

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

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

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,

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,

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; and,

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

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

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)  
10 landside improvements for a new 400 slip marina, and (8) transportation infrastructure,  
11 including a ferry/quay intermodal 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, the  
19 SUD, and the Development Agreement ~~Design for Development~~ and the Mitigation Monitoring  
20 and Reporting Program; and,

21           WHEREAS, The Disposition and Development Agreement also governs the  
22 Developer's obligations with respect to the Project and requires the Developer to invest  
23 hundreds of millions of dollars of private capital in the initial construction of public  
24 infrastructure, affordable housing and community benefits and payment of the Navy payments  
25 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 by Resolution No. 11-16-04/21 to  
4 implement direction from the Board of Supervisors that existing residents be provided with the  
5 opportunity to remain on Treasure 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. 110291 and incorporated herein by reference (the  
2 "Interagency Cooperation Agreement"), to provide for cooperation between the City and TIDA  
3 in administering the process for control and approval of subdivisions, and other applicable  
4 land use, development, construction, improvement, infrastructure, occupancy and use  
5 requirements, and in establishing the policies and procedures relating to such approvals and  
6 other actions as set forth in the Interagency Cooperation Agreement for the Project Site; and,

7 WHEREAS, On April 21 \_\_\_\_\_, 2011, the Planning Commission by Motion  
8 No. 18325 \_\_\_\_\_ and the TIDA Board of Directors by Resolution No. 11-14-  
9 04/21 \_\_\_\_\_, as co-lead agencies, certified the completion of the Final  
10 Environmental Impact Report for the Project, of which the Disposition and Development  
11 Agreement and the Interagency Cooperation Agreement form a part; and,

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

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

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

1 Determination"), a copy of which is on file with the Clerk of the Board of Supervisors in File  
2 No. 110228 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. 110228, and incorporated into this Resolution by  
7 reference; and,

8 WHEREAS, Concurrently with this Resolution, the Board of Supervisors has adopted  
9 Resolution No. 246-11, adopting findings under the California Environmental  
10 Quality Act CEQA, including the adoption of a mitigation monitoring and reporting program and  
11 a statement of overriding considerations in connection with the development of the Project,  
12 which Resolution is on file with the Clerk of the Board of Supervisors in File No. 110328, and  
13 incorporated herein by reference; and,

14 WHEREAS, The Interagency Cooperation Agreement was presented to the CAB at a  
15 duly noticed public meetings on January 18, 2011 and \_\_\_\_\_,  
16 2011, and on April 19, 2011 the CAB voted to recommend endorse the  
17 Interagency Cooperation Agreement; and,

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

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

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1           WHEREAS, The Disposition and Development Agreement was presented to the TIDA  
2 Board at a duly noticed public meetings on March 9, 2011 and  
3 \_\_\_\_\_, 2011, and on April 21, 2011 the TIDA Board voted to  
4 approve the Disposition and 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 Treasure Island Project Director of Redevelopment for TIDA ("Director") to  
22 execute the Disposition and Development Agreement between TIDA and the Developer, and  
23 approves and authorizes the Director and the appropriate City officers to execute the  
24 Interagency Cooperation Agreement between TIDA and the City, in substantially the forms  
25 filed with the Clerk of the Board in File No. 110291, and any additions, amendments or other

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

## Tails Resolution

City Hall  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4689

**File Number:** 110291

**Date Passed:** June 07, 2011

Resolution approving a Disposition and Development Agreement between the Treasure Island Development Authority and Treasure Island Community Development, LLC, for certain real property located on Treasure Island/Yerba Buena Island; approving an Interagency Cooperation Agreement between the City and the Treasure Island Development Authority; and adopting findings, including findings that the agreements are consistent with the City's General Plan and Eight Priority Policies of City Planning Code Section 101.1, and findings under the California Environmental Quality Act.

May 02, 2011 Land Use and Economic Development Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE

May 02, 2011 Land Use and Economic Development Committee - REFERRED AS AMENDED

May 11, 2011 Budget and Finance Sub-Committee - REFERRED WITHOUT RECOMMENDATION

May 17, 2011 Board of Supervisors - CONTINUED

Ayes: 10 - Avalos, Chiu, Chu, Cohen, Elsbernd, Farrell, Kim, Mar, Mirkarimi and Wiener

Excused: 1 - Campos

June 07, 2011 Board of Supervisors - AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE

Ayes: 11 - Avalos, Campos, Chiu, Chu, Cohen, Elsbernd, Farrell, Kim, Mar, Mirkarimi and Wiener

June 07, 2011 Board of Supervisors - ADOPTED AS AMENDED

Ayes: 11 - Avalos, Campos, Chiu, Chu, Cohen, Elsbernd, Farrell, Kim, Mar, Mirkarimi and Wiener

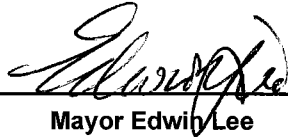
File No. 110291

I hereby certify that the foregoing  
Resolution was ADOPTED AS AMENDED on  
6/7/2011 by the Board of Supervisors of the  
City and County of San Francisco.




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Angela Calvillo  
Clerk of the Board



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Mayor Edwin Lee



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Date Approved