

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

3
4 **Resolution approving a Disposition and Development Agreement between the Treasure**
5 **Island Development Authority and Treasure Island Community Development, LLC, for**
6 **certain real property located within the Treasure Island/Yerba Buena Island Project**
7 **Area; approving an Interagency Cooperation Agreement between the City and the**
8 **Treasure Island Development Authority; adopting findings under the California**
9 **Environmental Quality Act; and adopting findings that the agreements are consistent**
10 **with the City's General Plan and Eight Priority Policies of City Planning Code Section**
11 **101.1.**

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

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

20 WHEREAS, Under the Treasure Island Conversion Act of 1997 (AB 699), which
21 amended Section 334392.5 of the California Health and Safety Code and added Section 2.1
22 to Chapter 1333 of the Statutes of 1968, the State Legislature (i) designated the Treasure
23 Island Development Authority ("TIDA") as a redevelopment agency under the California
24 Community Redevelopment Law (Section 33000 et seq. of the California Health and Safety
25 Code) ("Community Redevelopment Law") with authority over the Base upon approval of the

1 Board of Supervisors; and (ii) with respect to those portions of the Base that are subject to the
2 public trust for commerce, navigation and fisheries (the "Public Trust"), vested in TIDA the
3 authority to administer the Public Trust as to such property; and,

4 WHEREAS, The Board of Supervisors subsequently approved the designation of TIDA
5 as the redevelopment agency for Treasure Island in 1998; and,

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

11 WHEREAS, After completion of a competitive master developer selection process, in
12 2003, TIDA and Treasure Island Community Development, LLC ("Developer") entered into an
13 Exclusive Negotiating Agreement ("ENA"), with respect to a portion of Treasure Island and
14 Yerba Buena Island to facilitate the planning for the redevelopment of Treasure Island (the
15 "Project Site"); and,

16 WHEREAS, The ENA and its subsequent amendments set forth the terms and
17 conditions under which TIDA and the Developer have been negotiating a Disposition and
18 Development Agreement and other transaction documents for the conveyance, management
19 and redevelopment of the Project Site, including a schedule of performance for major
20 milestones; and,

21 WHEREAS, The Disposition and Development Agreement and other transaction
22 documents have been developed to support and implement the Treasure Island/Yerba Buena
23 Island Redevelopment Project (the "Project"), which is anticipated to include (1) up to 8,000
24 new residential units, 30 percent of which (2,400 units) will be made affordable to a broad
25 range of very-low to moderate income households, including 435 units to be developed by the

1 Treasure Island Homeless Development Initiative ("TIHDI") and its member organizations,
2 (2) adaptive reuse of approximately 311,000 square feet of historic structures,
3 (3) approximately 140,000 square feet of new retail uses and 100,000 square feet of
4 commercial office space, (4) approximately 300 acres of parks and open space, (5) new and
5 or upgraded public facilities, including a joint police/fire station, a school, facilities for the
6 Treasure Island Sailing Center and other community facilities, (6) a 400-500 room hotel, (7) a
7 new 400 slip marina, and (8) transportation infrastructure, including a ferry/quay intermodal
8 transit center; and,

9 WHEREAS, One of the key milestones in the ENA was the completion of a
10 comprehensive Term Sheet summarizing the key policy goals, basic development guidelines,
11 financial framework and other key terms and conditions that formed the basis for the
12 negotiation and completion of the final transaction documents; and,

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

17 WHEREAS, In May of 2010, the Board of Supervisors endorsed a package of
18 legislation that included an update to the Development Plan and Term Sheet, terms of an
19 Economic Development Conveyance Memorandum of Agreement for the conveyance of the
20 site from the Navy to the TIDA, and a Term Sheet between TIDA and TIHDI in Resolution
21 Nos. 242-10, 243-10 and 249-10, copies of which Resolutions are on file with the Clerk of the
22 Board of Supervisors in File Nos. 100428, 100429 and 100432, and incorporated herein by
23 reference; and,

24 WHEREAS, The Navy and TIDA have negotiated an Economic Conveyance
25 Memorandum of Agreement (the "Conveyance Agreement") that governs the terms and

1 conditions for the transfer of Treasure Island from the Navy to TIDA, which is concurrently
2 being considered by the Board of Supervisors, a copy of which is on file with the Clerk of the
3 Board of Supervisors in File No. _____, and incorporated herein by reference;
4 and,

5 WHEREAS, In accordance with the Community Redevelopment Law, the City, acting
6 through the Board of Supervisors, is concurrently considering a Redevelopment Plan for
7 Treasure Island/Yerba Buena Island (the "Redevelopment Plan"), a copy of which is on file
8 with the Clerk of the Board of Supervisors in File No. _____ and incorporated
9 herein by reference; and,

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

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

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

24 WHEREAS, The Disposition and Development Agreement also governs the
25 Developer's obligations with respect to the Project and requires the Developer to invest

1 hundreds of millions of dollars of private capital in the construction of public infrastructure,
2 affordable housing and community benefits and payment of the Navy payments under the
3 Conveyance Agreement; and,

4 WHEREAS, Pursuant to Community Redevelopment Law, TIDA will incur financial
5 obligations to finance certain costs of the Project, including the pledge of tax increment from
6 the Project Site for public improvements, affordable housing and the payment of indebtedness
7 as specified in the Tax Allocation Agreement, a copy of which is on file with the Clerk of the
8 Board of Supervisors in File No. _____ and incorporated herein by reference;
9 and,

10 WHEREAS, The Disposition and Development Agreement includes a Schedule of
11 Performance that includes outside dates for the completion of public infrastructure, public
12 parks and open space, payment of subsidies for affordable housing, transportation and open
13 space operations and maintenance; and,

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

19 WHEREAS, Pursuant to Sections 33220, 33343, 33344 and 33370 of the Community
20 Redevelopment Law, and in order to promote development in accordance with objectives and
21 purposes of the Redevelopment Plan, the Disposition and Development Agreement and
22 documents relating to the Redevelopment Plan, the City intends to undertake and complete
23 proceedings and actions necessary to be carried out by the City under the provisions of the
24 Redevelopment Plan and to assist in implementation of the Disposition and Development
25 Agreement, specifically, the City wishes to enter into an Interagency Cooperation Agreement

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

8 WHEREAS, On _____, 2011, the Planning Commission by Motion
9 No. _____ and the TIDA Board of Directors by Resolution
10 No. _____, as co-lead agencies, certified the completion of the Final

11 Environmental Impact Report (the "Final EIR") for the Project, of which the Disposition and
12 Development Agreement and the Interagency Cooperation Agreement form a part; and,

13 WHEREAS, On _____, 2011, the TIDA Board of Directors, by Resolution
14 No. _____, adopted environmental findings pursuant to CEQA with respect to
15 approval of the Project, including the Mitigation Monitoring and Reporting Program and a
16 statement of overriding considerations; and,

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

23 WHEREAS, The Board of Supervisors has reviewed and considered the information
24 contained in the Final EIR and the General Plan Consistency Determination, and concurrently
25 with this Resolution is adopting findings as required by CEQA and findings of consistency with

1 the City's General Plan, which findings are on file with the Clerk of the Board of Supervisors in
2 File No. _____, and incorporated into this Resolution by reference; and,

3 WHEREAS, The Interagency Cooperation Agreement was presented to the CAB at
4 duly noticed public meetings on _____, 2011 and _____, 2011, and
5 on _____, 2011 the CAB voted __ to __ endorse the Interagency Cooperation
6 Agreement; and,

7 WHEREAS, The Disposition and Development Agreement was presented to the CAB
8 at duly noticed public meetings on _____, 2011 and _____, 2011,
9 and on _____, 2011 the CAB voted __ to __ endorse the Disposition and
10 Development Agreement; and,

11 WHEREAS, The Interagency Cooperation Agreement was presented to the TIDA
12 Board at duly noticed public meetings on _____, 2011 and _____,
13 2011, and on _____, 2011 the TIDA Board voted __ to __ approve the
14 Interagency Cooperation Agreement; and,

15 WHEREAS, The Disposition and Development Agreement was presented to the TIDA
16 Board at duly noticed public meetings on _____, 2011 and _____,
17 2011, and on _____, 2011 the TIDA Board voted __ to __ approve the
18 Disposition and Development Agreement; and,

19 WHEREAS, TIDA's organizational documents require TIDA to obtain approval from the
20 Board of Supervisors prior to entering into contracts with a term of more than 10 years or
21 \$1 million or more in anticipated revenue; and,

22 WHEREAS, The Interagency Cooperation Agreement and the Disposition and
23 Development Agreement are contracts with a term in excess of 10 years, provided that it is
24 not terminated; now, therefore, be it,
25

1 RESOLVED, That the Board of Supervisors determines that the Project proposed
2 under the Disposition and Development Agreement and the Interagency Cooperation
3 Agreement is in the best interests of TIDA, the City, and the health, safety, morals and welfare
4 of its residents, are in accordance with the public purposes and provisions of applicable
5 federal, state and local laws and requirements, and are consistent with, in furtherance of, and
6 necessary to effectuate the Redevelopment Plan; and, be it

7 FURTHER RESOLVED, That the Board of Supervisors hereby approves and
8 authorizes the Director of Redevelopment for TIDA ("Redevelopment Director") to execute the
9 Disposition and Development Agreement between TIDA and the Developer, and approves
10 and authorizes Redevelopment Director and the appropriate City officers to execute the
11 Interagency Cooperation Agreement between TIDA and the City, in substantially the forms
12 filed with the Clerk of the Board in File No. _____, and any additions,
13 amendments or other modifications to such agreements (including, without limitation, its
14 exhibits) that the Redevelopment Director, on behalf of TIDA, and the applicable City officers,
15 on behalf of the City with respect to the Interagency Cooperation Agreement, determine, in
16 consultation with the City Attorney, are in the best interests of TIDA and the City, do not
17 otherwise materially increase the obligations or liabilities of TIDA or the City or decrease the
18 benefits to TIDA or the City, and are necessary or advisable to effectuate the purpose and
19 intent of this Resolution; and, be it

20 FURTHER RESOLVED, That to the extent that implementation of the Disposition and
21 Development Agreement involves the execution and delivery of additional agreements,
22 notices, consents and other instruments or documents by TIDA that have a term in excess of
23 10 years or anticipated revenues of \$1 million or more, including, without limitation,
24 instruments conveying developable lots to vertical developers (including, without limitation,
25 Vertical Disposition and Development Agreements, Ground Leases, Lease Disposition and

1 Development Agreements, Assignment and Assumption Agreements and Permits to Enter)
2 (collectively, "Subsidiary Agreements"), TIDA and the Redevelopment Director, as they or any
3 of them deem necessary or appropriate, in consultation with the City Attorney, are hereby
4 authorized to enter into all such Subsidiary Agreements so long as the transactions governed
5 by such Subsidiary Agreements are contemplated in the Disposition and Development
6 Agreement, do not otherwise materially increase the obligations or liabilities of TIDA, and are
7 necessary and advisable to effectuate the purpose and intent of this Resolution, such
8 determination to be conclusively evidenced by the execution and delivery by such person or
9 persons of any such documents; and, be it

10 FURTHER RESOLVED, That the Board of Supervisors authorizes and urges the
11 Mayor, Controller, and any other officers, agents, and employees of the City to take any and
12 all steps (including the execution and delivery of any and all agreements, notices, consents
13 and other instruments or documents) as they or any of them deem necessary or appropriate,
14 in consultation with the City Attorney, in order to consummate the Disposition and
15 Development Agreement, the Interagency Cooperation Agreement and any Subsidiary
16 Agreement in accordance with this Resolution, or to otherwise effectuate the purpose and
17 intent of this Resolution, such determination to be conclusively evidenced by the execution
18 and delivery by such person or persons of any such documents.

19
20
21
22
23
24
25