

CITY & COUNTY OF SAN FRANCISCO



ROBERT BECK
TREASURE ISLAND DIRECTOR

TREASURE ISLAND DEVELOPMENT AUTHORITY
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December 28, 2016

City and County of San Francisco
Attn: Mayor Ed Lee
1 Dr. Carlton B. Goodlett Place
City Hall, Room 200
San Francisco, CA 94102

Board of Supervisors
City and County of San Francisco
Attn: Angela Calvillo, Clerk of the Board of Supervisors
1 Dr. Carlton B. Goodlett Place
City Hall, Room 244
San Francisco, CA 94102

San Francisco Planning Commission
The Planning Department
Attn: Commission Secretary
1650 Mission Street, Suite 400
San Francisco, CA 94103

Re: *City and County of San Francisco Infrastructure and Revitalization Financing
District No. 1 (Treasure Island)*

To Whom It May Concern:

You are in receipt of a letter dated October 7, 2016 from the undersigned, which:

- (i) Referred to an attached Resolution of Intention, pursuant to which the Board of Supervisors of the City and County of San Francisco stated its intention to form the "City and County of San Francisco Infrastructure and Revitalization Financing District No. 1 (Treasure Island)" (the "IRFD") under Government Code Section 53369 et seq. (the "IRFD Law").
- (ii) Referred to an attached draft Infrastructure Financing Plan.
- (iii) Incorporated the relevant environmental reports required by CEQA ("Relevant EIRs") for the project and any associated private development projects.

The next step in the proceedings related to the IRFD will be a public hearing and a landowner election; both are scheduled to occur on Tuesday, January 24, 2017. In connection with these

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proceedings, I attach a change to the Infrastructure Financing Plan from the version you received in the letter dated October 7, 2016. The only change to the Infrastructure Financing Plan from the draft you previously received are as set forth in the attached.

Please contact me if you have any questions. I can be reached at the number below.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'R. Beck', written in a cursive style.

Robert P. Beck
Treasure Island Director
Tel: 415-274-0662

(c) for the purpose of financing Housing Costs, to allocate to the IRFD all or any portion of the ad valorem (i) any property tax revenue that was not previously allocated to the IRFD, including but not limited to any ad valorem property tax revenue annually allocated to the City pursuant to Section 97.70 of the Revenue and Taxation Code, if and to the extent the IRFD Law is amended to permit such an allocation, and (ii) subject to compliance with the DDA Financing Plan, the Conditional City Increment;

(d) to adopt any alternative amendment or annexation procedure with respect to the IRFD that is permitted by an amendment to the IRFD Law; and

(e) to amend the list of IRFD Facilities as long as the Board finds that the resulting IRFD Facilities are permitted by the IRFD Law, will serve the development in the IRFD and are of communitywide significance.

II. DESCRIPTION OF TREASURE ISLAND PROJECT

The Treasure Island project (the "**Project**") is currently intended to be comprised of approximately nine future development stages on the islands known as Treasure Island and Yerba Buena Island (collectively, "**Treasure Island**"). As detailed on Table 1, it is currently anticipated that the Project will include up to a total of 5,827 market rate residential units, 2,173 below market rate units, 451,000 square feet of retail, 100,000 square feet of commercial space, and 500 hotel rooms.

Appendix A contains a map of Yerba Buena Island and Treasure Island. It is anticipated that the territory planned to be developed as part of the Project that is not initially part of the IRFD will be annexed to the IRFD in the future, in accordance with the procedures set forth in the IRFD Law, the Resolution of Intention, and this Infrastructure Financing Plan. If the anticipated future annexations to the IRFD occur as expected, the ultimate boundaries of the IRFD will encompass the entirety of the development parcels in the Project. A map and the legal description of the property initially contained in the IRFD is set forth in Appendix A.

The Project is being developed by Treasure Island Community Development, LLC, or permitted transferees, as the master developer ("**TICD**" or "**Developer**"). In connection with the development of the Project, (i) TICD and the Treasure Island Development Authority, a California non-profit public benefit corporation ("**TIDA**"), entered into the Disposition and Development Agreement dated June 28, 2011 (the "**TIDA DDA**") and (ii) TICD and the City entered into the Development Agreement dated June 28, 2011 (the "**City DA**" and along with the TIDA DDA, collectively, the "**Development Agreements**"). Attached to both the TIDA DDA and the City DA is the Financing Plan (the "**DDA Financing Plan**"), which discusses, among other things, facilities and Housing Costs (as such term is defined in the DDA Financing Plan) to be financed by the formation of an infrastructure financing district. Although the DDA Financing Plan discusses infrastructure district financing through legislation that is different than the IRFD Law (because the