

1 [Hunters Point Shipyard Development Authority]

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3 **Resolution urging the California Legislature to enact the Hunters Point Shipyard**
4 **Development Authority Act of 2003.**

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6 WHEREAS, The Hunters Point Naval Shipyard (the “Shipyard”), closed since 1974,
7 was once a major center of employment for the Bayview-Hunters Point community, providing
8 logistics support, construction and maintenance for United States Naval (“Navy”) operations,
9 and, at its peak, employing seventeen thousand (17,000) civilian and military personnel, many
10 of whom lived in the Bayview-Hunters Point neighborhood; and,

11 WHEREAS, Closure of the Shipyard had profoundly negative impacts on the economic
12 base of the Bayview-Hunters Point community, contributing to an unemployment rate that is
13 significantly higher than the citywide rate; and,

14 WHEREAS, In 1989, due to environmental contamination on the base, the EPA placed
15 the Shipyard on the National Priorities List of “Superfund” cleanup sites, and in 1991, the
16 Navy, the United States Environmental Protection Agency (“Federal EPA”) and the State of
17 California (“Cal/EPA,” and together with the Federal EPA, the “Regulators”) entered into a
18 Federal Facilities Agreement (“FFA”) requiring the Navy to investigate and remediate all
19 hazardous substances, pollutants and contaminants on, in, under or about the Shipyard in
20 accordance with applicable federal law and a specified process and schedule; and,

21 WHEREAS, In 1990, Congress designated the Shipyard for formal closure under the
22 federal Defense Base Closure and Realignment Act (“BRAC”) and, pursuant to special federal
23 legislation sponsored by Congresswoman Pelosi in 1993, authorized the Navy to transfer the
24 Shipyard to the City and County of San Francisco or the San Francisco Redevelopment
25 Agency (together the “City”) at no cost; and,

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WHEREAS, E.O. 12898, 59 Fed. Reg. 7629 (1994), Section 1-101, requires that each federal agency make achieving environmental justice part of its mission by identifying and addressing, as appropriate, disproportionately high and adverse human health or environmental effects of its programs, policies and activities on minority populations and low-income populations; and,

WHEREAS, On November 2, 2000, after a renewed negotiating push by both parties and based on considerable support from the City's federal representatives, the Navy and the City entered into a Memorandum of Agreement (the "MOA") that generally set forth the terms and conditions to be included in a binding agreement to convey parcels of the Shipyard to the San Francisco Redevelopment Agency (a "Conveyance Agreement"); and,

WHEREAS, On July 30, 2001, the Board of Supervisors of the City and County of San Francisco passed unanimously a resolution implementing the will of the voters as expressed by Proposition P, confirming as the policy of the City and County of San Francisco that the Shipyard should be cleaned of toxic and hazardous pollution by the Navy to the highest practical level; and,

WHEREAS, On January 23, 2002, the Navy and the City amended the MOA by executing the "First Addendum to the Memorandum of Agreement/Hunters Point Conveyance Implementation Plan" in order to expedite the remediation and conveyance of the Shipyard under the MOA by, among other things, forging a collaborative partnership among the Navy, the City and community representatives; and,

WHEREAS, From January 23, 2002 to the present, the City and the Navy engaged in intensive negotiations to craft the specific terms and conditions of a comprehensive

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1 conveyance agreement governing the phased transfer of the Shipyard on a parcel-by-parcel
2 basis based on the amended MOA (the “Conveyance Agreement”); and,

3 WHEREAS, As part of that effort, City staff have engaged in an unprecedented level of
4 community involvement, including meeting regularly with key community representatives
5 (including persons with specialized backgrounds in environmental and community
6 development issues unique to the Bayview) to discuss the City’s negotiating strategy with the
7 Navy; and,

8 WHEREAS, The Conveyance Agreement likely will be presented to the San Francisco
9 Redevelopment Agency Commission (the “Commission”) for approval in the coming months;
10 and,

11 WHEREAS, In response to the Shipyard’s formal closure under BRAC, a Hunters Point
12 Shipyard Citizens Advisory Committee (“CAC”) comprised of representatives of community,
13 civic and religious organizations, Shipyard tenants, educators and area businesses, was
14 appointed to develop a blueprint for the conversion of the Shipyard to civilian use, and after
15 years of substantial public outreach and community input into the planning process, the
16 Commission and the City’s Board of Supervisors, with the endorsement of the CAC, adopted
17 the Hunters Point Shipyard Redevelopment Plan (the “Redevelopment Plan”) in July 1997;
18 and,

19 WHEREAS, The Redevelopment Plan comprises the local reuse plan for the
20 conversion of the Shipyard to civilian use, providing for the development of (i) significant new
21 housing, (ii) mixed-use and commercial uses, including retail, maritime, research and
22 development and light industrial uses, (iii) education, training and cultural facilities, and
23 (iv) over 100 acres for recreational and public open space uses; and,

24 WHEREAS, At full build-out, the Shipyard is expected to produce over 6,000 jobs and
25 will generate thousands of construction jobs, and the redevelopment of the entire Shipyard is

1 anticipated to occur over a period of 15-25 years (depending on market conditions) and will
2 require an investment of billions of dollars to complete; and,

3 WHEREAS, On April 22, 1998, the San Francisco Redevelopment Agency issued a
4 Request for Qualifications ("RFQ") to solicit submittals of qualifications and visions from
5 development teams for the conveyance, management and redevelopment of the Shipyard;
6 and,

7 WHEREAS, On March 30, 1999, the Commission determined Lennar BVHP ("Lennar")
8 to be the most qualified of the developer teams that had submitted responses to the RFQ, and
9 on June 1, 1999, the San Francisco Redevelopment Agency and Lennar entered into an
10 Exclusive Negotiating Agreement ("ENA") setting forth the terms and conditions under which
11 the parties would seek to negotiate transaction documents for the conveyance, management
12 and redevelopment of the Shipyard; and,

13 WHEREAS, The ENA included a schedule of performance setting forth a number of
14 negotiating milestones, including (i) a Preliminary Development Concept ("PDC") for the
15 Shipyard, which was endorsed by the Commission on July 20, 2000 based on
16 recommendations from the CAC, (ii) a more detailed Conceptual Framework/Term Sheet for
17 the first phase of development of the Shipyard, which was submitted to the CAC for public
18 review and comment on January 13, 2003, and which is expected to be submitted to the
19 Commission for formal endorsement this Spring, and (iii) following endorsement of the
20 Conceptual Framework/Term Sheet, final transaction documents for the first phase of
21 development are expected to be submitted to the CAC and the Commission later this year;
22 and,

23 WHEREAS, The Hunters Point Shipyard Development Authority Act of 2003 (the
24 "Act"), a copy of which is on file with the Clerk of the Board in File No. _____,
25 would establish the Hunters Point Shipyard Development Authority (the "Shipyard Authority")

1 as a new redevelopment agency with jurisdiction over the Shipyard, and would also grant the
2 Shipyard Authority the authority to administer the public trust for commerce, navigation and
3 fisheries (the “Tidelands Trust”) insofar as it applies to portions of the Shipyard; and,

4 WHEREAS, In anticipation of the transfer of the Shipyard to the San Francisco
5 Redevelopment Agency, in 2002 the Legislature enacted the Hunters Point Shipyard
6 Conversion Act, which granted in trust to the San Francisco Redevelopment Agency the
7 state’s sovereign interest in certain trust lands within and adjacent to the Shipyard and
8 established the San Francisco Redevelopment Agency as the trust administrator for those
9 lands; and,

10 WHEREAS, The Act would transfer all of the state’s sovereign interest in those trust
11 lands from the San Francisco Redevelopment Agency to the new Shipyard Authority and
12 would establish the Shipyard Authority as the trust administrator for those lands; and,

13 WHEREAS, By consolidating the powers of redevelopment and the authority to
14 administer the Tidelands Trust in a single agency focused solely on the development of the
15 Hunters Point Shipyard, the Authority can bring more focus and more resources to the
16 Shipyard, utilizing a model that has been used successfully across the state with many major
17 military base closure projects, including regionally with the Fort Ord Reuse Authority, the
18 Oakland Base Reuse Authority and the Alameda Reuse Authority; and,

19 WHEREAS, Under the Act, the Shipyard Authority will have all of the same powers,
20 obligations, functions and responsibilities of a redevelopment agency under California
21 redevelopment law, except that its governing Board, instead of being appointed solely by the
22 Mayor, will be comprised of six members, three specified City department heads and three
23 members selected by the Mayor from a list provided by the District 10 Supervisor; and,

24 WHEREAS, By providing that 50% of the Shipyard Authority’s governing body shall be
25 selected from a list provided by the District 10 Supervisor for the Bayview-Hunters Point

1 community, the Act will afford the community most negatively affected by the closure of the
2 Hunters Point Shipyard more significant decision-making opportunities regarding the
3 redevelopment of the Shipyard than are generally provided to general purpose redevelopment
4 agencies under California redevelopment law, and in doing so, will further principles of
5 environmental justice and facilitate the conversion of the Shipyard to productive civilian reuse;
6 now, therefore, be it

7 RESOLVED, That the Board of Supervisors hereby endorses the Act's designation of
8 the Shipyard Authority as the redevelopment agency and Tidelands Trust trustee with
9 jurisdiction over the Shipyard and hereby urges the California legislature to enact the Act.

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