

18-31-07/11

1 [TREASURE ISLAND ENTERPRISES – MARINA LEASE AND CEQA FINDINGS]

2 **Resolution (i) making CEQA Findings and adopting a Mitigation Monitoring and**  
3 **Reporting Program (MMRP) for the marina project and confirming the San Francisco**  
4 **Planning Department’s determination that no additional environmental impacts would**  
5 **occur as a result of project implementation and no additional environmental analysis**  
6 **other than the Case File memorandum attached as Exhibit A would be required under**  
7 **CEQA; and (ii) approving and authorizing the execution of a sixty six (66) year lease**  
8 **agreement between the Treasure Island Development Authority and Treasure Island**  
9 **Enterprises, LLC, a California limited liability company, for the development and**  
10 **management of the Treasure Island Marina.**

11 WHEREAS, Naval Station Treasure Island is a military base located on Treasure Island  
12 and Yerba Buena Island (together, the "Base"), which is currently owned by the United States  
13 of America ("the Federal Government"); and,

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

17 WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97,  
18 authorizing the Mayor’s Treasure Island Project Office to establish a nonprofit public benefit  
19 corporation known as the Treasure Island Development Authority (the "Authority") to act as a  
20 single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and  
21 conversion of the Base for the public interest, convenience, welfare and common benefit of  
22 the inhabitants of the City and County of San Francisco; and,

23 WHEREAS, Under the Treasure Island Conversion Act of 1997 (the "Act"), which  
24 amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to  
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1 Chapter 1333 of the Statutes of 1968, the California Legislature (i) designated the Authority as  
2 a redevelopment agency under California redevelopment law with authority over the Base  
3 upon approval of the City's Board of Supervisors, and (ii) with respect to those portions of the  
4 Base which are subject to the Tidelands Trust, vested in the Authority the authority to  
5 administer the public trust for commerce, navigation and fisheries as to such property; and,

6 WHEREAS, On February 6, 1998, the Board of Supervisors adopted Resolution No.  
7 43-98 approving the designation of the Authority as a redevelopment agency for Treasure  
8 Island and Yerba Buena Island; and,

9 WHEREAS, On January 24, 2012, the Board of Supervisors rescinded designation of  
10 the Authority as the redevelopment agency for Treasure Island under California Community  
11 Redevelopment Law in Resolution No. 11-12; although such rescission does not affect  
12 Authority's status as the Local Reuse Authority for Treasure Island or the Tidelands Trust  
13 trustee for the portions of Treasure Island subject to the Tidelands Trust, or any other powers  
14 or authority of the Authority; and

15 WHEREAS, The Authority, together with the San Francisco Planning Department, are  
16 the Lead Agencies responsible for the implementation of the California Environmental Quality  
17 Act ("CEQA") for this area and have undertaken a planning and environmental review process  
18 for the development and expansion of the Treasure Island Marina (the "Project") and provided  
19 for appropriate public hearings before the respective Commissions; and,

20 WHEREAS, On June 22, 1999, the Authority Board of Directors approved the  
21 Exclusive Negotiating Agreement ("ENA") with Treasure Island Enterprises, LLC, a California  
22 limited liability company ("TIE"), pursuant to which the parties agreed, among other things, to  
23 negotiate in good faith with each other to enter into a lease disposition and development  
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1 agreement and ground lease and any necessary transaction documents for the Project, as  
2 well as a sublease for the interim operation of the Treasure Island Marina; and,

3 WHEREAS, Since the execution of the ENA, TIE has operated the Treasure Island  
4 Marina consisting of 110 boat slips, and has participated in many Treasure Island related  
5 activities and collaborated with many Treasure Island groups, such as One Treasure Island,  
6 Treasure Island Sailing Center, and Treasure Island Yacht Club, in order to better understand  
7 the needs of the community for the Project; and,

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9 WHEREAS, On October 30, 2017, the Authority Board of Directors adopted the CEQA  
10 Findings and Mitigation Monitoring and Reporting Program, and approved a 66 year Lease  
11 with TIE for the development and management of a 313-slip marina; and,

12 WHEREAS, Certain organizations objected to the size of the Authority - approved  
13 marina expansion, and in response to these concerns, Supervisor Kim introduced a  
14 resolution calling for further refinement of the proposed project; and,

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16 WHEREAS, TIE met with concerned stakeholders and negotiated further reductions to  
17 the size of the TIE marina, and on June 5, 2018, the San Francisco Board of Supervisors  
18 reviewed the TIE's May 2018 marina plan, and unanimously passed Supervisor Kim's  
19 modified resolution, Number 173-18, File Number 180331, finding (i) the footprint of the May  
20 2018 marina plan consistent with the development Reuse Plan; (ii) the marina redevelopment  
21 does not diminish existing public recreation in Clipper Cove; and (iii) made other findings  
22 consistent with the May 2018 marina plan; and,

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24 WHEREAS, The revised plan shrinks the footprint of the marina as described in the  
25 lease approved by the Authority Board last October to a footprint of approximately 941 feet by

1 718 feet and reduces the number of proposed berths from 313 to approximately 220 slips;  
2 and,

3 WHEREAS, Authority and TIE have been working for almost two decades to plan for  
4 the reuse and redevelopment of Treasure Island, including the proposed Project, and have  
5 conducted environmental review under CEQA; and,

6 WHEREAS, On August 23, 2003, the Planning Department and Authority released for  
7 public review and comment the Draft Environmental Impact Report for the Transfer and  
8 Reuse of Naval Station Treasure Island (Planning Department File No. 94.448E), which  
9 includes both a program-level analysis of the transfer of the portions of the former base from  
10 the United States Navy to the City and County of San Francisco and a project-level analysis  
11 for the marina development; and,

12 WHEREAS, The Planning Commission and the Authority Board of Directors held a joint  
13 public hearing on October 2, 2003 on the Draft Environmental Impact Report and received  
14 written public comments until October 21, 2003, for a total of 60 days of public review; and,

15 WHEREAS, The Planning Department and Authority prepared a Final Environmental  
16 Impact Report ("2006 FEIR") for the Transfer and Reuse of Naval Station Treasure Island  
17 consisting of the Draft Environmental Impact Report, the comments received during the  
18 review period, any additional information that became available after the publication of the  
19 Draft Environmental Impact Report, and the Comments and Responses, all as required by  
20 law, a copy of which is on file with the Planning Department under Case No. 94.448E, which  
21 is incorporated into this motion by this reference; and,  
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1 WHEREAS, On May 5, 2005, the Planning Commission, by Motion No. 17020, and the  
2 Authority Board of Directors, by Resolution 05-017-5105, as co-lead agencies, certified the  
3 2006 FEIR and made certain environmental findings under CEQA; and,

4 WHEREAS, On July 12, 2010, the Planning Department and Authority released for  
5 public review and comment the Draft Environmental Impact Report for the Treasure  
6 Island/Yerba Buena Island Project (Planning Department Case No. 2007.0903E), which  
7 analyzed the impacts of the proposed master development, including an analysis of the new  
8 and upgraded landside and waterside facilities for the existing Treasure Island Sailing Center,  
9 located adjacent the marina at Clipper Cove, to the east, and landside services and  
10 improvements for the proposed expanded marina; and,

11 WHEREAS, The Planning Commission and the Authority Board of Directors held a joint  
12 public hearing on August 12, 2010 on the Draft Environmental Impact Report and received  
13 written public comments until August 26, 2010, for a total of 45 days of public review; and,  
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15 WHEREAS, The Planning Department and Authority prepared a Final Environmental  
16 Impact Report ("2011 FEIR") for the Treasure Island/Yerba Buena Island Project consisting of  
17 the Draft Environmental Impact Report, the comments received during the review period, any  
18 additional information that became available after the publication of the Draft Environmental  
19 Impact Report, and the Draft Summary of Comments and Responses, all as required by law,  
20 a copy of which is on file with the Planning Department under Case No. 2007.0903E, which is  
21 incorporated into this motion by this reference; and,  
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23 WHEREAS, On April 21, 2011, the Planning Commission by Motion No. 18325, and  
24 the Authority Board of Directors, by Resolution No. 11-14-04/21, as co-lead agencies, certified  
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1 the completion of the 2011 FEIR, and unanimously approved a series of entitlement and  
2 transactional documents, including certain environmental findings under CEQA and a  
3 Mitigation Monitoring and Reporting Program (“MMRP”); and,

4 WHEREAS, On June 7, 2011, in Motion No. M11-0092, the Board of Supervisors  
5 unanimously affirmed certification of the 2011 FEIR, and on that same date, the Board of  
6 Supervisors, in Resolution No. 246-11, adopted CEQA findings and the MMRP, and made  
7 certain environmental findings under CEQA; and,

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9 WHEREAS, Subsequent to the certification of the 2006 FEIR and the 2011 FEIR, TIE  
10 proposed several updates to the Project due to: (1) evolution and modernization of marina  
11 design, (2) United States Navy and California regulatory requirements relating to the cleanup  
12 work that was performed by the Navy at the Treasure Island Marina, and (3) conformance  
13 with the Division of Boating and Waterways (DBW) Guidelines for Marina Berthing Facilities  
14 that receive state funding; and,

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16 WHEREAS; The Planning Department prepared a Case File Memorandum on July 5,  
17 2017 (the “2017 Memorandum”), which identified the proposed revisions to the Project and  
18 concluded that the proposed revisions to the Project would result in no additional  
19 environmental impacts, that the severity of impacts already-identified in the 2006 EIR and the  
20 2011 EIR would not increase, and that no additional environmental analysis would be required  
21 under CEQA. As such, pursuant to California Public Resources Code Section Section 21166  
22 and CEQA Guidelines Section 15162, the Planning Department concluded that a subsequent  
23 or supplemental environmental impact report is not required; and,  
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1           WHEREAS, The 2006 FEIR, the 2011 FEIR, the 2017 Memorandum and other Project-  
2 related files have been made available for review by the Planning Commission, the Planning  
3 Department, the Authority Board of Directors and the public, and those files are part of the  
4 record before Authority; and,

5           WHEREAS, The Planning Department and Authority prepared proposed Findings, as  
6 required by CEQA, regarding the alternatives, mitigation measures and significant  
7 environmental impacts analyzed in the 2006 FEIR, 2011 FEIR, and overriding considerations  
8 for approving the Project, attached as Attachment A-1, including a the MMRP, which was  
9 made available to for Authority's review and consideration (collectively, the "CEQA Findings");  
10 and,  
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12           WHEREAS, Authority staff and TIE have negotiated a sixty-six (66) year lease, a copy  
13 of which is in the Authority Board file (the "Lease"), whereby TIE would develop and manage  
14 the Treasure Island Marina consisting of approximately 220-slips in Clipper Cove, and the  
15 Authority will also provide nonexclusive use / access to the common water areas of Clipper  
16 Cove and to the adjacent landside areas; and,  
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18           WHEREAS, Under the Lease, (1) TIE would construct a new Treasure Island Marina in  
19 three phases, at an estimated project cost of \$22,500,000, (2) existing boat slip holders would  
20 have an opportunity to relocate into the new slips that are created in the first two phases, and  
21 (3) rents to be charged to boat slip holders for the new Treasure Island Marina will be  
22 comparable to other premium marinas in the greater San Francisco Bay Area; and,  
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24           WHEREAS, Under the Lease, TIE will pay a minimum monthly base rent of \$7,500.00  
25 per month or \$90,000 annually, with future CPI adjustments, and an annual percentage rent

1 based upon gross receipts, if such amount is higher than the minimum base rent under the  
2 formula set forth in the Lease; now, therefore be it

3 RESOLVED, That the Authority Board of Directors has reviewed and considered the  
4 2006 FEIR, 2011 FEIR and the 2017 Memorandum, and hereby adopts the CEQA Findings;  
5 and be it

6 FURTHER RESOLVED, That the Authority Board of Directors confirms the San  
7 Francisco Planning Department's determination that no additional environmental impacts  
8 would occur as a result of project implementation and no additional environmental analysis  
9 other than the Case File memorandum attached hereto as Exhibit A would be required under  
10 CEQA; and be it

11 FURTHER RESOLVED, That the Authority Board of Directors approves the Lease,  
12 substantially in the form on file with the Secretary of the Board, subject to the approval of the  
13 Board of Supervisors, and subject to all mitigation measures detailed in the MMRP included in  
14 Exhibit A-1 herein that are relevant to the Project, and determines that the development of the  
15 Treasure Island Marina proposed under the Lease is in the best interests of Authority, the  
16 City, and the health, safety, morals and welfare of its residents, and is in accordance with the  
17 public purposes and provisions of applicable federal, state and local laws and requirements;  
18 and be it

19 FURTHER RESOLVED, That the Board of Directors hereby authorizes the Treasure  
20 Island Director to execute and perform the Authority's obligations under the Lease, and to  
21 enter into any additions, amendments or other modifications to the Lease that the Treasure  
22 Island Director determines in consultation with the City Attorney are in the best interests of the  
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1 Authority, that do not materially increase the obligations or liabilities of the Authority, that do  
2 not materially reduce the rights of the Authority, or are necessary or advisable to complete the  
3 preparation and approval of the Agreement, such determination to be conclusively evidenced  
4 by the execution and delivery by the Treasure Island Director of the documents and any  
5 amendments thereto.

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9 **CERTIFICATE OF SECRETARY**

10 **I hereby certify that I am the duly elected Secretary of the Treasure Island**  
11 **Development Authority, a California nonprofit public benefit corporation, and that the**  
12 **above Resolution was duly adopted and approved by the Board of Directors of the**  
13 **Authority at a properly noticed meeting on July 11, 2018.**

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17 **Mark Dunlop, Secretary**

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