

1 [Economic Development Conveyance Memorandum of Agreement - Treasure Island
2 Development Authority]

3
4 **Resolution approving the Economic Development Conveyance Memorandum of**
5 **Agreement for the transfer of former Naval Station Treasure Island from the United**
6 **States Government to the Treasure Island Development Authority; and adopting**
7 **findings under the California Environmental Quality Act.**

8
9
10 WHEREAS, Former Naval Station Treasure Island is a military base located on
11 Treasure Island and Yerba Buena Island (together, the Base), which is currently owned by the
12 United States of America, acting by and through the Department of the Navy (the Navy); and

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

16 WHEREAS, Pursuant to the power and authority provided by the Defense Base
17 Closure and Realignment Act of 1990, 10 U.S.C. § 2687, as amended, the Navy is authorized
18 to convey surplus property at a closed military installation for economic development
19 purposes; and

20 WHEREAS, The United States Department of Defense designated the City and County
21 of San Francisco ("City") as the Local Reuse Authority ("LRA") responsible for the conversion
22 of the Base under the federal disposition process; and

23 WHEREAS, In July 1996 after an extensive community planning effort, a draft reuse
24 plan for the Base (the "Reuse Plan") was unanimously endorsed by the Mayor, the Board of
25

1 Supervisors, the Planning Commission and the Treasure Island Citizens Reuse Committee;
2 and

3 WHEREAS, In 1997 the Base closed and the Treasure Island Development Authority
4 (TIDA) was created to replace the City as the LRA and to serve as a single entity responsible
5 for the reuse and development of the Base; and

6 WHEREAS, TIDA, acting by and through its Board of Directors (the TIDA Board),
7 submitted to the Navy an EDC Application and Business Plan for Naval Station Treasure
8 Island dated June 19, 2000, as amended on July 1, 2003, (the EDC Application), for an
9 economic development conveyance (EDC) of the Base; and

10 WHEREAS, In 2003 after a competitive bid process, the TIDA Board selected Treasure
11 Island Community Development, LLC (the Developer) as the proposed master developer of
12 the Base (excluding certain property to be retained by the U.S. Coast Guard and the U.S. Job
13 Corps); and

14 WHEREAS, In 2006 a Development Plan and Term Sheet for the Redevelopment of
15 Naval Station Treasure Island (as updated from time to time, the Development Plan) between
16 TIDA and the Developer was endorsed by the CAB, the TIDA Board and the San Francisco
17 Board of Supervisors; and

18 WHEREAS, In 2007 TIDA submitted an amended and restated EDC Application (the
19 Amended EDC Application) to the Navy based on the Development Plan and proposed a
20 profit participation mechanism as part of the purchase price; and

21 WHEREAS, In April 2010 the Board of Supervisors unanimously voted to endorse a
22 term sheet for the proposed EDC by Resolution No. 243-10, which term sheet addressed key
23 terms of the proposed EDC, including the conveyance process, the consideration payable to
24 the Navy, including the profit participation mechanism, and certain controls required by the
25 Navy relating to the economic performance of the Project; and

1 WHEREAS, In August 2010 Mayor Gavin Newsom, House Speaker Nancy Pelosi, and
2 U.S. Secretary of the Navy Ray Mabus endorsed the terms of the proposed conveyance of
3 the Base from the Navy to TIDA; and

4 WHEREAS, On April 21, 2011, in a joint session with the San Francisco Planning
5 Commission, the TIDA Board of Directors unanimously approved a series of entitlement and
6 transaction documents (collectively, the Transaction and Entitlement Documents) relating to
7 the Treasure Island/Yerba Buena Island Development Project (the Project), including certain
8 environmental findings under the California Environmental Quality Act (CEQA), a mitigation
9 and monitoring and reporting program, a disposition and development agreement (the DDA)
10 with the Developer, and, by Resolution No. 11-19-04/21, a draft form of EDC Memorandum of
11 Agreement (the Draft EDC); and

12 WHEREAS, On June 7, 2011, the Board of Supervisors unanimously confirmed
13 certification of the final environmental impact report and made certain environmental findings
14 under CEQA (collectively, the FEIR) by Resolution No. 246-11, and approved the Transaction
15 and Entitlement Documents, including, by Resolution No. 242-11, the Draft EDC; and

16 WHEREAS, TIDA and the Navy have completed negotiations for the EDC, including an
17 attached utilities agreement, a copy of which is on file with the Clerk of the Board in File No.
18 _____ and incorporated herein by reference (the EDC MOA); and

19 WHEREAS, The EDC MOA and the DDA are structured so that the Developer will
20 make all payments to the Navy on behalf of TIDA, and the City's General Fund is insulated
21 from any obligation to pay the purchase price; and

22 WHEREAS, The main changes from the previously-approved Draft EDC to the EDC
23 MOA now before the Board are: 1) the addition of language relating to the Navy's obligations
24 with respect to certain radiologically impacted property; 2) the addition of the utilities
25 agreement and provisions relating to the delivery of utility services during the phased transfer

1 of the Base to TIDA; 3) revisions to the schedule for the conveyance of property; and 4) the
2 deletion of the “pre-closing parcel”, which already transferred to TIDA in connection with the
3 Bay Bridge ramps project; and

4 WHEREAS, In response to certain inquiries, the Planning Department prepared a
5 Memorandum entitled “Recent Information Regarding Radiological Analysis of Soil Samples
6 on Treasure Island and Recent Communications Regarding Tsunami Issues,” which it sent to
7 the Treasure Island Director on April 29, 2014, (the 2014 Planning Memorandum), a copy of
8 which is on file with the Clerk of the Board in File No. _____ and incorporated herein by
9 reference; and

10 WHEREAS, In the 2014 Planning Memorandum, the Planning Department concluded
11 that no supplemental or subsequent EIR is required at this time based on information relating
12 to hazardous materials or potential tsunami impacts on the project because there are no
13 substantial changes in the project analyzed in the FEIR, no changes in circumstances under
14 which the project is being undertaken, and no new information indicating that new significant
15 impacts would occur, or that the impacts identified in the FEIR as significant impacts would be
16 substantially more severe; and

17 WHEREAS, On May 14, 2014, the TIDA Board of Directors, by Resolution 14-18-
18 05/14, approved the EDC MOA and made certain environmental findings under CEQA; now,
19 therefore, be it

20 RESOLVED, The Board of Supervisors has reviewed and considered the FEIR, the
21 2014 Planning Memorandum, and the record as a whole, and finds that the FEIR and the
22 2014 Planning Memorandum are adequate for its use as the decision-making body for the
23 actions taken by this resolution and incorporates the CEQA findings contained in Board of
24 Supervisors Resolution No. 246-11 by this reference; and, be it

1 FURTHER RESOLVED, The Board of Supervisors further finds that since the FEIR
2 was finalized, there have been no substantial project changes and no substantial changes in
3 project circumstances that would require major revisions to the FEIR due to the involvement
4 of new significant environmental effects or an increase in the severity of previously identified
5 significant impacts, and there is no new information of substantial importance that would
6 change the conclusions set forth in the FEIR; and, be it

7 FURTHER RESOLVED, That the Board of Supervisors approves the EDC MOA and
8 authorizes the Treasure Island Director to execute, deliver and perform the EDC MOA; and,
9 be it

10 FURTHER RESOLVED, That all actions heretofore taken by TIDA and its officers,
11 employees, and agents with respect to the EDC MOA are hereby approved, confirmed and
12 ratified; and, be it

13 FURTHER RESOLVED, That the Board of Supervisors authorizes and urges all
14 officers, employees, and agents of TIDA and the City to take any and all steps as they deem
15 necessary or appropriate, to the extent permitted by applicable law, in order to consummate
16 the EDC MOA transaction in accordance with this Resolution, including execution of
17 subsequent documents and acceptance of real property from the Navy in accordance with the
18 terms of the EDC MOA, or to otherwise effectuate the purpose and intent of this Resolution
19 and TIDA's performance under the EDC MOA, provided, the Treasure Island Director shall not
20 waive any closing conditions relating to the environmental condition of the property without the
21 prior approval of the TIDA Board of Directors and the Board of Supervisors by resolution; and,
22 be it

23 FURTHER RESOLVED, That the Board of Supervisors authorizes the Treasure Island
24 Director to enter into any amendments or modifications to the EDC MOA that the Treasure
25 Island Director determines, in consultation with the City Attorney, are in the best interest of

1 TIDA, do not materially decrease the benefits to or materially increase the obligations or
2 liabilities of TIDA, and are in compliance with all applicable laws.

3

n:\spec\as2014\0600537\00926951.doc

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25