

1 [Endorsement of Update to Development Plan and Term Sheet for the Redevelopment of
2 Treasure Island]

3 **Resolution endorsing the Update to Development Plan and Term Sheet for the**
4 **Redevelopment of Former Naval Station Treasure Island with Treasure Island**
5 **Community Development, LLC.**

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7 WHEREAS, Former Naval Station Treasure Island is a military base located on
8 Treasure Island and Yerba Buena Island (together, the "Base" or the "Property"), which is
9 currently owned by the United States of America (the "Navy"); and,

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

13 WHEREAS, In 1994, a Citizen's Reuse Committee ("CRC"), representing a broad
14 spectrum of community interests, was formed to: (i) review reuse planning efforts regarding
15 the Base by the San Francisco Planning Department and the San Francisco Redevelopment
16 Agency; and (ii) make recommendations to the City's Planning Commission and Board of
17 Supervisors; and,

18 WHEREAS, In July 1996, after an extensive community planning effort, a draft reuse
19 plan for the Base (the "Reuse Plan") was unanimously endorsed by the Mayor, the Board of
20 Supervisors, the Planning Commission and the CRC; and,

21 WHEREAS, One of the key recommendations of the reuse planning process was the
22 creation of a special, single-purpose authority to oversee the redevelopment of the Base, and
23 thus, under the Treasure Island Conversion Act of 1997 (the "Act"), the California Legislature
24 (i) designated the Treasure Island Development Authority (the "Authority") as a
25 redevelopment agency under California redevelopment law with authority over the Base, and

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

4 WHEREAS, Another key recommendation from the reuse planning process was that,
5 because the redevelopment of the Base will require extensive coordination and large
6 investments for new infrastructure and to address extraordinary transportation access and
7 seismic constraints, the Authority should pursue the redevelopment effort through a
8 public/private partnership with a "Primary Developer" of the Base; and,

9 WHEREAS, On June 14, 2000, the Authority Board of Directors authorized issuance of
10 a Request for Qualifications for a Primary Developer of the Base and on April 10, 2002, after
11 an extensive public process that included numerous meetings with the Authority Board,
12 members of the Treasure Island/Yerba Buena Island Citizens Advisory Board ("TI CAB"), and
13 comments provided by organizations, individuals and government agencies, the Authority
14 authorized staff to issue a focused Request for Proposals ("RFP") to Treasure Island
15 Community Development, LLC ("TICD"); and,

16 WHEREAS, On March 20, 2003, the Authority Board made a determination that TICD's
17 proposal met the criteria set forth in the RFP, and authorized the Authority's Executive
18 Director to enter into exclusive negotiations with TICD regarding the redevelopment of the
19 Base in a manner consistent with TICD's proposal, the Staff Summary, the Reuse Plan, and
20 the joint Environmental Impact Statement/Environmental Impact Report; and,

21 WHEREAS, On April 9, 2003, the Authority Board authorized the Executive Director to
22 execute an Exclusive Negotiating Agreement (as amended from time to time, the "ENA") with
23 TICD that sets forth the terms and conditions related to the preparation and approval of
24 transaction documents for the redevelopment of the Base, including but not limited to, the
25 subject of the negotiations, the term of the exclusive negotiation period and options to extend

1 the term, the allocation and responsibilities related to transaction costs associated with the
2 negotiations, the obligations of TICD and the Authority during the negotiation period, the
3 financial guarantee required to cover TICD's obligations under the ENA, and a schedule of
4 performance for completion of the transaction documents; and,

5 WHEREAS, As identified in the ENA's Schedule of Performance, in order to address
6 key development issues central to the financial and regulatory structure of the development
7 planning, certain issues were prioritized for further analysis before the term sheet negotiations
8 were concluded, including completion of additional studies regarding alternative locations for a
9 ferry terminal, which was performed by TICD, the feasibility of on-site waste water treatment,
10 which was performed by TICD, and a peer review of TICD's geotechnical assumptions, which
11 was conducted the Authority; and,

12 WHEREAS, The Authority and TICD worked collaboratively with staff of the State
13 Lands Commission to prepare Senate Bill 1873, sponsored by Senator Burton and authorizing
14 a Tidelands Trust Exchange on Treasure and Yerba Buena Islands (the "Treasure Island
15 Public Trust Exchange Act"), which was approved by the State legislature and signed by the
16 Governor on September 15, 2004; and,

17 WHEREAS, Staff and TICD presented Land Use, Open Space, Housing, Infrastructure,
18 Community Facilities, Transportation, Fiscal Impacts, Financing, Phasing and Sustainability
19 elements of the term sheet to the TICAB and its subcommittees, the Authority Board and
20 other public venues, and the Land Use Plan and the Transportation Plan to the Board of
21 Supervisors Land Use and Economic Development Committee, totaling over 150 public
22 meetings; and,

23 WHEREAS, Through the planning process, Authority staff and TICD worked
24 extensively and in good faith with key stakeholders and partners such as the Treasure Island
25 Homeless Development Initiative ("TIHDI"), the Sierra Club, the Treasure Island Wetlands

1 Project, Arc Ecology, the Bay Area Water Emergency Transit Authority ("WETA"), San
2 Francisco Planning and Urban Research, San Francisco Little League, Treasure Island
3 Sailing Center, a spectrum of City and County departments and agencies including the San
4 Francisco Public Utilities Commission ("SFPUC"), Planning Department, Department of Public
5 Works ("DPW"), Fire Department ("SFFD") and Municipal Transportation Agency ("MTA"), and
6 California State Lands Commission staff, among others; and,

7 WHEREAS, In 2006, the Authority presented to the TICAB, the Authority Board and the
8 Board of Supervisors the Development Plan and Term Sheet for the Redevelopment of Naval
9 Station Treasure Island (the "Development Plan"), which included an unprecedented level of
10 public benefits for Treasure Island, the City and County of San Francisco and the region
11 including, among other things, up to 1,800 affordable housing units including 435 units for the
12 nationally-recognized TIHDI program, the creation of approximately 300 acres of parks, open
13 space and recreational amenities, a commitment to high levels of sustainable development
14 practices, including green building standards, an innovative transportation program, storm
15 water treatment wetlands and solar energy generation, and economic development benefits
16 such as the creation of thousands of permanent and construction jobs and expansion of the
17 TIHDI job broker program and targeting of jobs to homeless, economically disadvantaged and
18 San Francisco residents; and,

19 WHEREAS, The Development Plan was structured such that the project delivers all of
20 these enormous public benefits without any new contribution from or recourse to the City's
21 General Fund; and

22 WHEREAS, On October 24, 2006, the TICAB voted 16-1 to endorse the Development
23 Plan; on October 30, 2006, the Authority Board voted 6-0 to adopt Resolution No. 06-59-10/30
24 endorsing the Development Plan; and on December 12, 2006, the Board of Supervisors voted
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1 10-1 to adopt Resolution No. 699-06 endorsing the Development Plan, subject to the terms
2 and conditions of Resolution No. 699-06; and,

3 WHEREAS, Section I.B of the Development Plan identifies the following as the six
4 most significant challenges of the proposed redevelopment of the Property: (i) the
5 geotechnical and seismic conditions on Treasure Island, (ii) the application of the Tidelands
6 Trust to Treasure Island, (iii) issues of access and transportation, (iv) environmental
7 remediation, (v) terms of the Navy conveyance, and (vi) the economic feasibility of providing
8 the level of infrastructure and public benefits necessary to achieve the project guidelines and
9 goals; and,

10 WHEREAS, The Development Plan also specifically acknowledged the need to update
11 the terms to reflect materially changed conditions, including the ultimate economic terms of
12 the deal with the Navy to transfer the Property and any significant economic changes, which
13 the real estate market has experienced over the past two to three years; and,

14 WHEREAS, Since the endorsement of the Development Plan, the Authority and TICD
15 have made considerable progress in addressing many of these challenges through the public
16 process that has guided the planning for the Project and which to date has included more than
17 200 public meetings; and,

18 WHEREAS, The planning progress includes work with the MTA, WETA, DPW,
19 Planning Department, San Francisco Bicycle Coalition and others on the street network,
20 transit hub and ferry terminal; advancement of the strategies to mitigate geotechnical
21 conditions and develop an adaptive management strategy for potential sea level rise in
22 collaboration with the Bay Conservation and Development Commission; extensive block by
23 block analysis of the land plan and development program, from which was developed a Draft
24 Design for Development document that has been presented to the TICAB, the Authority
25 Board, the Board of Supervisors and the Planning Commission; and significant advancement

1 of the infrastructure and utilities plans with the SFPUC, DPW and Fire Department, among
2 others; and,

3 WHEREAS, On October 13, 2007, the Governor approved SB 815 (Migden) and on
4 October 11, 2009, the Governor approved SB 833 (Leno), both of which amended the
5 Treasure Island Public Trust Exchange Act to be consistent with the proposed redevelopment
6 program for the Property; and,

7 WHEREAS, On January 26, 2008, a Notice of Preparation of an Environmental Impact
8 Report and Notice of Public Scoping Meetings was published and in response to public
9 comments, the Authority and TICD determined it was appropriate to analyze a larger project
10 alternative in the Environmental Impact Report for the proposed project described in the
11 Development Plan (the "Project"); and,

12 WHEREAS, On September 26, 2008, the Governor approved AB 981 (Leno), which
13 authorized (i) the creation of the Treasure Island Transportation Management Agency, (ii)
14 implementation of a congestion management pricing program as part of the redevelopment of
15 the Property and (iii) collection and distribution of parking, transit pass and congestion
16 management pricing revenues as part of an overall transit demand management program for
17 the proposed redevelopment of the Property; and,

18 WHEREAS, The proposed Project was awarded the 2008 California Governor's
19 Environmental and Economic Leadership Award for Sustainable Communities and the 2009
20 American Institute of Architects Honor Award for Urban Design; and,

21 WHEREAS, In May 2009, the Clinton Climate Initiative and the United States Green
22 Building Council chose the proposed Project as one of sixteen (16) founding projects to
23 partner with via its Climate Positive Development Program; and,

24 WHEREAS, In December 2009, the Authority and the Navy negotiated the basic
25 financial terms for the conveyance of the Property to the Authority; and,

1 WHEREAS, On February 9, 2010, the SFPUC approved, and on February 10, 2010,
2 the Authority Board approved, an Exclusive Negotiating Agreement that describes the terms
3 and conditions upon which the SFPUC and the Authority will enter into negotiations for (i) the
4 transfer to SFPUC of approximately four (4) to six (6) acres of land in a mutually acceptable
5 location on Treasure Island for infrastructure improvements consistent with the environmental
6 stewardship objectives of the SFPUC and the proposed Project, (ii) the financing,
7 construction, ownership and operation of a new wastewater treatment plant and recycled
8 water plant, and (iii) other ancillary utility related matters; and,

9 WHEREAS, The Authority has undertaken an extensive public process to prepare the
10 plans for the redevelopment of Treasure Island which to date has included more than 220
11 meetings before the Authority Board, TICAB, the Board of Supervisors, the Planning
12 Commission, public workshops and in other public forums; and,

13 WHEREAS, The project plans have received overwhelming public support and have
14 been directly responsive to public input on the Project; and,

15 WHEREAS, The Authority and TICD have prepared an Update to Development Plan
16 and Term Sheet (the "Development Plan Update"), a copy of which is on file with the Clerk of
17 the Board of Supervisors in File No. 100432, which is hereby declared to be a part of this
18 resolution as if set forth fully herein, that (i) describes certain key terms of the Development
19 Plan that the Authority and TICD desire to update to reflect current conditions and (ii)
20 addresses, among other things, responses to the challenges identified in Section I.B of the
21 Development Plan; and,

22 WHEREAS, The parties are proposing solutions that (i) provide the City and the
23 Authority with an extensive public benefits package that achieves the public policy objectives
24 of the proposed Project, (ii) preserves the vision of the proposed Project that has received
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1 overwhelming public support and national and international recognition, and (iii) incorporates
2 current conditions into an economically implementable project; and,

3 WHEREAS, The Development Plan Update was presented to the TICAB at duly
4 noticed public meetings on March 16, 2010 and April 6, 2010, and on April 6, 2010, the TICAB
5 voted 15 to 0, with 2 abstentions, to endorse the Development Plan Update; and,

6 WHEREAS, The Development Plan Update was presented to the Authority Board at
7 duly noticed public meetings on March 14, 2010 and April 7, 2010, and on April 7, 2010, the
8 Authority Board voted 7 to 0 to endorse the Development Plan Update; and,

9 WHEREAS, The Development Plan, as updated by the Development Plan Update, is
10 not a binding agreement that commits the Authority or the City to proceed with the approval or
11 implementation of the Project, but it outlines the terms on which the Authority, the City, and
12 TICD will negotiate in good faith to reach agreement on the final Disposition and Development
13 Agreement and other transaction documents; and,

14 WHEREAS, The Project, as ultimately proposed by the Authority, the City and TICD,
15 will be subject to a process of thorough public review and input and all necessary and
16 appropriate approvals; that process must include environmental review under the California
17 Environmental Quality Act ("CEQA") and, if applicable, the National Environmental Policy Act
18 ("NEPA"), before the Authority or the City may consider approving the Project; and the Project
19 will require discretionary approvals by a number of government bodies after public hearings
20 and environmental review, including by the Authority Board and the City's Board of
21 Supervisors; and,

22 WHEREAS, Nothing in this resolution commits, or shall be deemed to commit, the
23 Authority, the City, or any other public agency to approve or implement any project, and they
24 may not do so, until environmental review of the project as required under CEQA and, if
25 applicable, NEPA, has been completed; accordingly, the references to "the Project" (or the

1 like) in this resolution mean a proposed project subject to future environmental review and
2 consideration by the Authority, the City, and other public agencies; further, the Authority, the
3 City, and any other public agency with jurisdiction over any part of the Project each shall have
4 the absolute discretion before approving the Project to: (i) make such modifications to the
5 Project as may be necessary to mitigate significant environmental impacts; (ii) select other
6 feasible alternatives to avoid or substantially reduce significant environmental impacts; (iii)
7 require the implementation of specific measures to mitigate any specific impacts of the
8 Project; (iv) balance the benefits of the Project against any significant environmental impacts
9 before taking final action if such significant impacts cannot otherwise be avoided; or (v)
10 determine whether or not to proceed with the Project; now, therefore, be it

11 RESOLVED, That the Board of Supervisors hereby endorses the Development Plan
12 Update and urges City and Authority staff, including the Planning Department and the Office
13 of Economic and Workforce Development, to continue environmental review and planning for
14 the Project and the negotiation of the TICD DDA and other transaction documents consistent
15 with the Development Plan and Development Plan Update; and, be it

16 FURTHER RESOLVED, That any and all actions taken by City staff and Authority staff
17 consistent with the intent of this resolution are hereby ratified and approved.

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