

CHAPTER 898

An act to amend Section 33492.5 of the Health and Safety Code, and to add Section 2.1 to Chapter 1333 of the Statutes of 1968, relating to redevelopment.

[Approved by Governor October 12, 1997. Filed with Secretary of State October 12, 1997.]

LEGISLATIVE COUNSEL'S DIGEST

AB 699, Migden. Redevelopment: Treasure Island Conversion Act of 1997.

Existing law, known as the Community Redevelopment Law, authorizes the establishment of redevelopment agencies in communities in order to address the effects of blight, as defined, in those communities. Under existing law, in any community in which a military base is located and the federal Base Closure Commission has voted to close that military base, and the action of the commission has been sustained by the President and Congress of the United States, a project area may be adopted by a city or county pursuant to the Community Redevelopment Law if the project area is located entirely within the boundaries of a city, or entirely within the unincorporated area of a county, respectively.

This bill would state that these provisions also would be applicable to a local government that is a city and county where the military base, closed pursuant to those provisions, is located entirely within the boundaries of a city and county.

This bill also would establish the Treasure Island Conversion Act of 1997, which would authorize the City and County of San Francisco by resolution, to designate the Treasure Island Development Authority and any successor entity thereof as the redevelopment agency with all of the rights, powers, privileges, immunities, authorities, and duties granted to a redevelopment agency pursuant to the Community Redevelopment Law for the purpose of acquiring, using, operating, maintaining, converting, and redeveloping Naval Station Treasure Island, as described, and to be considered a redevelopment agency for all purposes under state law.

The bill would grant the Treasure Island Development Authority the complete power, among other things, to administer and control the trust property, as defined, in conformance with the public trust for commerce, navigation, and fisheries over all affected former and existing tide and submerged lands, subject to specified restrictions and subject to specified duties and responsibilities of the State Lands Commission in connection therewith. The bill additionally would

state the intent of the Legislature that, among other things, its provisions provide a means for mitigating the serious economic effects of the closure of the Naval Station Treasure Island on the City and County of San Francisco, its surrounding communities, and the State of California by vesting a single entity with redevelopment authority over that property and, with respect to that portion of the affected property subject to the public trust for commerce, navigation, and fisheries, the power to administer the trust as specified in its provisions.

The California Constitution provides that a local or special statute is invalid in any case if a general statute can be made applicable.

This bill would declare that, due to the unique circumstances within the City and County of San Francisco relating to the closure of Naval Station Treasure Island, that the bill is intended to remedy, a general statute within the meaning of specified provisions of the California Constitution cannot be made applicable and a special statute is necessary.

The people of the State of California do enact as follows:

SECTION 1. This act shall be known and may be cited as the Treasure Island Conversion Act of 1997.

SEC. 2. Section 33492.5 of the Health and Safety Code is amended to read:

33492.5. (a) In any community in which a military base is located, the Base Closure Commission has voted to close that military base, and the action of the Base Closure Commission has been sustained by the President and Congress of the United States, a project area may be adopted pursuant to the following requirements:

(1) If the project area is located entirely within the boundaries of a city, or city and county, then the redevelopment agency of the city, or city and county, may adopt the redevelopment project area pursuant to this part as modified by this chapter.

(2) If the project area is located entirely within the unincorporated area of a single county, then the county redevelopment agency may adopt the redevelopment project area pursuant to this part as modified by this chapter.

(3) If the project area includes property within the jurisdictions of two or more cities, or two or more counties, or a city and a county, or any combination of the foregoing, then all of the cities and counties the jurisdictions of which include property within the boundaries of the military base and any other territory to be included within the redevelopment project area may enter into a joint powers agreement, an agreement entered into pursuant to Section 33210, or other appropriate agreement for the purpose of creating a redevelopment agency and adopting a project area pursuant to this part as modified by this chapter.

(b) A redevelopment agency to which this chapter is applicable may adopt a project area either pursuant to this chapter or pursuant to other relevant provisions of this part.

SEC. 3. (a) The Legislature finds and declares all of the following:

(b) It is the intent of the Legislature with the enactment of this act to provide a means for mitigating the serious economic effects of the closure of Naval Station Treasure Island on the City and County of San Francisco, its surrounding communities, and the State of California by vesting a single entity with redevelopment authority over the property and, with respect to that portion of the property subject to the public trust for navigation, commerce, and fisheries, the power to administer the trust.

(1) That property known as Naval Station Treasure Island, which includes Treasure Island and Yerba Buena Island, was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510 and its subsequent amendments, and is scheduled for operational closure on October 1, 1997. The conversion of Naval Station Treasure Island to productive civilian reuse presents unique redevelopment issues which would be best addressed by an agency created specifically for that purpose.

(2) All former and existing tide and submerged lands on the Naval Station, including all of Treasure Island and portions of Yerba Buena Island, will be subject to the public trust for navigation, commerce, and fisheries upon their release from federal ownership. In the absence of legislative action, this property would automatically be brought under the jurisdiction of the Port of San Francisco pursuant to, and subject to the terms and requirements of, the Burton Act (Chapter 1333 of the Statutes of 1988).

(3) Certain buildings and other structures constructed on Treasure Island during the period of federal ownership were built for nontrust purposes and are not adaptable for trust related uses. These buildings and structures are in various stages of their useful lives, some having been constructed only a few years prior to the scheduled closure. The conversion of the lands underlying these buildings and structures to trust uses in the future should proceed in a manner that will enable the people of this state to benefit from the substantial investments made in these structures without hindering the overall goal of preserving the public trust.

(4) Treasure Island also contains hangars that were built for maritime aviation purposes. These structures may be utilized for trust uses in the future, but no trust related use has been identified for them in the near term.

(5) The creation of a single public agency that is vested with both redevelopment authority and the power to administer the trust will facilitate the conversion of Naval Station Treasure Island to

productive civilian reuse and is in the best interests of the people of this state.

SEC. 4. For the purposes of this act:

(a) "Property" means that property commonly known as Naval Station Treasure Island, which includes Treasure Island and Yerba Buena Island, and is more particularly described as follows:

All of the land acquired from the City and County of San Francisco as described in the judgement of the Declaration of Taking for Civil Action 22164-W filed in the District Court of the United States in and for the Northern District of California, Southern Division on April 17, 1942, and being more particularly described as follows:

Beginning at a monument established near the westerly end of Yerba Buena Island by the United States Coast and Geodetic Survey about 75 feet above high tide, known and designated by said survey as Station Goat, located at latitude 37° 48' 40.387" North, longitude 122° 22' 17.657" West (values as determined by the United States Coast and Geodetic Survey as of the year 1930) and running thence N 28° W a distance of 8,000 feet, thence N 62° E a distance of 4,500 feet, thence S 28° E a distance of 8,000 feet, thence S 62° W a distance of 4,500 feet to the point of beginning; all bearings being referred to the true meridian through said Station Goat, excepting from said grant that portion of the lands above particularly described, lying northerly of Yerba Buena Island and adjacent thereto, extending from high water mark to 900 feet beyond low water mark, the latter portion so excepted being a part of the lands granted and ceded by the State of California to the United States of America by that certain Act of the Legislature of the State of California entitled "An Act relinquishing to the United States of America the title of this State to certain land", approved March 9, 1897.

ALONG WITH

All of the tide and submerged land situated at Naval Station Treasure Island acquired from the State of California by the United States of America by the Act of Legislature of the State of California on March 9, 1897.

EXCEPTING therefrom that portion of those lands granted by this act lying southeasterly of a line shown on the Department of the Navy, Naval Facilities Engineering Command Real Estate Summary Map having NAVFAC DWG NOS. 1296802 and 1296803, and being the boundary between the Naval Station Treasure Island and the Lands Owned by the United States Coast Guard, said line more particularly described as follows:

Commencing at a point that bears S 20° 02' W 951 feet from a granite monument shown on the above described map as point number 102, thence S 03° 50' W 910 feet more or less to a point 300 yards beyond the low-water mark and being the waterward limits of the tide and submerged land acquired by the United States of America at Naval Station Treasure Island by the Act of the

Legislature of the State of California on March 9, 1897, said point being the TRUE POINT OF BEGINNING of the herein described line; thence along said line the following courses: N 03° 50' E 910 feet more or less to a point that bears S 20° 02' W 951 feet from a monument shown on the above map as Granite point number 102; thence N 39° 54' E 562.54 feet; thence S 80° 35' 16" E 450.04 feet; thence N 82° 04' 07" E 81.46 feet to a curve to the left having a radius of 276.66 feet, through a central angle of 61° 05' 20", along an arc a distance of 294.98 feet; thence N 6° 49' 07" W 101.83 feet; thence N 02° 14' 18" E 21 feet; thence N 0° 37' 33" E 24.72 feet; thence N 02° 42' 24" W 113.30 feet; thence N 89° 02' E 179.26 feet; thence along a curve to the left whose radius bears S 71° 57' W 150 feet, through a central angle of 26° 24', along an arc a distance of 234.99 feet; thence along a curve to the left whose radius bears S 45° 33' W 43 feet, through a central angle of 67° 33', along an arc a distance of 50.70 feet; thence along a curve to the left having a radius of 91 feet, through a central angle of 83° 09', and having a chord that bears N 26° 25' 30" E 120.78 feet; thence N 43° 15' 40" E 125.84 feet; thence along a curve to the right having a radius which bears N 51° 39' E 200 feet, through a central angle of 69° 45', along an arc a distance of 243.47 feet; thence N 51° 29' E 130 feet; thence S 80° 27' 26" E 156.06 feet; thence N 53° 13' 15" E 274.53 feet; thence S 02° 49' 34" W 574.47 feet; thence S 15° 38' 44" E 241.28 feet; thence S 84° 12' W 25 feet; thence S 05° 48' E 40.4 feet; thence N 85° 00' E 900 feet more or less to a point three hundred yards beyond the low water mark of San Francisco Bay being the waterward limit of the tide and submerged land acquired by the United States of America at Naval Station Treasure Island by the Act of Legislature of the State of California on March 9, 1897.

ALONG WITH

Those lands described in the Executive Order dated November 6, 1850, for Yerba Buena Island (Goat Island) situated upland from the Ordinary High Water Mark of San Francisco Bay;

EXCEPTING THEREFROM that portion of Yerba Buena Island lying southeasterly of a line shown on the Department of the Navy, Naval Facilities Engineering Command Real Estate Summary Map having NAVFAC DWG NO. 1296803 and being the boundary between the Naval Station Treasure Island and the Lands Owned by the United States Coast Guard and more particularly described as follows: Commencing at a point that bears S 89° 02' W 403.34 feet and S 39° 53' 48" W 340 feet from a granite monument shown on the above map as Granite point number 102, thence S 39° 54' W 562.5 feet more or less to the intersection with the ORDINARY HIGH WATER MARK of San Francisco Bay, said point being the TRUE POINT OF BEGINNING of the herein described line; thence along said line the following courses: N 39° 54' E 562.54 feet more or less to a point that bears N 89° 02' E 403.34 feet and S 39° 53' 48" W 340 feet from a monument shown on the above map as Granite point number 102;

thence S 80° 35' 16" E 450.04 feet; thence N 82° 04' 07" E 81.46 feet to a curve to the left having a radius of 276.66 feet, through a central angle of 61° 05' 20", along an arc a distance of 294.98 feet; thence N 6° 49' 07" E 101.83 feet; thence N 02° 14' 18" E 21 feet; thence N 0° 37' 33" E 24.72 feet; thence N 02° 42' 24" W 113.30 feet; thence N 89° 02' E 179.26 feet; thence along a curve to the left whose radius bears S 71° 57' W 150 feet, through a central angle of 26° 24', along an arc a distance of 234.99 feet; thence along a compound curve whose radius bears S 45° 33' W 43', through a central angle of 67° 33', along an arc a distance of 50.70 feet; thence along a curve to the left having a radius of 91 feet, through a central angle of 83° 09', and having a chord that bears N 26° 25' 30" E 120.78 feet; thence N 43° 15' 40" E 125.84 feet; thence along a curve to the right having a radius which bears N 51° 39' E 200 feet, through a central angle of 69° 45', thence S 80° 27' 26" E 156.06 feet; thence N 51° 29' E 130 feet; thence S 80° 27' 26" E 156.06 feet; thence N 53° 13' 15" E 274.53 feet more or less to the approximate mean high water line 1965 as shown on the above referenced map and the end of the herein described line.

(b) "Trust Property" means that portion of the property consisting of those existing and former tidelands and submerged lands commonly known as Treasure Island, together with all existing and former tide and submerged lands on Yerba Buena Island, all of which are subject to the public trust for navigation, commerce, and fisheries. The Trust Property is more particularly described as follows:

All of the land acquired from the City and County of San Francisco as described in the Judgement of the Declaration of Taking for Civil Action 22164-W filed in the District Court of the United States in and for the Northern District of California, Southern Division on April 17, 1942, and being more particularly described as follows:

BEGINNING at a monument established near the westerly end of Yerba Buena Island by the United States Coast and Geodetic Survey about 75 feet above high tide, known and designated by said survey as Station Goat, located at latitude 37° 48' 40.387" North, longitude 122° 22' 17.657" West (values as determined by the United States Coast and Geodetic Survey as of the year 1930) and running thence N 28° W a distance of 8,000 feet, thence N 62° E a distance of 4,500 feet, thence S 28° E a distance of 8,000 feet, thence S 62° W a distance of 4,500 feet to the point of beginning; all bearings being referred to the true meridian through said Station Goat, excepting from said grant that portion of the lands above particularly described, lying northerly of Yerba Buena Island and adjacent thereto, extending from high water mark to 900 feet beyond low water mark, the latter portion so excepted being a part of the lands granted and ceded by the State of California to the United States of America by that certain Act of the Legislature of the State of California entitled "An Act

relinquishing to the United States of America the title of this State certain land", approved March 9, 1897.

ALONG WITH

All of the tide and submerged land situated at Naval Station Treasure Island acquired from the State of California by the United States of America by the Act of Legislature of the State of California on March 9, 1897.

EXCEPTING therefrom that portion of those lands granted by the act lying southeasterly of a line shown on the Department of the Navy, Naval Facilities Engineering Command Real Estate Summary Map having NAVFAC DWG NOs. 1296802 and 1296803, and being the boundary between the Naval Station Treasure Island and the Lands Owned by the United States Coast Guard, said line more particularly described as follows:

Commencing at a point that bears S 20° 02' W 951 feet from granite monument shown on the above described map as Granite point number 102, thence S 03° 50' W 910 feet more or less to a point 300 yards beyond the low-water mark and being the waterward limit of the tide and submerged land acquired by the United States of America at Naval Station Treasure Island by the Act of the Legislature of the State of California on March 9, 1897, said point being the TRUE POINT OF BEGINNING of the herein described line; thence along said line the following courses: N 03° 50' E 910 feet more or less to a point that bears S 20° 02' W 951 feet from a monument shown on the above map as Granite point number 102; thence N 39° 54' E 562.54 feet; thence S 80° 35' 16" E 450.04 feet; thence N 82° 04' 07" E 81.46 feet to a curve to the left having a radius of 276.66 feet through a central angle of 61° 05' 20", along an arc a distance of 294.98 feet; thence N 6° 49' 07" W 101.83 feet; thence N 02° 14' 18" E 21 feet; thence N 0° 37' 33" E 24.72 feet; thence N 02° 42' 24" W 113.30 feet; thence N 89° 02' E 179.26 feet; thence along a curve to the left whose radius bears S 71° 57' W 150 feet, through a central angle of 26° 24', along an arc a distance of 234.99 feet; thence along a curve to the left whose radius bears S 45° 33' W 43 feet, through a central angle of 67° 33', along an arc a distance of 50.70 feet; thence along a curve to the left having a radius of 91 feet, through a central angle of 83° 09', and having a chord that bears N 26° 25' 30" E 120.78 feet; thence N 43° 15' 40" E 125.84 feet; thence along a curve to the right having a radius which bears N 51° 39' E 200 feet, through a central angle of 69° 45', thence S 80° 27' 26" E 156.06 feet; thence N 51° 29' E 130 feet; thence S 02° 49' 34" W 574.47 feet; thence S 15° 38' 44" E 241.28 feet; thence S 84° 12' W 25 feet; thence S 05° 48' E 40.4 feet; thence N 85° 00' E 900 feet more or less to a point three hundred yards beyond the low water mark of San Francisco Bay being the waterward limit of the tide and submerged land acquired by the United States of

America at Naval Station Treasure Island by the Act of Legislature of the State of California on March 9, 1897.

EXCEPTING THEREFROM those lands described in the Executive Order dated November 6, 1850, for Yerba Buena Island (Goat Island) situated upland from the Ordinary High Water Mark of San Francisco Bay.

(c) "Authority" means the Treasure Island Development Authority, a nonprofit public benefit corporation established by the legislative body of the City and County of San Francisco.

(d) The provisions of this act shall not apply to any portion of or interest in the Property, including any portion of or interest in the Trust Property, whether real or personal, that is owned by or under the jurisdiction or control of the California Department of Transportation.

SEC. 5. (a) Notwithstanding Article 2 (commencing with Section 33110) of Chapter 2 of Part 1 of Division 24 of the Health and Safety Code, the legislative body of the City and County of San Francisco may, by resolution, designate the Authority or any successor entity or agency of the Authority as the redevelopment agency with all of the rights, powers, privileges, immunities, authorities, and duties granted to a redevelopment agency pursuant to Part 1 (commencing with Section 33000) of Division 24 of the Health and Safety Code, for the purpose of acquiring, using, operating, maintaining, converting, and redeveloping the property. Upon adoption of that resolution, the Authority shall be considered a redevelopment agency for all purposes under state law, including, but not limited to, the purposes of Section 21090 of the Public Resources Code.

(b) Notwithstanding any state or local law, including, without limitation, Section 33111 of the Health and Safety Code, the Board of Directors of the Authority may include individuals who are officers or employees of the City and County of San Francisco or of the San Francisco Redevelopment Agency and those individuals are not precluded, solely by virtue of their status as officers or employees of the City and County of San Francisco or the San Francisco Redevelopment Agency, from participating in decisions as members of the Board of Directors.

(c) Notwithstanding Section 1090 of the Government Code and Section C8.105 of Appendix C of the San Francisco Charter, officers and employees of the City and County of San Francisco or the San Francisco Redevelopment Agency are not precluded, solely by virtue of their services as members of the Board of Directors, from participating in any decisions in their capacities as officers or employees of the City and County of San Francisco or the San Francisco Redevelopment Agency.

(d) Notwithstanding any other provision of law, the Authority's employees are subject to the same civil service provisions as the employees of the City and County of San Francisco.

(e) Notwithstanding any other provision of law, the Authority shall follow the same competitive bidding procedures applicable to redevelopment agencies in California.

(f) Prior to the Board of Supervisor's approval of a redevelopment plan for the property, any contract to which the Authority is a party worth more than one million dollars (\$1,000,000) or with a term of 10 or more years shall require the approval of the Board of Supervisors of the City and County of San Francisco.

SEC. 6. (a) Chapter 1333 of the Statutes of 1968 shall not apply to the property commonly known as Treasure Island, nor to those portions of the property commonly known as Yerba Buena Island consisting of former or existing tide and submerged lands. These properties are more particularly described as follows:

All of the land acquired from the City and County of San Francisco as described in the Judgement of the Declaration of Taking for Civil Action 22164-W filed in the District Court of the United States in and for the Northern District of California, Southern Division on April 17, 1942, and being more particularly described as follows:

BEGINNING at a monument established near the westerly end of Yerba Buena Island by the United States Coast and Geodetic Survey about 75 feet above high tide, known and designated by said survey as Station Goat, located at latitude 37° 48' 40.387" North, longitude 122° 22' 17.657" West (values as determined by the United States Coast and Geodetic Survey as of the year 1930) and running thence N 28° W a distance of 8,000 feet, thence N 62° E a distance of 4,500 feet, thence S 28° E a distance of 8,000 feet, thence S 62° W a distance of 4,500 feet to the point of beginning; all bearings being referred to the true meridian through said Station Goat, excepting from said grant that portion of the lands above particularly described, lying northerly of Yerba Buena Island and adjacent thereto, extending from high water mark to 900 feet beyond low water mark, the latter portion so excepted being a part of the lands granted and ceded by the State of California to the United States of America by that certain Act of the Legislature of the State of California entitled "An Act relinquishing to the United States of America the title of this State to certain land", approved March 9, 1897.

ALONG WITH

All of the tide and submerged land at Treasure Island Naval Station acquired from the State of California by the United States of America by the Act of Legislature of the State of California on March 9, 1897.

EXCEPTING therefrom that portion of those lands granted by this act lying southeasterly of a line shown on the Department of the Navy, Naval Facilities Engineering Command Real Estate Summary Map Having NAVFAC DWG NOs. 1296802 and 1296803, and being

the boundary between the Treasure Island Naval Station and the Lands Owned by the United States Coast Guard, said line more particularly described as follows:

Commencing at a point that bears S 20° 02' W 951 feet from a granite monument shown on the above described map as point number 102, thence S 03° 50' W 910 feet more or less to a point 300 yards beyond the low-water mark and being the waterward limits of the tide and submerged land acquired by the United States of America by the Act of the Legislature of the State of California on March 9, 1897, said point being the TRUE POINT OF BEGINNING of the herein described line; thence along said line the following courses: N 03° 50' E 910 feet; thence N 39° 54' E 562.54 feet; thence S 80° 35' 16" E 450.04 feet; thence N 82° 04' 07" E 81.46 feet to a curve to the left having a radius of 276.66", through a central angle of 61° 05' 20", along an arc a distance of 294.98 feet; thence N 6° 49' 07" W 101.83 feet; thence N 02° 14' 18" E 21 feet; thence N 0° 37' 33" E 24.72 feet; thence N 02° 42' 24" W 113.30 feet; thence N 89° 02' E 179.26 feet; thence along a curve to the left whose radius bears S 71° 57' W 150 feet, through a central angle of 26° 24', along an arc a distance of 234.99 feet; thence along a curve whose radius bears S 45° 33' W 43 feet, through a central angle of 67° 33', along an arc a distance of 50.70 feet; thence along a curve to the left having a radius of 91 feet, through a central angle of 83° 09', and having a chord that bears N 26° 25' 30" E 120.78 feet; thence N 43° 15' 40" E 125.84 feet; thence along a curve to the right having a radius which bears N 51° 39' E 200 feet, through a central angle of 69° 45', along an arc a distance of 243.47 feet; thence N 51° 29' E 130 feet; thence S 80° 27' 26" E 156.06 feet; thence N 53° 13' 15" E 274.53 feet; thence S 02° 49' 34" W 574.47 feet; thence S 15° 38' 44" E 241.28 feet; thence S 84° 12' W 25 feet; thence S 05° 48' E 40.4 feet; thence N 85° 00' E 900 feet more or less to a point three hundred yards beyond the low water mark of San Francisco Bay being the waterward limit of the tide and submerged land acquired by the United States of America by the Act of Legislature of the State of California on March 9, 1897.

EXCEPTING THEREFROM those lands described in the Executive Order dated November 6, 1850, for Yerba Buena Island (Goat Island) situated upland from the Ordinary High Water Mark of San Francisco Bay.

(b) All of the State of California's right, title, and interest, acquired by virtue of its sovereignty, in and to the Trust Property, together with all improvements, facilities, rights, privileges, and appurtenances connected therewith or in any way appertaining thereto, is hereby granted in trust to and vested in the Authority, subject to the terms and conditions specified in this act. The lands shall be held by the Authority and its successors in trust for the benefit of all the people of the state for purposes of commerce, navigation,

and fisheries, and for other public trust purposes, as more particularly provided in this act.

(c) There is reserved in the people of the State of California the right to hunt and fish in and over the waters on the Trust Property, together with the right of convenient access to the waters over the Trust Property for those purposes.

(d) There is excepted from the grant made in subdivision (b) and reserved to the State of California all subsurface mineral deposits, including oil and gas deposits, together with the right of ingress and egress on the Trust Property for exploration, drilling, and extraction of such mineral, oil, and gas deposits. Those mineral rights, including the right of ingress and egress, shall not be exercised in a manner that would disturb or otherwise interfere with any lease, franchise, permit, or license of or on the Trust Property; provided, however, that any lease, franchise, permit, or license of property contain a provision specifying at least one point from which and the manner in which the right of ingress or egress to said subsurface deposits may be exercised, which point or points may be outside the area of the leasehold, franchise, permit, or license, provided the point or points are adequate to permit the rights reserved to the state to be exercised.

(e) There is also excepted from the grant made in subdivision (b) any property or interest in property, whether real or personal, owned by or under the jurisdiction or control of the Department of Transportation. The Trust Property shall remain subject to any requirements of the Department of Transportation for future rights-of-way, easements, or material for the construction, location, realignment, expansion, or maintenance of bridges, highways, or other transportation facilities without compensation, except as follows:

(1) Compensation shall be made to the Authority for any property taken that was originally acquired by the Authority for valuable consideration.

(2) In the event improvements, betterments, or structures have been placed upon the Trust Property by the Authority, compensation shall be made to the Authority for the value of the improvements, betterments, or structures taken.

(3) Holders of a lease, franchise, permit, or license to use or occupy a portion of the Trust Property which has been taken pursuant to this section shall be given the same compensation that they would receive under an eminent domain proceeding.

(f) In the management, conduct, operation, and control of the Trust Property or any improvements, betterments, or structures thereon, the Authority or its successors shall make no discrimination in rates, tolls, or charges for any use or service in connection therewith.

(g) The State of California shall have the right to use without charge any transportation, land, or storage improvements, wharves, slips, betterments, or structures, constructed upon the Trust Property, for any vessel or other watercraft, aircraft, or railroad owned or operated by the State of California.

SEC. 7. The Authority shall have complete power to use, conduct, operate, maintain, manage, administer, regulate, improve, lease, and control the Trust Property and to do all things necessary in connection therewith which are in conformance with the terms of this act and the public trust for commerce, navigation and fisheries upon which the lands are held, including, without limitation, all of the following:

(a) Acquiring, exchanging, and conveying real and personal property of every kind necessary for the full or convenient exercise of its powers, consistent with the public trust and subject to the limitations of this act.

(b) Constructing, erecting, maintaining, repairing, operating, developing, and regulating all improvements, utilities, facilities, equipment, piers, parking areas, streets, highways, bridges, pedestrian ways, landscaped areas, public buildings, public assembly and meeting places, convention centers, parks, museums, playgrounds, and public recreation facilities, including, without limitation, public golf courses, marinas, restaurants, hotels, commercial recreation facilities, entertainment facilities and attractions, and any other works, buildings, facilities, utilities, structures, and appliances incidental to or necessary or convenient for the promotion and accommodation of the purposes of the public trust and this act, or or about the Trust Property.

(c) Promoting the public use of the Trust Property and encouraging private investment in the development of the Trust Property for the foregoing uses in the public interest, through advertising or such other means as may be reasonable and appropriate.

(d) Providing services reasonably necessary to the carrying out of the foregoing uses and purposes. As to any service which the Authority is authorized to perform pursuant to the provisions of this act, the Authority may contract for the performance of such services by the City and County of San Francisco or any agencies thereof, including the Port Commission.

SEC. 8. (a) The Authority shall not at any time grant, convey, give, or alienate the Trust Property, or any part thereof, to any individual, firm, or corporation, except that the Authority may grant franchises, permits, privileges, licenses, easements, or leasehold interests (collectively referred to as "leases" hereinafter) thereon for limited periods, not to exceed 66 years.

(b) Any leases for use of the Trust Property shall be solely for uses that are consistent with or ancillary to the purposes of the public trust

for commerce, navigation and fisheries, provided that leases may be granted for other uses where the Authority makes the following determinations:

(1) There is no immediate trust related need for the property proposed to be leased.

(2) The proposed lease is of a duration of no more than five years and can be terminated in favor of trust uses as they arise; except that the existing hangars, or portions thereof, may be leased for up to five years without a right of termination in favor of trust uses.

(3) The proposed lease prohibits the construction of new structures or improvements on the subject property that could, as a practical matter, prevent or inhibit the property from being converted to any permissible trust use should the property become necessary therefore.

(4) The proposed use of the leased property would not interfere with commerce, navigation, fisheries, or any other existing trust uses or purposes.

SEC. 9. (a) Notwithstanding any other provision of this act, existing buildings or structures on the Trust Property which are incapable of being devoted to trust purposes may be used for other purposes, consistent with the reuse plan for the Trust Property, for the remaining useful life of such buildings or structures. Buildings and structures on the Trust Property that are incapable of being devoted to trust purposes are those constructed for nontrust purposes while the Trust Property was under federal ownership, including, but not limited to, the existing housing units, the brig, the building proposed for use as a police academy, and the school.

(b) The Authority and the State Lands Commission shall, by agreement, establish the remaining useful life of the buildings and structures described in subdivision (a), either individually or by category, provided that in no case shall the useful life of any building or structure be deemed to extend less than 25 years or more than 40 years from the effective date of this act.

(c) The maintenance and repair of any of the existing buildings or structures described in subdivision (a), and any structural or other alterations necessary to bring such buildings or structures into compliance with applicable federal, state, and local health and safety standards, including, but not limited to, seismic upgrading, shall be permitted, provided such activities will not enlarge the footprint or the size of the shell of such buildings or structures.

SEC. 10. (a) All money received or collected by the Authority from or arising out of the use or operation of the Trust Property, including all revenues derived from leases, permits, franchises, privileges, licenses, easements, and rights to use or occupy the Trust Property, shall be deposited by the Authority into a special fund to be maintained by the Authority (the "Treasure Island Trust Fund"). The money in or belonging to the Treasure Island Trust Fund may

be used only for uses and purposes consistent with the public trust for navigation, commerce, and fisheries.

(b) An annual statement of financial conditions and operations shall be prepared by the Authority and submitted to the State Lands Commission each year on or before October 1. The statement shall include a statement of all revenues and expenditures related to trust lands and trust assets, including obligations incurred but not yet paid.

SEC. 11. (a) The Authority may exchange certain portions of the Trust Property with any state agency, political subdivision, person, entity, or corporation, or the United States or any agency thereof, for other lands, whenever the Authority determines and the State Lands Commission adopts a resolution declaring and finding all of the following:

(1) The portions of the Trust Property to be exchanged have been filled and reclaimed, are cut off from access to the waters of San Francisco Bay, are no longer needed or required for the promotion of the public trust for commerce, navigation, and fisheries, and constitute a relatively small portion of the lands originally granted to the City and County of San Francisco under the Burton Act (Chapter 1333 of the Statutes of 1968).

(2) The lands to be acquired by the Authority have a value equal to or greater than the value of the lands for which they are to be exchanged and are useful for the particular trust purposes authorized by this act.

(3) No substantial interference with trust uses and purposes will ensue by virtue of the exchange.

(b) Upon adoption of the resolution by the State Lands Commission, the lands granted by the Authority shall thereupon be free from the public trust for commerce, navigation, and fisheries, and the lands received in exchange shall be held subject to the public trust and to the terms of this act.

(c) Exchanges made pursuant to this section are hereby found to be of statewide significance and importance, and, therefore, any ordinance, charter provision, or other provision of local law inconsistent with this section shall not be applicable to the exchange.

SEC. 12. If the Authority is dissolved, by operation of law or otherwise, the Trust Property, together with any and all improvements thereon, and the management, conduct, and operation of and jurisdiction over the Trust Property, shall revert and be conveyed to and vest in the City and County of San Francisco, acting by and through its Port Commission, subject to the public trust for commerce, navigation, and fisheries, and the requirements of the Burton Act (Chapter 1333 of the Statutes of 1968), and the remainder of the property shall be conveyed to the City and County of San Francisco.

SEC. 13. (a) The state reserves the right to amend, modify, or revoke any and all rights to the Trust Property granted to the Authority under this act.

(b) For purposes of this section, the term "bonds" includes, without limitation, lease revenue bonds and other bonds, lease financing arrangements, and certificates of participation.

(c) No amendment, modification, or revocation, in whole or in part, of the transfer of the Trust Property in trust provided for in this act shall impair or affect the rights or obligations of third parties, including the holders of bonds or securities, lessees, lenders for value, holders of contracts, conferring the right to the use or occupation of, or the right to conduct operations upon or within, the Trust Property, arising from leases, contracts, or other instruments lawfully entered into prior to the effective date of such amendment, modification, or revocation.

(d) In the event, at the effective date of any such amendment, modification, or revocation, there are in effect any such leases, contracts, or other instruments, the state may, at its option exercised by and through the State Lands Commission, succeed to the interest in any such instrument of the Authority; otherwise the interest of the Authority in any instrument then in effect shall continue during the term or other period of time during which the instrument shall remain in effect, and provided further that in any event all bonds or securities issued by the Authority and payable out of revenues of the Trust Property shall continue to be so payable, directly or indirectly, and secured in all respects as provided in the proceedings for their issuance, and the revenues of the property shall be pledged and applied to the payment of such bonds or securities in all respects as though no amendment, modification, or revocation had taken place.

SEC. 14. Section 2.1 is added to Chapter 1333 of the Statutes of 1968, to read:

2.1. This act shall not apply to the property commonly known as Treasure Island, nor to those portions of the property commonly known as Yerba Buena Island consisting of former or existing title and submerged lands and more particularly described in Section 6 of Assembly Bill No. 699 of the 1997-98 Regular Session.

SEC. 15. The Legislature finds and declares that, because of the unique circumstances applicable only to the lands within the City and County of San Francisco described in this act, relating to the closure of Naval Base Treasure Island, a statute of general applicability cannot be enacted within the meaning of subdivision (b) of Section 16 of Article IV of the California Constitution. Therefore, this special statute is necessary.