

1 [Endorsement of Terms of Economic Development Conveyance Memorandum of Agreement  
2 for Treasure Island]

3 **Resolution endorsing the Terms of Economic Development Conveyance Memorandum**  
4 **of Agreement for the Transfer of Former Naval Station Treasure Island from the United**  
5 **States Government to the Treasure Island Development Authority.**

6  
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 Federal Government" or the "Navy");  
10 and,

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

14 WHEREAS, The United States Department of Defense designated the City and County  
15 of San Francisco ("City") as the Local Reuse Authority ("LRA") responsible for the conversion  
16 of the Base under the federal disposition process; and,

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

21 WHEREAS, The United States Department of Housing and Urban Development  
22 approved the Reuse Plan on November 26, 1996; and,

23 WHEREAS, In 1997, the Base closed and the Authority was created to replace the City  
24 as the LRA and to serve as a single entity responsible for the redevelopment of the Property;  
25 and,

1           WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended  
2 Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter  
3 1333 of the Statutes of 1968 (the "Conversion Act"), the California Legislature (i) designated  
4 the Authority as a redevelopment agency under California Community Redevelopment Law  
5 with authority over the Property, and (ii) with respect to those portions of the Property that are  
6 subject to the public trust for commerce, navigation and fisheries (the "Tidelands Trust"),  
7 vested the authority to administer the Tidelands Trust as to such property in the Authority in  
8 accordance with the terms of the Conversion Act; and,

9           WHEREAS, Under the Act and the Authority's Articles of Incorporation and Bylaws, the  
10 Authority, acting by and through its Board of Directors (the "Authority Board"), has the power,  
11 subject to applicable laws, to sell, lease, exchange, transfer, convey or otherwise grant  
12 interests in or rights to use or occupy all or any portion of the Property; and,

13           WHEREAS, The Authority submitted to the Navy an EDC Application and Business  
14 Plan for Naval Station Treasure Island dated June 19, 2000, as amended on July 1, 2003 (the  
15 "EDC Application"), for an economic development conveyance ("EDC") of the Property; and,

16           WHEREAS, In 2003, after a competitive bid process, the Authority Board selected  
17 Treasure Island Community Development, LLC ("TICD") as the proposed master developer of  
18 the Property and entered into exclusive negotiations with TICD relating to a Disposition and  
19 Development Agreement ("TICD DDA") and other transaction documents; and,

20           WHEREAS, Since endorsement of the Reuse Plan and selection of TICD as the  
21 proposed master developer, the Authority has undertaken an extensive public process to  
22 further refine the land use plan for the Property, which has included over 220 public meetings  
23 before the Authority Board, the Treasure Island/Yerba Buena Island Citizens Advisory Board  
24 ("TICAB"), the Board of Supervisors, the Planning Commission, and in other public forums;  
25 and,

1           WHEREAS, In 2006, a Development Plan and Term Sheet for the Redevelopment of  
2 Naval Station Treasure Island (as updated from time to time, the "Development Plan")  
3 between the Authority and TICD was endorsed by the TICAB, the Authority Board and the  
4 Board of Supervisors, which, among other things, describes the updated land use plan for the  
5 proposed redevelopment of the Property (the "Project") and the basic terms of the proposed  
6 TICD DDA; and,

7           WHEREAS, In 2007, the Authority submitted an amended and restated EDC  
8 Application (the "Amended EDC Application") to the Navy based on the Development Plan;  
9 and,

10           WHEREAS, The Amended EDC Application proposed a financial structure for  
11 conveyance of the Property that included a profit participation mechanism that would include  
12 compensation to the Navy based on the actual performance of the Project; and,

13           WHEREAS, In October 2009, the President signed the 2009 National Defense  
14 Authorization Act, which included a provision specifically authorizing the Department of  
15 Defense to accept consideration for the transfer of BRAC properties under an EDC in the form  
16 of a profit participation component, which change enabled the Authority and the Navy in  
17 December 2009 to negotiate the basic financial terms for the conveyance of the Property to  
18 the Authority; and,

19           WHEREAS, Project Staff will update the Amended EDC Application to be consistent  
20 with the current proposed development program and any updates to the Development Plan  
21 endorsed by the Authority Board and the Board of Supervisors; and,

22           WHEREAS, The Authority and the Navy have been diligently and in good faith  
23 negotiating the terms of a proposed Economic Development Conveyance Memorandum of  
24 Agreement ("EDC MOA"), the approval and execution of which are subject to completion of  
25

1 necessary environmental review under the California Environmental Quality Act ("CEQA")  
2 and the National Environmental Policy Act ("NEPA"); and,

3 WHEREAS, Authority staff has prepared the Terms of Economic Development  
4 Conveyance Memorandum of Agreement (the "EDC MOA Terms"), a copy of which is on file  
5 with the Clerk of the Board of Supervisors in File No. \_\_\_\_\_, which is hereby declared  
6 to be a part of this resolution as if set forth fully herein; and,

7 WHEREAS, The EDC MOA Terms describes certain key terms of the proposed EDC  
8 MOA, including the conveyance process, the consideration payable to the Navy, and certain  
9 controls required by the Navy relating to the economic performance of the Project; and,

10 WHEREAS, The EDC MOA Terms was presented to the Authority Board at a duly  
11 noticed public meeting April 7, 2010, and on \_\_\_\_\_, 2010, the Authority Board voted  
12 \_\_\_ to \_\_\_ endorse the EDC MOA Terms; and,

13 WHEREAS, The EDC MOA Terms is not a binding agreement that commits the  
14 Authority or the City to proceed with the approval or implementation of the Project or the  
15 conveyance of the Property from the Navy, but it outlines the terms on which the Authority and  
16 the Navy will negotiate in good faith to reach agreement on the final EDC MOA and other  
17 transaction documents; and,

18 WHEREAS, The conveyance of the Property and the Project, as ultimately proposed  
19 by the Authority and TICD, will be subject to a process of thorough public review and input  
20 and all necessary and appropriate approvals; that process must include environmental review  
21 under CEQA and, if applicable, NEPA, before the Authority or the City may consider  
22 approving the EDC MOA or the Project; the Project will require discretionary approvals by a  
23 number of government bodies after public hearings and environmental review, including by  
24 the Authority Board and the City's Board of Supervisors; and,

1           WHEREAS, Nothing in this resolution commits, or shall be deemed to commit, the  
2 Authority, the City, or any other public agency to approve or implement any project, and they  
3 may not do so, until environmental review of the project as required under CEQA and, if  
4 applicable, NEPA, has been completed; accordingly, the references to "the Project" (or the  
5 like) in this resolution mean a proposed project subject to future environmental review and  
6 consideration by the Authority, the City, and other public agencies; further, the Authority, the  
7 City, and any other public agency with jurisdiction over any part of the Project each shall have  
8 the absolute discretion before approving the Project to: (i) make such modifications to the  
9 Project as may be necessary to mitigate significant environmental impacts; (ii) select other  
10 feasible alternatives to avoid or substantially reduce significant environmental impacts; (iii)  
11 require the implementation of specific measures to mitigate any specific impacts of the  
12 Project; (iv) balance the benefits of the Project against any significant environmental impacts  
13 before taking final action if such significant impacts cannot otherwise be avoided; or (v)  
14 determine whether or not to proceed with the Project; now, therefore, be it

15           RESOLVED, That the Board of Supervisors hereby endorses the EDC MOA Terms  
16 and urges City and Authority staff, including the Planning Department and the Office of  
17 Economic and Workforce Development, to continue environmental review and planning for the  
18 Project and the negotiation of the EDC MOA and other transaction documents consistent with  
19 the EDC MOA; and, be it

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

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