necessary or appropriate to achieve the purposes of this Agreement.

13.6 Definitions. The following terms have the meanings given to them below or are defined where indicated.

“**Adoption Date**” is defined in Recital A.

“Affordable Housing Units” is defined in the Housing Plan.

“Agreement” is defined in the introductory paragraph.

“Alternative Financing” is defined in the Financing Plan.

“Authority” is defined in the introductory paragraph.

“Authority Indebtedness” is defined in Section 3.1(a).

“CCRL” is defined in Recital A.

“CFD” is defined in the Financing Plan.

“CFD Act” is defined in Section 4.1.

“CFD Bonds” is defined in the Financing Plan.

“City” is defined in the introductory paragraph.

“DDA” is defined in the introductory paragraph.

“Developer” is defined in the introductory paragraph.

“Developer Representative” is defined in the DDA.

“Effective Date” is defined in Section 6.1(a).

“Funding Goals” is defined in the Financing Plan.

“Funding Sources” is defined in the Financing Plan.

“General Fund” means the City’s general operating fund, into which taxes are deposited, excluding dedicated revenue sources for certain municipal services, capital projects, and debt service.

“Housing Increment” is defined in the Financing Plan.

“Housing Plan” is defined in the DDA.

“Improvements” is defined in the DDA.

“Infrastructure” is defined in the DDA.

“Low and Moderate Income Housing Fund” is defined in Recital K.

“Net Available Increment” is defined in the Financing Plan.

“Non-Material Change” is defined in Section 11.1.

“Parties” or **“Party”** means the Authority or the City, or both, as the context requires.

“Person” is defined in the DDA.

“Plan Documents” is defined in Recital G.

“Pre-Development Costs” is defined in the Financing Plan.

“Project” is defined in the DDA.

“Project Costs” is defined in the Financing Plan.

“Project Site” is defined in the DDA.

“Public Financing” is defined in the Financing Plan.

“Qualified” is defined in the Financing Plan.

“Redevelopment Plan” is defined in Recital A.

“Redevelopment Plan Area” is defined in Recital A.

“Reference Date” is defined in the introductory paragraph.

“Statement of Indebtedness” is defined in the Financing Plan.

“Supplemental Obligation Financing” is defined in the Financing Plan.

“TAA Default” is defined in Section 9.1(a).

“Tax Allocation Debt” is defined in the Financing Plan.

“Transferee” is defined in the DDA.

“Vertical Developer” is defined in the DDA.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

This Agreement was executed and delivered as of the Reference Date.

CITY AND COUNTY OF SAN FRANCISCO

By _____
_____, Mayor

By _____
Angela Calvillo
Clerk of the Board of Supervisors

By _____
Ben Rosenfield, Controller

APPROVED AS TO FORM:

DENNIS J. HERRERA
City Attorney

By _____
Deputy City Attorney

TREASURE ISLAND DEVELOPMENT AUTHORITY

By _____
_____ Executive Director

APPROVED AS TO FORM:

DENNIS J. HERRERA
City Attorney

By _____
Deputy City Attorney

DEVELOPER'S CONSENT AND AGREEMENT

By signing below, the undersigned, on behalf of Developer, acknowledges that Developer is an intended third party beneficiary of the Tax Increment Allocation Pledge Agreement (Treasure Island/Yerba Buena Island) dated for reference purposes as of _____ (the "**Agreement**"), to which this consent is attached, consents to the Agreement, may enforce this Agreement, and specifically agrees to be bound by all limitations on remedies under the Agreement applicable to Developer.

Executed and delivered as of _____.

TREASURE ISLAND COMMUNITY DEVELOPMENT, LLC

[need current signature block for TICD]



Draft 3/7/11

TREASURE ISLAND DEVELOPMENT AUTHORITY

TRANSITION HOUSING RULES AND REGULATIONS

FOR THE VILLAGES AT TREASURE ISLAND

ADOPTED BY

TREASURE ISLAND DEVELOPMENT AUTHORITY

BOARD OF DIRECTORS

Resolution No.

[date]



RECEIVED 4-25-11
BOARD OF SUPERVISORS
SAN FRANCISCO

INTERAGENCY COOPERATION AGREEMENT
(TREASURE ISLAND/YERBA BUENA ISLAND)

APR 27 PM 3:37

BY _____ AK

This INTERAGENCY COOPERATION AGREEMENT (TREASURE ISLAND/YERBA BUENA ISLAND) (as amended from time to time, this "ICA") dated for reference purposes as of _____, 2011 (the "Reference Date") is between the CITY AND COUNTY OF SAN FRANCISCO, a charter city and county (the "City"), and the TREASURE ISLAND DEVELOPMENT AUTHORITY, a non-profit, public benefit corporation (together with any successor public agency, the "Authority"), in reference to the Disposition and Development Agreement (Treasure Island/Yerba Buena Island) dated for reference purposes as of _____, 2011 by and between the Authority and TREASURE ISLAND COMMUNITY DEVELOPMENT, LLC., a California limited liability company (together with its successors, "Developer") (including all attached and incorporated exhibits and as amended from time to time, the "DDA"). Capitalized terms used but not otherwise defined in this ICA shall have the meanings for such terms set forth in the DDA and the Development Agreement referenced in Recital A below.

RECITALS

A. In _____, 2011, the City, acting through its Board of Supervisors, approved the DDA and a Development Agreement by and between the City and Developer (including all attached and incorporated exhibits and as amended from time to time, the "Development Agreement"). In cooperation with the City, the Authority is in the process of implementing the DDA. The DDA provides for the redevelopment, rehabilitation and revitalization of portions of former Naval Station Treasure Island as more particularly described in the DDA as the "Project Site".

B. The Planning Commission and the Authority certified an environmental impact report for the Project on April 21, 2011, by Planning Commission Motion No. _____ and Authority Resolution No. _____, and the Board of Supervisors, adopted findings and mitigation measures under the California Environmental Quality Act ("CEQA") that must be implemented to reduce the environmental impacts of the Project to less than significant (the "Mitigation Measures") (Board of Supervisors File No. _____).

C. The DDA provides for Developer to construct and improve Infrastructure in accordance with the Infrastructure Plan attached to the DDA, a copy of which is also attached to this ICA as Exhibit A. Developer will construct Infrastructure in phases as described in the DDA. In addition, the DDA incorporates the Mitigation Measures that must be implemented at specified stages of development.

D. Design controls governing all Improvements within the Project Site are set forth in the Treasure Island / Yerba Buena Island Special Use District (Planning Code Section 249.52) (the "SUD") and its implementing document, the Design for Development for Treasure Island and Yerba Buena Island (as amended from time to time, the "Design for Development"). Design review for Vertical Improvements within the Project Site is governed by the process set forth in the SUD and Design for Development, under which, the Authority has primary responsibility for design review over Vertical Improvements on property within the Project Site



TREASURE ISLAND INFRASTRUCTURE PLAN – DRAFT

April 20, 2011

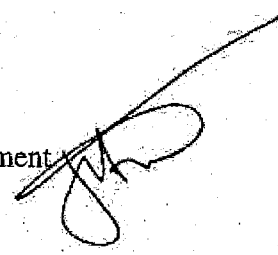
JOANNE HAYES-WHITE
CHIEF OF DEPARTMENT



EDWIN M. LEE
MAYOR

SAN FRANCISCO FIRE DEPARTMENT
CITY AND COUNTY OF SAN FRANCISCO

TO: Planning Commission
FROM: Joanne Hayes-White, Chief of Department
DATE: April 21, 2011
SUBJECT: Treasure Island Development Project



The San Francisco Fire Department has been briefed on the layout and infrastructure plan as it relates to the Treasure Island Development Project and has no objections to its movement forward. It is my understanding that as details of the plan are further refined, the San Francisco Fire Department will have the opportunity to review and approve all aspects that fall under its authority.

1 [Transition Housing Rules and Regulations]

2 **Resolution approving the Transition Housing Rules and Regulations for the**
3 **Villages at Treasure Island for the Treasure Island / Yerba Buena Island Project.**

4 WHEREAS, Former Naval Station Treasure Island (the "Base" or "Treasure Island") is
5 a former military base consisting of approximately 550 acres on Treasure Island and Yerba
6 Buena Island, and is currently owned by the United States of America, acting by and through
7 the Department of the Navy (the "Navy"); and,

8 WHEREAS, The Base was selected for closure and disposition by the Base
9 Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its
10 subsequent amendments, and the Base ceased operations in 1997; and,

11 WHEREAS, Under the Treasure Island Conversion Act of 1997 (AB 699), which
12 amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to
13 Chapter 1333 of the Statutes of 1968, the State Legislature (i) granted to the Board of
14 Supervisors the authority to designate the Treasure Island Development Authority ("TIDA") as
15 a redevelopment agency under California Community Redevelopment Law with authority over
16 the Base; and (ii) with respect to those portions of the Base that are subject to the public trust
17 for commerce, navigation and fisheries (the "Public Trust"), vested in TIDA the authority to
18 administer the Public Trust as to such property; and,

19 WHEREAS, Under the Conversion Act and TIDA's Articles of Incorporation and
20 Bylaws, TIDA, acting by and through its Board of Directors (the "TIDA Board"), has the power,
21 subject to applicable laws, to sell, lease, exchange, transfer, convey or otherwise grant
22 interests in or rights to use or occupy all or any portion of the Base; and,

23 WHEREAS, In 1994, the Treasure Island/Yerba Buena Island Citizens Advisory Board
24 ("CAB") was formed to (1) review reuse planning efforts for Treasure Island by the San
25

1 Francisco Planning Department and the San Francisco Redevelopment Agency, and (2) make
2 recommendations to the City's Planning Commission and Board of Supervisors; and,

3 WHEREAS, After completion of a competitive master developer selection process, in
4 2003, TIDA and Treasure Island Community Development, LLC ("Developer") entered into an
5 Exclusive Negotiating Agreement with respect to portions of Treasure Island and Yerba
6 Buena Island to facilitate the planning for the reuse and development of the Base (the
7 "Project"); and,

8 WHEREAS, In 2006, the Board of Supervisors by Resolution No. 699-06 endorsed a
9 Development Plan and Term Sheet for the Project that set forth the proposed terms of the
10 Project; and,

11 WHEREAS, In May of 2010, the Board of Supervisors endorsed a package of
12 legislation that included an update to the Development Plan and Term Sheet, terms of an
13 Economic Development Conveyance Memorandum of Agreement for the conveyance of the
14 site from the Navy to the TIDA, and a Term Sheet between TIDA and the Treasure Island
15 Homeless Development Initiative ("TIHDI") in Resolution Nos. 242-10, 243-10 and 249-10;
16 and,

17 WHEREAS, TIDA, the City and the CAB have been working for more than a decade to
18 plan for the reuse and development of Treasure Island, and as a result of this community-
19 based planning process, TIDA and the Developer have negotiated the Disposition and
20 Development Agreement and other transaction documents that the TIDA Board is considering
21 concurrently herewith, the purpose of which is to govern the disposition and subsequent
22 development of the Project after the Navy's transfer of Treasure Island to TIDA; and,

23 WHEREAS, Under the Disposition and Development Agreement and other transaction
24 documents, the Project is anticipated to include (1) up to 8,000 new residential units, at least
25 25 percent of which (2,000 units) will be made affordable to a broad range of very-low to

1 moderate income households, including 435 units to be developed by TIHDI and its member
2 organizations, (2) adaptive reuse of approximately 311,000 square feet of historic structures,
3 (3) up to 140,000 square feet of new retail uses and 100,000 square feet of commercial office
4 space, (4) approximately 300 acres of parks and open space, (5) new and/or upgraded public
5 facilities, including a joint police/fire station, a school, facilities for the Treasure Island Sailing
6 Center and other community facilities, (6) a 400-500 room hotel, (7) a new 400 slip marina,
7 and (8) transportation infrastructure, including a ferry quay/intermodal transit center; and,

8 WHEREAS, In the 2006 endorsement of the Term Sheet and Development Plan for the
9 Project, the Board of Supervisors recommended that existing residents be provided with the
10 opportunity to remain on Treasure Island in connection with the development of the Project;
11 and

12 WHEREAS, TIDA, Developer and the Office of Economic and Workforce Development
13 have been working collaboratively with members of the CAB and members of the Treasure
14 Island and Yerba Buena Island community to develop the Transition Housing Rules and
15 Regulations for the Villages at Treasure Island ("Transition Housing Rules and Regulations"),
16 a copy of which is attached hereto as Exhibit A, sets forth the specific standards and
17 procedures by which eligible Villages Households who satisfy the qualifications of
18 Transitioning Households under the Transition Housing Rules and Regulations will be offered
19 Transition Benefits, including the opportunity to occupy new housing to be built on Treasure
20 Island; and,

21 WHEREAS, The Transition Housing Rules and Regulations were presented to the
22 public at numerous meetings, including neighborhood community meetings held in September
23 2009, June 2010 and December 2010, a duly noticed meeting of the CAB on January 11,
24 2011, a duly noticed meeting of the TIDA Board on January 12, 2011, and a community
25 meeting on January 29, 2011; and,

1 WHEREAS, On April 19, 2011, the CAB voted to recommend the Transition Housing
2 Rules and Regulations; and,

3 WHEREAS, On April 21, 2011, the Planning Commission by Motion No. 18325 and the
4 TIDA Board of Directors by Resolution No. 11-14-04/21, as co-lead agencies, certified the
5 completion of the Final Environmental Impact Report for the Project; and,

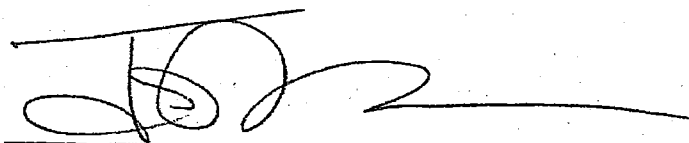
6 WHEREAS, On April 21, 2011, the TIDA Board, by Resolution No. 11-15-04/21,
7 adopted environmental findings pursuant to the California Environmental Quality Act with
8 respect to approval of the Project, including a mitigation monitoring and reporting program and
9 a statement of overriding considerations; now, therefore, be it

10 RESOLVED, That the TIDA Board does hereby approve the Transition Housing Rules
11 and Regulations; and, be it

12 FURTHER RESOLVED, That the TIDA Board authorizes the Director of Development
13 for TIDA ("Director") to make any amendments or modifications to the Transition Housing
14 Rules and Regulations that the Director determines, in consultation with the City Attorney, are
15 in the best interest of TIDA, do not materially decrease the benefits to or materially increase
16 the obligations or liabilities of TIDA, and are in compliance with all applicable laws.

17
18 **CERTIFICATE OF SECRETARY**

19 **I hereby certify that I am the duly elected Secretary of the Treasure Island**
20 **Development Authority, a California nonprofit public benefit corporation, and that the**
21 **above Resolution was duly adopted and approved by the Board of Directors of the**
22 **Authority at a properly noticed meeting on April 21, 2011.**

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Jean-Paul Samaha, Secretary

1 [Disposition and Development Agreement]

2 **Resolution approving a Disposition and Development Agreement between the Treasure**
3 **Island Development Authority and Treasure Island Community Development, LLC, for**
4 **certain real property located on Treasure Island and Yerba Buena Island.**

5 WHEREAS, Former Naval Station Treasure Island (the "Base" or "Treasure Island") is
6 a former military base consisting of approximately 550 acres on Treasure Island and Yerba
7 Buena Island, and is currently owned by the United States of America, acting by and through
8 the Department of the Navy (the "Navy"); and,

9 WHEREAS, The Base was selected for closure and disposition by the Base
10 Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its
11 subsequent amendments, and the Base ceased operations in 1997; and,

12 WHEREAS, Under the Treasure Island Conversion Act of 1997 (AB 699), which
13 amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to
14 Chapter 1333 of the Statutes of 1968, the State Legislature (i) granted to the Board of
15 Supervisors the authority to designate the Treasure Island Development Authority ("TIDA") as
16 a redevelopment agency under California Community Redevelopment Law with authority over
17 the Base; and (ii) with respect to those portions of the Base that are subject to the public trust
18 for commerce, navigation and fisheries (the "Public Trust"), vested in TIDA the authority to
19 administer the Public Trust as to such property; and,

20 WHEREAS, Under the Conversion Act and TIDA's Articles of Incorporation and
21 Bylaws, TIDA, acting by and through its Board of Directors (the "TIDA Board"), has the power,
22 subject to applicable laws, to sell, lease, exchange, transfer, convey or otherwise grant
23 interests in or rights to use or occupy all or any portion of the Base; and,

24 WHEREAS, In 1994, the Treasure Island/Yerba Buena Island Citizens Advisory Board
25 ("CAB") was formed to (1) review reuse planning efforts for Treasure Island by the San

1 Francisco Planning Department and the San Francisco Redevelopment Agency, and (2) make
2 recommendations to the City's Planning Commission and Board of Supervisors; and,

3 WHEREAS, After completion of a competitive master developer selection process, in
4 2003, TIDA and Treasure Island Community Development, LLC ("Developer") entered into an
5 Exclusive Negotiating Agreement ("ENA") with respect to portions of Treasure Island and
6 Yerba Buena Island to facilitate the planning for the reuse and development of the Base (the
7 "Project"); and,

8 WHEREAS, The ENA and its subsequent amendments set forth the terms and
9 conditions under which TIDA and the Developer have been negotiating a Disposition and
10 Development Agreement and other transaction documents for the conveyance, management
11 and reuse and redevelopment of portions of the Base described as the "Project Site" in the
12 Disposition and Development Agreement, including a schedule of performance for major
13 milestones; and,

14 WHEREAS, One of the key milestones in the ENA was the completion of a
15 comprehensive Term Sheet summarizing the key policy goals, basic development guidelines,
16 financial framework and other key terms and conditions that formed the basis for the
17 negotiation and completion of the Disposition and Development Agreement and final
18 transaction documents; and,

19 WHEREAS, In 2006, the Board of Supervisors by Resolution No. 699-06 endorsed a
20 Development Plan and Term Sheet for the Project that set forth the proposed terms of the
21 Project; and,

22 WHEREAS, In May of 2010, the Board of Supervisors endorsed a package of
23 legislation that included an update to the Development Plan and Term Sheet, terms of an
24 Economic Development Conveyance Memorandum of Agreement for the conveyance of the
25 site from the Navy to the TIDA, and a Term Sheet between TIDA and the Treasure Island

1 Homeless Development Initiative ("TIHDI") in Resolution Nos. 242-10, 243-10 and 249-10;
2 and,

3 WHEREAS, The Navy and TIDA have negotiated an Economic Development
4 Conveyance Memorandum of Agreement (the "Conveyance Agreement") that governs the
5 terms and conditions for the transfer of the Base from the Navy to TIDA, which is concurrently
6 being considered by the TIDA Board; and,

7 WHEREAS, TIDA, the City and the CAB have been working for more than a decade to
8 plan for the reuse and development of Treasure Island, and as a result of this community-
9 based planning process, TIDA and the Developer have negotiated the Disposition and
10 Development Agreement, the purpose of which is to govern the disposition and subsequent
11 development of the Project after the Navy's transfer of Treasure Island to TIDA in accordance
12 with the Conveyance Agreement; and,

13 WHEREAS, Under the Disposition and Development Agreement and other transaction
14 documents, the Project is anticipated to include (1) up to 8,000 new residential units, at least
15 25 percent of which (2,000 units) will be made affordable to a broad range of very-low to
16 moderate income households, including 435 units to be developed by TIHDI and its member
17 organizations, (2) adaptive reuse of approximately 311,000 square feet of historic structures,
18 (3) up to 140,000 square feet of new retail uses and 100,000 square feet of commercial office
19 space, (4) approximately 300 acres of parks and open space, (5) new and/or upgraded public
20 facilities, including a joint police/fire station, a school, facilities for the Treasure Island Sailing
21 Center and other community facilities, (6) a 400-500 room hotel, (7) a new 400 slip marina,
22 and (8) transportation infrastructure, including a ferry quay/intermodal transit center; and,

23 WHEREAS, The Disposition and Development Agreement governs the Developer's
24 right to develop the Project in a series of Major Phases and Sub-Phases and to sell or ground
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1 lease developable lots to vertical developers for development, all in accordance with the
2 applicable governing land use and entitlement documents; and,

3 WHEREAS, The Disposition and Development Agreement also governs the
4 Developer's obligations with respect to the Project and requires the Developer to invest
5 hundreds of millions of dollars of private capital in the initial construction of public
6 infrastructure, affordable housing and community benefits and payment of the Navy payments
7 under the Conveyance Agreement; and,

8 WHEREAS, The Financing Plan attached to the Disposition and Development
9 Agreement provides that TIDA and the City will incur financial obligations to finance certain
10 costs of the Project, including the formation of one or more infrastructure financing districts
11 ("IFDs") under applicable provisions of the California Government Code (the "IFD Act") to
12 finance acquisition and construction of certain public infrastructure facilities described in the
13 Financing Plan and replacement housing to the extent required by the IFD Act; and,

14 WHEREAS, The Disposition and Development Agreement includes a Schedule of
15 Performance that includes outside dates for the completion of public infrastructure, public
16 parks and open space, community facilities, and payment of subsidies for affordable housing,
17 transportation, communities facilities, and open space operations and maintenance; and,

18 WHEREAS, The Disposition and Development Agreement provides TIDA with
19 remedies in the event that the Developer does not meet its obligations under the Schedule of
20 Performance or other provisions of the Disposition and Development Agreement, these
21 remedies include, but are not limited to, specific performance, liquidated damages,
22 termination and a right of reverter; and,

23 WHEREAS, The Disposition and Development Agreement was presented to the CAB
24 at a duly noticed public meeting on March 8, 2011, and on April 19, 2011 the CAB voted to
25 recommend the Disposition and Development Agreement; and,

1 WHEREAS, On April 21, 2011, the Planning Commission by Motion No. 18325 and the
2 TIDA Board by Resolution No. 11-14-04/21, as co-lead agencies, certified the completion of
3 the Final Environmental Impact Report for the Project, of which the Disposition and
4 Development Agreement forms a part; and,

5 WHEREAS, On April 21, 2011, the TIDA Board, by Resolution No. 11-15-04/21,
6 adopted environmental findings pursuant to the California Environmental Quality Act with
7 respect to approval of the Project, including a mitigation monitoring and reporting program and
8 a statement of overriding considerations; now, therefore, be it

9 RESOLVED, That the TIDA Board determines that the Project proposed under the
10 Disposition and Development Agreement is in the best interests of TIDA, the City, and the
11 health, safety, morals and welfare of its residents, and is in accordance with the public
12 purposes and provisions of applicable federal, state and local laws and requirements; and, be it

13 FURTHER RESOLVED, That the TIDA Board hereby approves and authorizes the
14 Treasure Island Project Director ("Director") to execute, subject to obtaining Board of
15 Supervisors approval, the Disposition and Development Agreement between TIDA and the
16 Developer; and, be it

17 FURTHER RESOLVED, That the TIDA Board authorizes the Director, prior to
18 execution of the Disposition and Development Agreement, to make changes and take any and
19 all steps, including but not limited to, the attachment of exhibits and the making of corrections,
20 as the Director determines, in consultation with the City Attorney, are necessary or
21 appropriate to consummate the Disposition and Development Agreement in accordance with
22 this Resolution; provided, however, that such changes and steps do not materially decrease
23 the benefits to or materially increase the obligations or liabilities of TIDA, and are in
24 compliance with all applicable laws; and, be it

25

1 FURTHER RESOLVED, That all actions heretofore taken by TIDA and its officers,
2 employees, and agents with respect to the Disposition and Development Agreement are
3 hereby approved, confirmed and ratified; and, be it

4 FURTHER RESOLVED, That the TIDA Board authorizes and urges all officers,
5 employees, and agents of TIDA and the City to take any and all steps as they deem
6 necessary or appropriate, to the extent permitted by applicable law, in order to consummate
7 the Disposition and Development Agreement in accordance with this Resolution, including
8 execution of subsequent documents, or to otherwise effectuate the purpose and intent of this
9 Resolution and TIDA's performance under the Disposition and Development Agreement; and,
10 be it

11 FURTHER RESOLVED, That the TIDA Board authorizes the Director to enter into any
12 amendments or modifications to the Disposition and Development Agreement that the
13 Director determines, in consultation with the City Attorney, are in the best interest of TIDA, do
14 not materially decrease the benefits to or materially increase the obligations or liabilities of
15 TIDA, and are in compliance with all applicable laws.

16
17 **CERTIFICATE OF SECRETARY**

18 **I hereby certify that I am the duly elected Secretary of the Treasure Island**
19 **Development Authority, a California nonprofit public benefit corporation, and that the**
20 **above Resolution was duly adopted and approved by the Board of Directors of the**
21 **Authority at a properly noticed meeting on April 21, 2011.**

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24 Jean-Paul Samaha, Secretary

1 [Interagency Cooperation Agreement]

2 **Resolution approving the Interagency Cooperation Agreement for the Treasure**
3 **Island/Yerba Buena Island Project.**

4 WHEREAS, Former Naval Station Treasure Island (the "Base" or "Treasure Island") is
5 a former military base consisting of approximately 550 acres on Treasure Island and Yerba
6 Buena Island, and is currently owned by the United States of America, acting by and through
7 the Department of the Navy (the "Navy"); and,

8 WHEREAS, The Base was selected for closure and disposition by the Base
9 Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its
10 subsequent amendments, and the Base ceased operations in 1997; and,

11 WHEREAS, Under the Treasure Island Conversion Act of 1997 (AB 699), which
12 amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to
13 Chapter 1333 of the Statutes of 1968, the State Legislature (i) granted to the Board of
14 Supervisors the authority to designate the Treasure Island Development Authority ("TIDA") as
15 a redevelopment agency under California Community Redevelopment Law with authority over
16 the Base; and (ii) with respect to those portions of the Base that are subject to the public trust
17 for commerce, navigation and fisheries (the "Public Trust"), vested in TIDA the authority to
18 administer the Public Trust as to such property; and,

19 WHEREAS, Under the Conversion Act and TIDA's Articles of Incorporation and
20 Bylaws, TIDA, acting by and through its Board of Directors (the "TIDA Board"); has the power,
21 subject to applicable laws, to sell, lease, exchange, transfer, convey or otherwise grant
22 interests in or rights to use or occupy all or any portion of the Base; and,

23 WHEREAS, In 1994, the Treasure Island/Yerba Buena Island Citizens Advisory Board
24 ("CAB") was formed to (1) review reuse planning efforts for Treasure Island by the San
25

1 Francisco Planning Department and the San Francisco Redevelopment Agency, and (2) make
2 recommendations to the City's Planning Commission and Board of Supervisors; and,

3 WHEREAS, After completion of a competitive master developer selection process, in
4 2003, TIDA and Treasure Island Community Development, LLC ("Developer") entered into an
5 Exclusive Negotiating Agreement ("ENA") with respect to portions of Treasure Island and
6 Yerba Buena Island to facilitate the planning for the reuse and development of the Base (the
7 "Project"); and,

8 WHEREAS, The ENA and its subsequent amendments set forth the terms and
9 conditions under which TIDA and the Developer have been negotiating a Disposition and
10 Development Agreement and other transaction documents for the conveyance, management
11 and reuse and redevelopment of portions of the Base consisting of those portions of
12 Assessor's Block 1939, Lots 1 and 2 described as the "Project Site" in the Disposition and
13 Development Agreement, including a schedule of performance for major milestones; and,

14 WHEREAS, One of the key milestones in the ENA was the completion of a
15 comprehensive Term Sheet summarizing the key policy goals, basic development guidelines,
16 financial framework and other key terms and conditions that formed the basis for the
17 negotiation and completion of the Disposition and Development Agreement and final
18 transaction documents; and,

19 WHEREAS, In 2006, the Board of Supervisors by Resolution No. 699-06 endorsed a
20 Development Plan and Term Sheet for the Project that set forth the proposed terms of the
21 Project; and,

22 WHEREAS, In May of 2010, the Board of Supervisors endorsed a package of
23 legislation that included an update to the Development Plan and Term Sheet, terms of an
24 Economic Development Conveyance Memorandum of Agreement for the conveyance of the
25 site from the Navy to the TIDA, and a Term Sheet between TIDA and the Treasure Island

1 Homeless Development Initiative ("TIHDI") in Resolution Nos. 242-10, 243-10 and 249-10;
2 and,

3 WHEREAS, The Navy and TIDA have negotiated an Economic Development
4 Conveyance Memorandum of Agreement (the "Conveyance Agreement") that governs the
5 terms and conditions for the transfer of the Base from the Navy to TIDA, which is concurrently
6 being considered by the TIDA Board; and,

7 WHEREAS, TIDA, the City and the CAB have been working for more than a decade to
8 plan for the reuse and development of Treasure Island, and as a result of this community-
9 based planning process, TIDA and the Developer have negotiated the Disposition and
10 Development Agreement, the purpose of which is to govern the disposition and subsequent
11 development of the Project after the Navy's transfer of Treasure Island to TIDA in accordance
12 with the Conveyance Agreement; and,

13 WHEREAS, Under the Disposition and Development Agreement and other transaction
14 documents, the Project is anticipated to include (1) up to 8,000 new residential units, at least
15 25 percent of which (2,000 units) will be made affordable to a broad range of very-low to
16 moderate income households, including 435 units to be developed by TIHDI and its member
17 organizations, (2) adaptive reuse of approximately 311,000 square feet of historic structures,
18 (3) up to 140,000 square feet of new retail uses and 100,000 square feet of commercial office
19 space, (4) approximately 300 acres of parks and open space, (5) new and/or upgraded public
20 facilities, including a joint police/fire station, a school, facilities for the Treasure Island Sailing
21 Center and other community facilities, (6) a 400-500 room hotel, (7) a new 400 slip marina,
22 and (8) transportation infrastructure, including a ferry/quay intermodal transit center; and,

23 WHEREAS, In order to promote development in accordance with objectives and
24 purposes of the Disposition and Development Agreement, the City intends to undertake and
25 complete proceedings and actions necessary to be carried out by the City to assist in

1 implementation of the Disposition and Development Agreement; specifically, the City wishes
2 to enter into an Interagency Cooperation Agreement with TIDA, substantially in the form
3 attached hereto as Exhibit A and incorporated herein by reference (the "Interagency
4 Cooperation Agreement"), to provide for cooperation between the City and TIDA in
5 administering the process for control and approval of subdivisions, and other applicable land
6 use, development, construction, improvement, infrastructure, occupancy and use
7 requirements, and in establishing the policies and procedures relating to such approvals and
8 other actions as set forth in the Interagency Cooperation Agreement for the Project Site; and,

9 WHEREAS, The Interagency Cooperation Agreement was presented to the CAB at
10 duly noticed public meetings on January 18, 2011, and on April 19, 2011 the CAB voted to
11 recommend the Interagency Cooperation Agreement; and,

12 WHEREAS, On April 21, 2011, the Planning Commission by Motion No. 18325 and the
13 TIDA Board of Directors by Resolution No. 11-14-04/21, as co-lead agencies, certified the
14 completion of the Final Environmental Impact Report for the Project, of which the Disposition
15 and Development Agreement forms a part; and,

16 WHEREAS, On April 21, 2011, the TIDA Board, by Resolution No. 11-15-04/21,
17 adopted environmental findings pursuant to the California Environmental Quality Act ("CEQA")
18 with respect to approval of the Project, including a mitigation monitoring and reporting
19 program and a statement of overriding considerations; now, therefore be it

20 RESOLVED, That the TIDA Board determines that the Project furthered by the
21 Interagency Cooperation Agreement is in the best interests of TIDA, the City, and the health,
22 safety, morals and welfare of its residents, and is in accordance with the public purposes and
23 provisions of applicable federal, state and local laws and requirements; and, be it
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1 FURTHER RESOLVED, That the TIDA Board hereby approves and authorizes the
2 Director of Redevelopment for TIDA ("Director") to execute, subject to obtaining Board of
3 Supervisors approval, the Interagency Cooperation Agreement; and, be it

4 FURTHER RESOLVED, That the TIDA Board authorizes the Director, prior to
5 execution of the Interagency Cooperation Agreement, to make changes and take any and all
6 steps, including but not limited to, the attachment of exhibits and the making of corrections, as
7 the Director determines, in consultation with the City Attorney, are necessary or appropriate to
8 consummate the Interagency Cooperation Agreement in accordance with this Resolution;
9 provided, however, that such changes and steps do not materially decrease the benefits to or
10 materially increase the obligations or liabilities of TIDA, and are in compliance with all
11 applicable laws; and, be it

12 FURTHER RESOLVED, That all actions heretofore taken by TIDA and its officers,
13 employees, and agents with respect to the Interagency Cooperation Agreement are hereby
14 approved, confirmed and ratified; and, be it

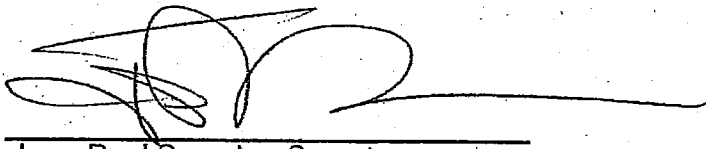
15 FURTHER RESOLVED, That the TIDA Board authorizes and urges all officers,
16 employees, and agents of TIDA and the City to take any and all steps as they deem
17 necessary or appropriate, to the extent permitted by applicable law, in order to consummate
18 the Interagency Cooperation Agreement in accordance with this Resolution, including
19 execution of subsequent documents, or to otherwise effectuate the purpose and intent of this
20 Resolution and TIDA's performance under the Interagency Cooperation Agreement; and, be it

21 FURTHER RESOLVED, That the TIDA Board authorizes the Director to enter into any
22 amendments or modifications to the Interagency Cooperation Agreement that the Director
23 determines, in consultation with the City Attorney, are in the best interest of TIDA, do not
24 materially decrease the benefits to or materially increase the obligations or liabilities of TIDA,
25 and are in compliance with all applicable laws.

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CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on April 27, 2011.



Jean-Paul Samaha, Secretary



This document is exempt from payment of a recording fee pursuant to California Government Code Section 27383

RECORDING REQUESTED BY AND WHEN RECORDED RETURN TO:

Treasure Island Development Authority
c/o Office of Economic and Workforce Development
City Hall, Room 234
1 Dr. Carlton B. Goodlett Place
San Francisco, California 94102
Attention: Rich Hillis

[NOTE: NAVY CONSENT MAY BE REQUIRED TO RECORD]

Recorder's Stamp

DISPOSITION AND DEVELOPMENT AGREEMENT

(TREASURE ISLAND/YERBA BUENA ISLAND)

by and between

TREASURE ISLAND DEVELOPMENT AUTHORITY,
a California non-profit public benefit corporation

and

TREASURE ISLAND COMMUNITY DEVELOPMENT, LLC,
a California limited liability company

BY _____
AK

2011 APR 27 PM 3:38

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO