

1 [Resolution of Intention to Establish Infrastructure and Revitalization Financing District No. 1  
2 (Treasure Island)]

3 **Resolution of Intention to establish City and County of San Francisco Infrastructure**  
4 **and Revitalization Financing District No. 1 (Treasure Island) and project areas therein**  
5 **to finance the construction and/or acquisition of facilities on Treasure Island and Yerba**  
6 **Buena Island; to provide for annexation; to call a public hearing on December 6, 2016,**  
7 **on the formation of the district and project areas therein and to provide public notice**  
8 **thereof; and determining other matters in connection therewith.**

9  
10 WHEREAS, Naval Station Treasure Island (“NSTI”) is a former United States Navy  
11 base located in the City and County of San Francisco (the “City”) that consists of two islands  
12 connected by a causeway: (1) Treasure Island, and (2) an approximately 90-acre portion of  
13 Yerba Buena Island; and

14 WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended  
15 California Health and Safety Code Section 33492.5 and added Section 2.1 to Chapter 1333 of  
16 the Statutes of 1968, the California Legislature: (i) designated the Treasure Island  
17 Development Authority, a California non-profit public benefit corporation (“TIDA”) as a  
18 redevelopment agency under California redevelopment law with authority over NSTI upon  
19 approval of the City’s Board of Supervisors, and (ii) with respect to those portions of NSTI  
20 which are subject to Tidelands Trust, vested in TIDA the authority to administer the public  
21 trust for commerce, navigation and fisheries as to such property; and

22 WHEREAS, The Board of Supervisors approved the designation of TIDA as a  
23 redevelopment agency for NSTI in 1997; and

24 WHEREAS, On January 24, 2012, the Board of Supervisors rescinded designation of  
25 TIDA as the redevelopment agency for Treasure Island under California Community

1 Redevelopment Law in Resolution No. 11-12; and such rescission does not affect TIDA's  
2 status as the Local Reuse Authority for NSTI or the Tidelands Trust trustee for the portions of  
3 NSTI subject to the Tidelands Trust, or any of the other powers or authority; and

4 WHEREAS, The United States of America, acting by and through the Department of  
5 the Navy ("Navy"), and TIDA entered into an Economic Conveyance Memorandum of  
6 Agreement (as amended and supplemented from time to time, the "Conveyance Agreement")  
7 that governs the terms and conditions for the transfer of NSTI from the Navy to TIDA; and  
8 under the Conveyance Agreement, the Navy has and will convey NSTI to TIDA in phases  
9 after the Navy has completed environmental remediation and issued a Finding of Suitability to  
10 Transfer (as defined in the Conveyance Agreement) for specified parcels of NSTI or portions  
11 thereof; and

12 WHEREAS, Treasure Island Community Development, LLC ("Developer") and TIDA  
13 have previously entered into a Disposition and Development Agreement (Treasure  
14 Island/Yerba Buena Island) dated June 28, 2011 (the "DDA"), in Board File No. 110291,  
15 including a Financing Plan (Treasure Island/Yerba Buena Island) (the "Financing Plan"), which  
16 governs the disposition and development of a portion of NSTI (the "Project Site") after the  
17 Navy's transfer of NSTI to TIDA in accordance with the Conveyance Agreement; and

18 WHEREAS, The DDA contemplates a project (the "Project") under which TIDA  
19 acquires the Project Site from the Navy and conveys portions of the Project Site to Developer  
20 for the purposes of: (i) alleviating blight in the Project Site through development of certain  
21 improvements, (ii) geotechnically stabilizing the Project Site, (iii) constructing public  
22 infrastructure to support the Project and other proposed uses on NSTI, (iv) constructing and  
23 improving certain public parks and open spaces, (v) remediating certain existing hazardous  
24 substances, and (vi) selling and ground leasing lots to vertical developers who will construct  
25 residential units and commercial and public facilities; and

1           WHEREAS, On April 21, 2011, the Planning Commission by Motion No. 18325 and the  
2 Board of Directors of TIDA, by Resolution No. 11-14-04/21, as co-lead agencies, certified the  
3 completion of the Final Environmental Impact Report for the Project, and unanimously  
4 approved a series of entitlement and transaction documents relating to the Project, including  
5 certain environmental findings under the California Environmental Quality Act (“CEQA”), a  
6 mitigation and monitoring and reporting program (the “MMRP”), and the DDA and other  
7 transaction documents; and

8           WHEREAS, On June 7, 2011, in Motion No. M11-0092, the Board of Supervisors  
9 unanimously affirmed certification of the Final Environmental Impact Report; and

10           WHEREAS, On that same date, the Board of Supervisors, in Resolution No. 246-11,  
11 adopted CEQA findings and the MMRP, and made certain environmental findings under  
12 CEQA (collectively, the “FEIR”); and

13           WHEREAS, Also on that date, the Board of Supervisors, in Ordinance No. 95-11,  
14 approved the DDA and other transaction documents, including the Transportation Plan and  
15 Infrastructure Plan; and

16           WHEREAS, TIDA and the Developer have been working diligently since then to  
17 implement the Project consistent with the DDA, the MMRP and other documents; and

18           WHEREAS, No additional environmental review is required because there are no  
19 substantial changes to the project analyzed in the FEIR, no change in circumstances under  
20 which the project is being undertaken, and no new information of substantial importance  
21 indicating that new significant impacts would occur, that the impacts identified in the FEIR as  
22 significant impacts would be substantially more severe, or that mitigation or alternatives  
23 previously found infeasible are now feasible; and

24           WHEREAS, Developer and the City previously entered into a Development Agreement  
25 related to the Project Site to eliminate uncertainty in the City’s land use planning for the

1 Project Site and secure orderly development of the Project consistent with the DDA and other  
2 applicable requirements, and the Financing Plan is also an exhibit to the Development  
3 Agreement on file with the Clerk of the Board of Supervisors in File No. 110226; and

4 WHEREAS, The Financing Plan identifies certain financial goals for the Project and the  
5 contractual framework for cooperation between TIDA, the City, and Developer in achieving  
6 those goals and implementing the Project; and

7 WHEREAS, The Financing Plan, among other things, obligates TIDA and the City to  
8 take all actions reasonably necessary for, and obligates Developer to cooperate reasonably  
9 with the efforts of, (i) the City to form requested community facilities districts (each, a “CFD”;  
10 together, the “CFDs”) and take related actions under the Mello-Roos Community Facilities Act  
11 of 1982 (the “Mello-Roos Act”) to pay for Qualified Project Costs, Ongoing Park Maintenance  
12 and Additional Community Facilities (as those terms are defined in the Financing Plan), (ii) the  
13 City to form requested infrastructure financing districts and take related actions under  
14 applicable provisions of the Government Code of the State of California to pay for Qualified  
15 Project Costs (although the Financing Plan refers to a different infrastructure financing act  
16 than the IRFD Law (as defined below) because the IRFD Law had not been created at the  
17 time, the City finds that the provisions of the Financing Plan discussing infrastructure financing  
18 districts shall apply to the IRFD (as defined herein) and the IRFD Law) and (iii) the City to  
19 issue bonds and other debt for the CFDs and the infrastructure financing districts and other  
20 public financing instruments described in the Financing Plan (defined in the Financing Plan as  
21 “Public Financing”); and

22 WHEREAS, Under Chapter 2.6 of Part 1 of Division 2 of Title 5 of the California  
23 Government Code, commencing with Section 53369 (the “IRFD Law”), this Board of  
24 Supervisors is authorized to establish an infrastructure and revitalization financing district and  
25 to act as the legislative body for an infrastructure and revitalization financing district; and

1           WHEREAS, Pursuant to IRFD Law Section 53369.5, an infrastructure and revitalization  
2 financing district may be divided into project areas; and

3           WHEREAS, Pursuant to the Financing Plan and the IRFD Law, the Board of  
4 Supervisors wishes to establish an infrastructure and revitalization financing district and  
5 project areas therein to finance certain facilities; and

6           WHEREAS, The IRFD Law provides that the legislative body of an infrastructure and  
7 revitalization financing district may, at any time, add territory to a district or amend the  
8 infrastructure financing plan for the district by conducting the same procedures for the  
9 formation of a district or approval of bonds as provided in the IRFD Law, and the Board of  
10 Supervisors wishes to establish the procedure for future annexation of property on Yerba  
11 Buena Island and Treasure Island into the proposed infrastructure district; and

12           WHEREAS, IRFD Law Section 53369.14(d)(5) provides that the legislative body of a  
13 proposed infrastructure and revitalization financing district may specify, by ordinance, the date  
14 on which the allocation of tax increment will begin and IRFD Law Section 53369.5(b) provides  
15 that project areas within a district may be subject to distinct limitations established under the  
16 IRFD Law, and the Board of Supervisors accordingly wishes to specify the date on which the  
17 allocation of tax increment will begin for the proposed infrastructure district on a project area-  
18 by-project area basis; now, therefore, be it

19           RESOLVED, That this Board of Supervisors proposes to conduct proceedings to  
20 establish an infrastructure and revitalization financing district pursuant to the IRFD Law, which  
21 district shall include project areas as identified by this Board of Supervisors from time to time;  
22 and, be it

23           FURTHER RESOLVED, That the name proposed for the infrastructure and  
24 revitalization financing district is “City and County of San Francisco Infrastructure and  
25 Revitalization Financing District No. 1 (Treasure Island)” (the “IRFD”); and, be it

1 FURTHER RESOLVED, That pursuant to IRFD Law Section 53369.5, the territory to  
2 be initially included in the IRFD (as show on the map described below) is hereby designated  
3 to include the following initial project areas (collectively, the “Initial Project Areas,” and  
4 together with any future project areas that may be established in the IRFD, the “Project  
5 Areas”):

6 a. Project Area A of the City and County of San Francisco Infrastructure and  
7 Revitalization Financing District No. 1 (Treasure Island) (“Project Area A”);

8 b. Project Area B of the City and County of San Francisco Infrastructure and  
9 Revitalization Financing District No. 1 (Treasure Island) (“Project Area B”);

10 c. Project Area C of the City and County of San Francisco Infrastructure  
11 and Revitalization Financing District No. 1 (Treasure Island) (“Project Area C”);

12 d. Project Area D of the City and County of San Francisco Infrastructure and  
13 Revitalization Financing District No. 1 (Treasure Island) (“Project Area D”);

14 e. Project Area E of the City and County of San Francisco Infrastructure and  
15 Revitalization Financing District No. 1 (Treasure Island) (“Project Area E”); and be it

16 FURTHER RESOLVED, That the proposed boundaries of the IRFD and each of the  
17 Initial Project Areas are as shown on the map of the IRFD and the Initial Project Areas on file  
18 with the Clerk of the Board of Supervisors in File No. 161035, which boundaries are hereby  
19 preliminarily approved and to which map reference is hereby made for further particulars; and,  
20 be it

21 FURTHER RESOLVED, That the type of facilities proposed to be financed by the IRFD  
22 and the Project Areas pursuant to the IRFD Law shall consist of those listed as facilities on  
23 Exhibit A hereto and hereby incorporated herein (the “Facilities”), and the Facilities are  
24 authorized to be financed by the IRFD by IRFD Law Sections 53369.2 and 53369.3, and the  
25 Board of Supervisors hereby finds each of the following: that the Facilities (i) are of

1 communitywide significance, (ii) will be constructed on a former military base and are  
2 consistent with the authority reuse plan and have been or will be approved by TIDA (the  
3 military base reuse authority), if applicable, (iii) will not supplant facilities already available  
4 within the proposed boundaries of the IRFD, except for those that are essentially  
5 nonfunctional, obsolete, hazardous, or in need of upgrading or rehabilitation, and (iv) will  
6 supplement existing facilities as needed to serve new developments, and the Board of  
7 Supervisors acknowledges and agrees that the Acquisition and Reimbursement Agreement  
8 (Treasure Island/Yerba Buena Island) dated as of March 8, 2016, by and among the City and  
9 County of San Francisco, TIDA, and the Developer (the “Acquisition Agreement”) governs the  
10 process for the City to acquire the Facilities using the proceeds of the IRFD; and, be it

11 FURTHER RESOLVED, That the Board of Supervisors hereby declares that, pursuant  
12 to the IRFD Law, incremental property tax revenue from the City to finance the Facilities, but  
13 no tax increment revenues from the other affected taxing entities (as defined in the IRFD Law)  
14 within the IRFD, if any, will be used by the IRFD to finance the Facilities, and the incremental  
15 property tax financing will be described in an infrastructure financing plan (the “Infrastructure  
16 Financing Plan”) to be prepared for this Board of Supervisors under the IRFD Law; and, be it

17 FURTHER RESOLVED, That in accordance with IRFD Law Sections 53369.5(b) and  
18 53369.14(d)(5), the Board of Supervisors shall establish, by ordinance, the date on which the  
19 allocation of tax increment shall begin for the IRFD, which date shall be determined on a  
20 Project Area-by-Project Area basis (each such date, the “Commencement Date”), and each  
21 Project Area may accordingly have a different Commencement Date, with each  
22 Commencement Date being the first day of the fiscal year following the fiscal year in which the  
23 applicable Project Area has generated and the City has received (i) with respect to Project  
24 Areas A, B and E, at least \$150,000 of tax increment, (ii) with respect to Project Areas C and  
25 D, at least \$300,000 of tax increment, and (iii) with respect to all other Project Areas, the

1 amount of tax increment specified in the ordinance annexing such Project Area to the IRFD;  
2 and, be it

3 FURTHER RESOLVED, That future annexations of property on Yerba Buena Island  
4 and Treasure Island into the IRFD may occur at any time after formation of the IRFD, but only  
5 if the Board of Supervisors has completed the procedures set forth in the Infrastructure  
6 Financing Plan, which shall be based on the following: (i) this Board of Supervisors adopts a  
7 resolution of intention to annex property (the “annexation territory”) into the IRFD and  
8 describes whether the annexation territory will be included in one of the then-existing Project  
9 Areas or in a new Project Area and to issue Bonds, (ii) the resolution of intention is mailed to  
10 each owner of land in the annexation territory and each affected taxing entity in the  
11 annexation territory, if any, in substantial compliance with IRFD Law Sections 53369.11 and  
12 53369.12, (iii) this Board of Supervisors designates TIDA to prepare an amendment to the  
13 Infrastructure Financing Plan, if necessary, and the designated official prepares any such  
14 amendment, in substantial compliance with IRFD Law Sections 53369.13 and 53369.14, (iv)  
15 any amendment to the Infrastructure Financing Plan is sent to each owner of land and each  
16 affected taxing entity (if any) within the annexation territory, in substantial compliance with  
17 IRFD Law Sections 53369.15 and 53369.16, (v) this Board of Supervisors notices and holds a  
18 public hearing on the proposed annexation, in substantial compliance with IRFD Law Sections  
19 53369.17 and 53369.18, (vi) this Board of Supervisors adopts a resolution proposing the  
20 adoption of any amendment to the Infrastructure Financing Plan and annexation of the  
21 annexation territory to the IRFD, and submits the proposed annexation to the qualified  
22 electors in the annexation territory, in substantial compliance with IRFD Law Sections  
23 53369.20-53369.22, with the ballot measure to include the question of the proposed  
24 annexation of the annexation territory into the IRFD, approval of the appropriations limit for the  
25 IRFD and approval of the issuance of bonds for the IRFD, and (vii) after canvass of returns of

1 any election, and if two-thirds of the votes cast upon the question are in favor of the ballot  
2 measure, this Board may, by ordinance, adopt the amendment to the Infrastructure Financing  
3 Plan, if any, and approve the annexation of the annexation territory to the IRFD, in substantial  
4 compliance with IRFD Law Section 53369.23; and, be it

5 FURTHER RESOLVED, That Tuesday, December 6, 2016 at 3:00 p.m. or as soon as  
6 possible thereafter, in the Board of Supervisors Chamber, 1 Dr. Carlton B. Goodlett Place,  
7 City Hall, San Francisco, California, be, and the same are hereby appointed and fixed as the  
8 time and place when and where this Board of Supervisors, as legislative body for the IRFD,  
9 will conduct a public hearing on the proposed establishment of the IRFD and the Initial Project  
10 Areas and the proposed future annexation of territory to the IRFD in the manner described in  
11 this Resolution; and, be it

12 FURTHER RESOLVED, That the Clerk of the Board of Supervisors is hereby directed  
13 to mail a copy of this Resolution to each owner of land (as defined in the IRFD Law) within the  
14 IRFD (but not to any affected taxing entities because there are none as of the date of this  
15 Resolution), and in addition, in accordance with IRFD Law Section 53369.17, the Clerk of the  
16 Board of Supervisors is hereby directed to cause notice of the public hearing to be published  
17 not less than once a week for four successive weeks in a newspaper of general circulation  
18 published in the City, and the notice shall state that the IRFD will be used to finance public  
19 works, briefly describe the Facilities, briefly describe the proposed financial arrangements,  
20 including the proposed commitment of incremental tax revenue, describe the boundaries of  
21 the proposed IRFD and the Initial Project Areas, reference the process for future annexation,  
22 and state the day, hour, and place when and where any persons having any objections to the  
23 proposed Infrastructure Financing Plan, or the regularity of any of the prior proceedings, may  
24 appear before this Board of Supervisors and object to the adoption of the proposed

25

1 Infrastructure Financing Plan for the IRFD and the Initial Project Areas or process for future  
2 annexation to the IRFD by the Board of Supervisors; and, be it

3 FURTHER RESOLVED, That this Resolution shall in no way obligate the Board of  
4 Supervisors to establish the IRFD or the Project Areas, and the establishment of the IRFD  
5 and the Project Areas shall be subject to the approval of this Board of Supervisors by  
6 resolution following the holding of the public hearing referred to above and a vote of the  
7 qualified electors in the IRFD; and, be it

8 FURTHER RESOLVED, That the Board of Supervisors has reviewed and considered  
9 the FEIR and finds that the FEIR is adequate for its use for the actions taken by this resolution  
10 and incorporates the FEIR and the CEQA findings contained in Board of Supervisors  
11 Resolution No. 246-11 by this reference; and, be it

12 FURTHER RESOLVED, That if any section, subsection, sentence, clause, phrase, or  
13 word of this resolution, or any application thereof to any person or circumstance, is held to be  
14 invalid or unconstitutional by a decision of a court of competent jurisdiction, such decision  
15 shall not affect the validity of the remaining portions or applications of this resolution, this  
16 Board of Supervisors hereby declaring that it would have passed this resolution and each and  
17 every section, subsection, sentence, clause, phrase, and word not declared invalid or  
18 unconstitutional without regard to whether any other portion of this resolution or application  
19 thereof would be subsequently declared invalid or unconstitutional; and, be it

20 FURTHER RESOLVED, That the Mayor, the Controller, the Director of the Office of  
21 Public Finance, the Clerk of the Board of Supervisors and any and all other officers of the City  
22 are hereby authorized, for and in the name of and on behalf of the City, to do any and all  
23 things and take any and all actions, including execution and delivery of any and all  
24 documents, assignments, certificates, requisitions, agreements, notices, consents,  
25 instruments of conveyance, warrants and documents, which they, or any of them, may deem

1 necessary or advisable in order to effectuate the purposes of this Resolution; provided  
2 however that any such actions be solely intended to further the purposes of this Resolution,  
3 and are subject in all respects to the terms of the Resolution; and, be it

4 FURTHER RESOLVED, That all actions authorized and directed by this Resolution,  
5 consistent with any documents presented herein, and heretofore taken are hereby ratified,  
6 approved and confirmed by this Board of Supervisors; and, be it

7 FURTHER RESOLVED, That this Resolution shall take effect upon its enactment.  
8 Enactment occurs when the Mayor signs the resolution, the Mayor returns the resolution  
9 unsigned or does not sign the resolution within ten days of receiving it, or the Board of  
10 Supervisors overrides the Mayor's veto of the resolution.

11

12 APPROVED AS TO FORM:

13 DENNIS J. HERRERA  
14 City Attorney

15 By: \_\_\_\_\_  
16 MARK D. BLAKE  
17 Deputy City Attorney  
18 n:\spec\as2016\0600537\01136468.docx

18

19

20

21

22

23

24

25

