

1 [Sublease and Property Management Agreement - John Stewart Company - Treasure and  
2 Yerba Buena Islands Market Rate Rental Housing - \$632,806 Yearly Base Rent]

3 **Resolution approving a Sublease and Property Management Agreement for Treasure**  
4 **and Yerba Buena Islands market rate rental housing between the Treasure Island**  
5 **Development Authority and the John Stewart Company, with a yearly base rent of**  
6 **\$632,806 for a seven-year term, to commence following Board approval, with a three-**  
7 **year option to extend.**

8  
9 WHEREAS, Naval Station Treasure Island is a military base located on Treasure Island  
10 and Yerba Buena Island (together, the "Base"), which is currently owned by the United States  
11 of America ("the Federal Government"); and

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

15 WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97,  
16 authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit  
17 corporation known as the Treasure Island Development Authority (the "Authority") to act as a  
18 single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and  
19 conversion of the Base for the public interest, convenience, welfare and common benefit of  
20 the inhabitants of the City and County of San Francisco; and

21 WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended  
22 Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter  
23 1333 of the Statutes of 1968 (the "Act"), the California legislature (i) designated the Authority  
24 as a redevelopment agency under California redevelopment law with authority over the Base  
25

1 upon approval of the City's Board of Supervisors, and (ii) with respect to those portions of the  
2 Base that are subject to the Tidelands Trust, vested in the Authority the authority to administer  
3 the public trust for commerce, navigation and fisheries as to such property; and

4 WHEREAS, The Board of Supervisors approved the designation of the Authority as a  
5 redevelopment agency for Treasure Island in 1997; and

6 WHEREAS, On January 24, 2012, the Board of Supervisors rescinded designation of  
7 the Authority as a redevelopment agency under California Community Redevelopment Law in  
8 Resolution No. 11-12, but such rescission did not affect the Authority's status as the Local  
9 Reuse Authority for Treasure Island or the Tidelands Trust trustee for the portions of Treasure  
10 Island subject to the Tidelands Trust, or any other powers or authority of the Authority; and

11 WHEREAS, On March 17, 1999, the Authority and John Stewart Company ("JSCo")  
12 entered into a Sublease, Development, Marketing and Property Management Agreement (as  
13 amended, the "Original Agreement") for the development, marketing and property  
14 management of up to 766 housing units on the Base; and

15 WHEREAS, The scheduled term of the Original Agreement expired on the effective  
16 date of the Disposition and Development Agreement for former Naval Station Treasure Island  
17 ("the DDA") between the Authority and Treasure Island Community Development LLC, but  
18 continued thereafter on a month-to-month holdover basis; and

19 WHEREAS, On March 7, 2014, the Authority issued a Request for Proposals for a  
20 Sublease and Property Management Agreement for Treasure and Yerba Buena Islands  
21 Market Rate Rental Housing ("the RFP") to perform the services that were then-being  
22 provided under the Original Agreement; and

23 WHEREAS, JSCo was the sole respondent to the RFP; and

24 WHEREAS, The Response submitted by JSCo was deemed complete and responsive  
25 to the terms of the RFP by Authority staff; and

1           WHEREAS, The Authority and JSCo negotiated a Sublease and Property Management  
2 Agreement for Treasure and Yerba Buena Islands Market Rate Rental Housing (the  
3 “Agreement”), a copy of which is on file with the Clerk of the Board of Supervisors in File No.  
4 140754, which is hereby declared to be a part of this Resolution as if set forth fully herein;  
5 and

6           WHEREAS, The Agreement was approved by the Authority Board of Directors at its  
7 June 11, 2014, meeting by Authority Board Resolution # 14-22-06/14; and

8           WHEREAS, Because the cumulative amount of the Agreement exceeds \$1,000,000,  
9 the Authority is requesting that the Board of Supervisors approve the Agreement; and

10          WHEREAS, There is no change in existing use as a result of the Agreement and the  
11 approval of the Agreement is not a project under CEQA; now, therefore, be it

12          RESOLVED, That the Board of Supervisors hereby approves the Agreement, and  
13 authorizes the Director of Island Operations to execute the Agreement in substantially the  
14 form filed with the Clerk of the Board of Supervisors, and to make any additions, amendments  
15 or other modifications to the Agreement (including, without limitation, its exhibits) that the  
16 Director of Island Operations of the Authority determines, in consultation with the City  
17 Attorney, are in the best interests of the Authority and do not otherwise materially increase the  
18 obligations or liabilities of the Authority, and are necessary or advisable to effectuate the  
19 purpose and intent of this Resolution; and, be it

20          FURTHER RESOLVED, That within thirty (30) days of the Agreement being fully  
21 executed by all parties the Treasure Island Development Authority shall provide the final  
22 Agreement to the Clerk of the Board for inclusion into the official file.