

1 [Disposition and Development Agreement and Interagency Cooperation Agreement -
2 Treasure Island/Yerba Buena Island]

3 **Resolution approving a Disposition and Development Agreement between the Treasure**
4 **Island Development Authority and Treasure Island Community Development, LLC, for**
5 **certain real property located on Treasure Island/Yerba Buena Island; approving an**
6 **Interagency Cooperation Agreement between the City and the Treasure Island**
7 **Development Authority; and adopting findings, including findings that the agreements**
8 **are consistent with the City's General Plan and Eight Priority Policies of City Planning**
9 **Code Section 101.1, and findings under the California Environmental Quality Act.**

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11 WHEREAS, Former Naval Station Treasure Island (the "Base" or "Treasure Island") is
12 a former military base consisting of approximately 550 acres on Treasure Island and Yerba
13 Buena Island, and is currently owned by the United States of America, acting by and through
14 the Department of the Navy (the "Navy"); and,

15 WHEREAS, The Base was selected for closure and disposition by the Base
16 Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its
17 subsequent amendments, and the Base ceased operations in 1997; and,

18 WHEREAS, Under the Treasure Island Conversion Act of 1997 (AB 699), which
19 amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to
20 Chapter 1333 of the Statutes of 1968, the State Legislature (i) granted to the Board of
21 Supervisors the authority to designate the Treasure Island Development Authority ("TIDA") as
22 a redevelopment agency under California Community Redevelopment Law with authority over
23 the Base; and (ii) with respect to those portions of the Base that are subject to the public trust
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1 for commerce, navigation and fisheries (the "Public Trust"), vested in TIDA the authority to
2 administer the Public Trust as to such property; and,

3 WHEREAS, In 1994, the Treasure Island/Yerba Buena Island Citizens Advisory Board
4 ("CAB") was formed to (1) review reuse planning efforts for Treasure Island by the San
5 Francisco Planning Department and the San Francisco Redevelopment Agency, and (2) make
6 recommendations to the City's Planning Commission and Board of Supervisors; and,

7 WHEREAS, After completion of a competitive master developer selection process, in
8 2003, TIDA and Treasure Island Community Development, LLC ("Developer") entered into an
9 Exclusive Negotiating Agreement ("ENA") with respect to portions of Treasure Island and
10 Yerba Buena Island to facilitate the planning for the reuse and development of the Base (the
11 "Project"); and,

12 WHEREAS, The ENA and its subsequent amendments set forth the terms and
13 conditions under which TIDA and the Developer have been negotiating a Disposition and
14 Development Agreement and other transaction documents for the conveyance, management
15 and reuse and redevelopment of portions of the Base ~~consisting of those portions of~~
16 ~~Assessor's Block 1939, Lots 1 and 2~~ described as the "Project Site" in the Disposition and
17 Development Agreement, including a schedule of performance for major milestones; and,

18 WHEREAS, One of the key milestones in the ENA was the completion of a
19 comprehensive Term Sheet summarizing the key policy goals, basic development guidelines,
20 financial framework and other key terms and conditions that formed the basis for the
21 negotiation and completion of the Disposition and Development Agreement and final
22 transaction documents; and,

23 WHEREAS, In 2006, the Board of Supervisors by Resolution No. 699-06 endorsed a
24 Development Plan and Term Sheet for the Project that set forth the proposed terms of the
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1 Project, a copy of which Resolution is on file with the Clerk of the Board of Supervisors in File
2 No. 061498 and incorporated herein by reference; and,

3 WHEREAS, In May of 2010, the Board of Supervisors endorsed a package of
4 legislation that included an update to the Development Plan and Term Sheet, terms of an
5 Economic Development Conveyance Memorandum of Agreement for the conveyance of the
6 site from the Navy to the TIDA, and a Term Sheet between TIDA and the Treasure Island
7 Homeless Development Initiative ("TIHDI") in Resolution Nos. 242-10, 243-10 and 249-10,
8 copies of which Resolutions are on file with the Clerk of the Board of Supervisors in File Nos.
9 100428, 100429 and 100432, and incorporated herein by reference; and,

10 WHEREAS, The Navy and TIDA have negotiated an Economic Development
11 Conveyance Memorandum of Agreement (the "Conveyance Agreement") that governs the
12 terms and conditions for the transfer of the Base from the Navy to TIDA, which is concurrently
13 being considered by the Board of Supervisors, a copy of which is on file with the Clerk of the
14 Board of Supervisors in File No. 110290, and incorporated herein by reference; and,

15 WHEREAS, The City, acting through the Board of Supervisors, is concurrently
16 considering a General Plan Amendment, including adopting a Treasure Island/Yerba Buena
17 Island Area Plan (the "General Plan Amendment"), Planning Code Amendments, including
18 adoption of the Treasure Island/Yerba Buena Island Special Use District ("SUD"), and a
19 Development Agreement~~the Treasure Island and Yerba Buena Island Design for~~
20 ~~Development (the "Design for Development")~~, which is referenced in the SUD; and,

21 WHEREAS, TIDA, the City and the CAB have been working for more than a decade to
22 plan for the reuse and development of Treasure Island, and as a result of this community-
23 based planning process, TIDA and the Developer have negotiated the Disposition and
24 Development Agreement, the purpose of which is to govern the disposition and subsequent
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1 development of the Project after the Navy's transfer of Treasure Island to TIDA in accordance
2 with the Conveyance Agreement; and,

3 WHEREAS, Under the Disposition and Development Agreement and other transaction
4 documents, the Project is anticipated to include (1) up to 8,000 new residential units, at least
5 25 percent of which (2,000 units) will be made affordable to a broad range of very-low to
6 moderate income households, including 435 units to be developed by TIHDI and its member
7 organizations, (2) adaptive reuse of approximately 311,000 square feet of historic structures,
8 (3) up to approximately 140,000 square feet of new retail uses and 100,000 square feet of
9 commercial office space, (4) approximately 300 acres of parks and open space, (5) new
10 and/or upgraded public facilities, including a joint police/fire station, a school, facilities for the
11 Treasure Island Sailing Center and other community facilities, (6) a 400-500 room hotel, (7) a
12 new 400 slip marina, and (8) transportation infrastructure, including a ferry/quay intermodal
13 transit center; and,

14 WHEREAS, TIDA wishes to enter into the Disposition and Development Agreement
15 with the Developer, substantially in the form on file with the Clerk of the Board in File
16 No. 110291, and incorporated herein by reference; and,

17 WHEREAS, The Disposition and Development Agreement governs the Developer's
18 right to develop the Project in a series of Major Phases and Sub-Phases and to sell or ground
19 lease developable lots to vertical developers for development, all in accordance with all of the
20 governing land use and entitlement documents, including the General Plan Amendment, the
21 SUD, and the Development Agreement ~~Design for Development~~ and the Mitigation Monitoring
22 and Reporting Program; and,

23 WHEREAS, The Disposition and Development Agreement also governs the
24 Developer's obligations with respect to the Project and requires the Developer to invest
25 hundreds of millions of dollars of private capital in the initial construction of public

1 infrastructure, affordable housing and community benefits and payment of the Navy payments
2 under the Conveyance Agreement; and,

3 WHEREAS, The Housing Plan attached to the Disposition and Development
4 Agreement includes the Transition Housing Rules and Regulations that the TIDA Board of
5 Directors approved on April 21_____, 2011 by Resolution No. 11-16-04/21 to
6 implement direction from the Board of Supervisors that existing residents be provided with the
7 opportunity to remain on Treasure Island; and,

8 WHEREAS, The Financing Plan attached to the Disposition and Development
9 Agreement provides that TIDA and the City will incur financial obligations to finance certain
10 costs of the Project, including the formation of one or more infrastructure financing districts
11 (“IFDs”) under applicable provisions of the California Government Code (the “IFD Law”) to
12 finance acquisition and construction of certain public infrastructure facilities described in the
13 Financing Plan and replacement housing to the extent required by the IFD Law; and,

14 WHEREAS, The Disposition and Development Agreement includes a Schedule of
15 Performance that includes outside dates for the completion of public infrastructure, public
16 parks and open space, community facilities, and payment of subsidies for affordable housing,
17 transportation, communities facilities, and open space operations and maintenance; and,

18 WHEREAS, The Disposition and Development Agreement provides TIDA with
19 remedies in the event that the Developer does not meet its obligations under the Schedule of
20 Performance or other provisions of the Disposition and Development Agreement, these
21 remedies include, but are not limited to, specific performance, liquidated damages,
22 termination and a right of reverter; and,

23 WHEREAS, In order to promote development in accordance with objectives and
24 purposes of the Disposition and Development Agreement, the City intends to undertake and
25 complete proceedings and actions necessary to be carried out by the City to assist in

1 implementation of the Disposition and Development Agreement; specifically, the City wishes
2 to enter into an Interagency Cooperation Agreement with TIDA, substantially in the form on
3 file with the Clerk of the Board in File No. 110291 and incorporated herein by reference (the
4 "Interagency Cooperation Agreement"), to provide for cooperation between the City and TIDA
5 in administering the process for control and approval of subdivisions, and other applicable
6 land use, development, construction, improvement, infrastructure, occupancy and use
7 requirements, and in establishing the policies and procedures relating to such approvals and
8 other actions as set forth in the Interagency Cooperation Agreement for the Project Site; and,

9 WHEREAS, On April 21_____, 2011, the Planning Commission by Motion
10 No. 18325_____ and the TIDA Board of Directors by Resolution No. 11-14-
11 04/21_____, as co-lead agencies, certified the completion of the Final
12 Environmental Impact Report for the Project, of which the Disposition and Development
13 Agreement and the Interagency Cooperation Agreement form a part; and,

14 ~~WHEREAS, On _____, 2011, the TIDA Board of Directors, by Resolution~~
15 ~~No. _____, adopted environmental findings pursuant to the California~~
16 ~~Environmental Quality Act ("CEQA") with respect to approval of the Project, including the~~
17 ~~mitigation monitoring and reporting program and a statement of overriding considerations;~~
18 ~~and,~~

19 ~~WHEREAS, On _____, 2011, the Planning Commission, by Motion No.~~
20 ~~_____, adopted environmental findings pursuant to CEQA with respect to approval~~
21 ~~of the Project, including a mitigation monitoring and reporting program and a statement of~~
22 ~~overriding considerations; and,~~

23 WHEREAS, The Planning Commission determined that the Project, and the various
24 actions being taken by the City and TIDA to approve and implement the Project, are
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1 consistent with the General Plan and with the Eight Priority Policies of City Planning Code
2 Section 101.1, and made findings in connection therewith (the "General Plan Consistency
3 Determination"), a copy of which is on file with the Clerk of the Board of Supervisors in File
4 No. 110228 and is incorporated into this Resolution by reference; and,

5 WHEREAS, The Board of Supervisors has reviewed and considered the information
6 contained in the General Plan Consistency Determination, and concurrently with this
7 Resolution is adopting said findings as its own and said findings are on file with the Clerk of
8 the Board of Supervisors in File No. 110228, and incorporated into this Resolution by
9 reference; and,

10 WHEREAS, Concurrently with this Resolution, the Board of Supervisors has adopted
11 Resolution No. _____, adopting findings under the California Environmental
12 Quality Act ~~CEQA~~, including the adoption of a mitigation monitoring and reporting program and
13 a statement of overriding considerations in connection with the development of the Project,
14 which Resolution is on file with the Clerk of the Board of Supervisors in File No. 110328, and
15 incorporated herein by reference; and,

16 WHEREAS, The Interagency Cooperation Agreement was presented to the CAB at a
17 duly noticed public meetings on January 18 _____, 2011 and _____,
18 2011, and on April 19 _____, 2011 the CAB voted to recommend ~~endorse~~ the
19 Interagency Cooperation Agreement; and,

20 WHEREAS, The Disposition and Development Agreement was presented to the CAB
21 at a duly noticed public meetings on March 8 _____, 2011 and
22 _____, 2011, and on April 19 _____, 2011 the CAB voted to
23 recommend ~~endorse~~ the Disposition and Development Agreement; and,

24 WHEREAS, The Interagency Cooperation Agreement was presented to the TIDA
25 Board at a duly noticed public meetings on January 26 _____, 2011 and

1 _____, 2011, and on April 27_____, 2011 the TIDA Board voted to
2 approve the Interagency Cooperation Agreement; and,

3 WHEREAS, The Disposition and Development Agreement was presented to the TIDA
4 Board at a duly noticed public meetings on March 9_____, 2011 ~~and~~

5 _____, 2011, and on April 21_____, 2011 the TIDA Board voted to
6 approve the Disposition and Development Agreement; and,

7 WHEREAS, TIDA's organizational documents require TIDA to obtain approval from the
8 Board of Supervisors prior to entering into contracts with a term of more than 10 years or
9 \$1 million or more in anticipated revenue; and,

10 WHEREAS, The Interagency Cooperation Agreement and the Disposition and
11 Development Agreement are contracts with a term in excess of 10 years, provided that it is
12 not terminated; now, therefore, be it,

13 RESOLVED, That the Board of Supervisors finds that the Disposition and Development
14 Agreement and the Interagency Cooperation Agreement are consistent with the General Plan
15 and the Eight Priority Policies of City Planning Code Section 101.1 for the reasons set forth in
16 the General Plan Consistency Determination; and, be it

17 FURTHER RESOLVED, That the Board of Supervisors determines that the Project
18 proposed under the Disposition and Development Agreement and the Interagency
19 Cooperation Agreement is in the best interests of TIDA, the City, and the health, safety,
20 morals and welfare of its residents, and is in accordance with the public purposes and
21 provisions of applicable federal, state and local laws and requirements; and, be it

22 FURTHER RESOLVED, That the Board of Supervisors hereby approves and
23 authorizes the Treasure Island Project ~~Director of Redevelopment for TIDA~~ ("Director") to
24 execute the Disposition and Development Agreement between TIDA and the Developer, and
25 approves and authorizes the Director and the appropriate City officers to execute the

1 Interagency Cooperation Agreement between TIDA and the City, in substantially the forms
2 filed with the Clerk of the Board in File No. 110291, and any additions, amendments or other
3 modifications to such agreements (including, without limitation, its exhibits) that the Director,
4 on behalf of TIDA, and the applicable City officers, on behalf of the City with respect to the
5 Interagency Cooperation Agreement, determine, in consultation with the City Attorney, are in
6 the best interests of TIDA and the City, do not otherwise materially increase the obligations or
7 liabilities of TIDA or the City or decrease the benefits to TIDA or the City, and are necessary
8 or advisable to effectuate the purpose and intent of this Resolution; and, be it

9 FURTHER RESOLVED, That to the extent that implementation of the Disposition and
10 Development Agreement involves the execution and delivery of additional agreements,
11 notices, consents and other instruments or documents by TIDA that have a term in excess of
12 10 years or anticipated revenues of \$1 million or more, including, without limitation,
13 instruments conveying developable lots to vertical developers (including, without limitation,
14 Vertical Disposition and Development Agreements, Ground Leases, Lease Disposition and
15 Development Agreements, Assignment and Assumption Agreements and Permits to Enter)
16 (collectively, "Subsidiary Agreements"), TIDA and the Director, as they or any of them deem
17 necessary or appropriate, in consultation with the City Attorney, are hereby authorized to
18 enter into all such Subsidiary Agreements so long as the transactions governed by such
19 Subsidiary Agreements are contemplated in the Disposition and Development Agreement, do
20 not otherwise materially increase the obligations or liabilities of TIDA, and are necessary and
21 advisable to effectuate the purpose and intent of this Resolution, such determination to be
22 conclusively evidenced by the execution and delivery by such person or persons of any such
23 documents; and, be it

1 FURTHER RESOLVED, That the Board of Supervisors authorizes and urges the
2 Mayor, Controller, and any other officers, agents, and employees of the City to take any and
3 all steps (including the execution and delivery of any and all agreements, notices, consents
4 and other instruments or documents) as they or any of them deem necessary or appropriate,
5 in consultation with the City Attorney, in order to consummate the Disposition and
6 Development Agreement, the Interagency Cooperation Agreement and any Subsidiary
7 Agreement in accordance with this Resolution, or to otherwise effectuate the purpose and
8 intent of this Resolution, such determination to be conclusively evidenced by the execution
9 and delivery by such person or persons of any such documents.

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