

1 [Navy Lease of 574 Housing Units on Treasure Island and Related Facilities]
 2 APPROVING AND AUTHORIZING THE TREASURE ISLAND DEVELOPMENT AUTHORITY
 3 TO EXECUTE A LEASE WITH THE UNITED STATES NAVY FOR THE FIRST 574 OF A
 4 TOTAL OF ⁷⁶⁶~~776~~ HOUSING UNITS ON TREASURE AND YERBA BUENA ISLANDS TO BE
 5 SUBLEASED TO THE JOHN STEWART COMPANY.

6 WHEREAS, On May 2, 1997, the Board of Supervisors (the "Board") passed
 7 Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a
 8 nonprofit public benefit corporation known as the Treasure Island Development Authority (the
 9 "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction,
 10 rehabilitation, reuse and conversion of former Naval Station Treasure Island (the "Base") for
 11 the public interest, convenience, welfare and common benefit of the inhabitants of the City
 12 and County of San Francisco; and,

13 WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended
 14 Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter
 15 1333 of the Statutes of 1968 (the "Act"), the California legislature (i) designated the Authority
 16 as a redevelopment agency under California redevelopment law with authority over the Base
 17 upon approval of the City's Board of Supervisors, and, (ii) with respect to those portions of the
 18 Base which are subject to the Tidelands Trust, vested in the Authority the authority to
 19 administer the public trust for commerce, navigation and fisheries as to such property; and,

20 WHEREAS, The Tidelands Trust prohibits the sale of trust property into private
 21 ownership, generally requires that Tidelands Trust property be accessible to the public and
 22 encourages public-oriented uses of trust property that, among other things, attract people to
 23 the waterfront, promote public recreation, protect habitat and preserve open space; and,
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MAYOR WILLIE L. BROWN, JR., SUPERVISORS AMMIANO, YEE, YAKI, BIERMAN and
 BROWN, LENO, KATZ, NEWSOM
 BOARD OF SUPERVISORS

1 WHEREAS, In order to facilitate productive reuse and job creation on the Base, it may
2 be beneficial for the Authority to lease or license property from the Navy and, in turn, sublease
3 or sublicense such property to third-parties or use such property for municipal purposes; and,

4 WHEREAS, The Authority and the Navy have negotiated the terms and conditions of a
5 lease for fifteen years for the use of the first 574 of a total 766 housing units on the Base (the
6 "Master Housing Lease"), substantially in the form of the Master Housing Lease filed with the
7 Clerk of the Board in File No. 990125, for use in connection with the Authority's
8 proposed Sublease, Development Marketing and Property Management Agreement with the
9 John Stewart Company (the "JSC Sublease"); and,

10 WHEREAS, Among other things, the Master Housing Lease provides that the Authority
11 may lease 574 housing units on the Base for fifteen years for residential use; and,

12 WHEREAS, As contemplated by the JSC Sublease, the Authority and the Navy intend
13 to amend the Master Housing Lease to add an additional 192 housing units on the Base upon
14 the completion by the Navy of certain environmental remediation work; and,

15 WHEREAS, Under the Master Housing Lease, the Authority is not required to pay rent
16 to the Navy, however, as consideration for the lease of the premises to the Authority, the
17 Authority is required to (i) actively market the Base, (ii) provide protection and maintenance
18 services to the premises, and (iii) upon use and occupancy of the premises by residential
19 tenants, pay the Navy a Common Services Charge equal to \$0.050 Cents per square foot of
20 interior space and \$0.003 per square foot of exterior space, per month; and,

21 WHEREAS, As additional consideration under the Master Housing Lease, the Authority
22 is required, subject to annual appropriations by the Board of Supervisors, to apply certain net
23 revenues generated from the use or sublease of the Premises for property management
24 services on the Base and for improvements to the Base; and,

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MAYOR WILLIE L. BROWN, JR., SUPERVISORS AMMIANO, YEE, YAKI, BIEMAN and
BROWN
BOARD OF SUPERVISORS

1 WHEREAS, If the Board of Supervisors elects not to appropriate such net revenues for
2 property management services or improvements to the Base, the Navy may terminate the
3 Master Housing Lease, but such termination could trigger certain special indemnity obligations
4 of the Authority to the John Stewart Company under the JSC Sublease; and,

5 WHEREAS, In connection with the Master Housing Lease, the Authority indemnifies
6 and holds harmless the Navy from any losses or claims suffered by the Navy arising out of the
7 Authority's use of the Premises; and,

8 WHEREAS, Pursuant to the requirements of the California Environmental Quality Act,
9 California Public Resources Code, Sections 21000 et seq., ("CEQA"), the Guidelines for
10 Implementation of CEQA, Title 15 California Code of Regulations Sections 15000 et seq.,
11 ("CEQA Guidelines") and Chapter 31 of the San Francisco Administrative Code ("Chapter
12 31"), entitled Environmental Quality, the San Francisco Planning Department prepared two (2)
13 categorical exemptions affecting the decision by this Board of Supervisors to approve the
14 lease that is the subject of this resolution; and,

15 WHEREAS, On September 24, 1997, the Planning Department issued a Categorical
16 Exemption under Guidelines sections 15301(a) and 15301(d) on the basis that the renovation
17 and occupancy by civilians of approximately 204 existing Series 1400 housing units would not
18 result in a change in use or intensity from previous uses; and,

19 WHEREAS, On November 3, 1997, the Planning Department issued a Categorical
20 Exemption under Guidelines sections 15301, 15303 and 15304(e) and a General Rule
21 Exclusion under Guidelines section 15061(b)(3) for the interim reuse of all facilities on
22 Treasure Island, including but not limited to housing units, on the basis that interim uses that
23 are consistent with the intensity and use of said facilities as documented in the 1995 Existing
24 Conditions Report would not nor could not have a reasonable probability to cause or
25 contribute to a significant effect on the environment; and,

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1 WHEREAS, Both categorical exemptions have been filed with the Clerk of the Board in
2 File No. 990125 and the 1995 Existing Conditions Report is on file with the
3 Secretary of the Authority; Now, therefore, be it

4 RESOLVED, That the Board hereby approves and authorizes the Authority to enter into
5 the Master Housing Lease; and, be it

6 FURTHER RESOLVED, That the Board authorizes the Authority to enter into
7 modifications to the Master Housing Lease (including, without limitation, the attachment or
8 modification of exhibits) that are in the best interests of the Authority and the City, do not
9 materially change the terms of the Master Housing Lease, and are necessary and advisable
10 to effectuate the purpose and intent of this resolution.

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12 RECOMMENDED:
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14 _____
15 ANNEMARIE CONROY
16 Executive Director
17 Treasure Island Development Authority
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BROWN
BOARD OF SUPERVISORS



City and County of San Francisco

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

Tails

Resolution

File Number: 990125

Date Passed:

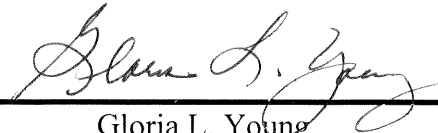
Resolution approving and authorizing the Treasure Island Development Authority to execute a lease with the United States Navy for the first 574 of a total of 766 housing units on Treasure and Yerba Buena Islands to be subleased to the John Stewart Company.

February 22, 1999 Board of Supervisors — ADOPTED

Ayes: 11 - Ammiano, Becerril, Bierman, Brown, Katz, Kaufman, Leno, Newsom, Teng, Yaki, Yee

File No. 990125

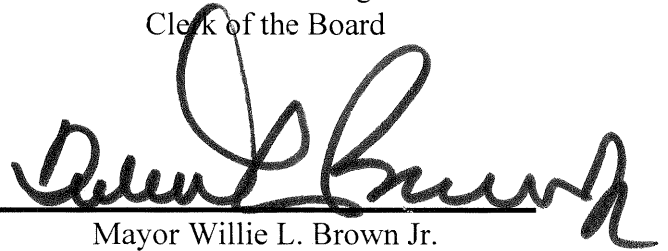
I hereby certify that the foregoing Resolution was ADOPTED on February 22, 1999 by the Board of Supervisors of the City and County of San Francisco.



Gloria L. Young
Clerk of the Board

MAR - 5 1999

Date Approved



Mayor Willie L. Brown Jr.

File No. 990125 continued...