

File No. 150648

Committee Item No. 4
Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Land Use & Transportation

Date July 13, 2015

Board of Supervisors Meeting

Date _____

Cmte Board

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| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input type="checkbox"/> | <input type="checkbox"/> | Budget and Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
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| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
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| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Form 126 – Ethics Commission |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
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Completed by: Andrea Ausberry Date July 10, 2015
Completed by: _____ Date _____

1 [Deposit and Reimbursement Agreement - Treasure Island Development Authority - Treasure
2 Island Community Development, LLC - Naval Station Treasure Island - \$100,000 Initial
3 Deposit]

4 **Resolution approving a Deposit and Reimbursement Agreement relating to Naval**
5 **Station Treasure Island between the City, the Treasure Island Development Authority,**
6 **and Treasure Island Community Development, LLC, in the amount of an initial deposit**
7 **of \$100,000 for reimbursement of certain eligible expenses incurred by the City in the**
8 **formation of Community Facilities Districts and Infrastructure Financing Districts on**
9 **Treasure Island and Yerba Buena Island over an indefinite term up to 20 years.**

10
11 WHEREAS, Naval Station Treasure Island ("NSTI") is a former United States Navy
12 base located in the City and County of San Francisco (the "City") consisting of approximately
13 550 acres on Treasure Island and Yerba Buena Island; and

14 WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended
15 Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter
16 1333 of the Statutes of 1968 (the "Act"), the California Legislature (i) designated TIDA as a
17 redevelopment agency under California redevelopment law with authority over NSTI upon
18 approval of the City's Board of Supervisors, and (ii) with respect to those portions of NSTI
19 which are subject to Tidelands Trust, vested in TIDA the authority to administer the public
20 trust for commerce, navigation and fisheries as to such property; and

21 WHEREAS, The Board of Supervisors approved the designation of TIDA as a
22 redevelopment agency for NSTI in 1997; and

23 WHEREAS, On January 24, 2012, the Board of Supervisors rescinded designation of
24 TIDA as the redevelopment agency for Treasure Island under California Community
25

1 Redevelopment Law in Resolution No. 11-12; and that such rescission does not affect TIDA's
2 status as the Local Reuse Authority for NSTI or the Tidelands Trust trustee for the portions of
3 NSTI subject to the Tidelands Trust, or any of the other powers or authority; and

4 WHEREAS, The United States of America, acting by and through the Department of
5 the Navy ("Navy"), and the Treasure Island Development Authority ("TIDA") entered into an
6 Economic Conveyance Memorandum of Agreement (as amended and supplemented from
7 time to time, the "Conveyance Agreement") that governs the terms and conditions for the
8 transfer of NSTI from the Navy to TIDA; under the Conveyance Agreement, the Navy will
9 convey NSTI to TIDA in phases after the Navy has completed environmental remediation and
10 issued a Finding of Suitability to Transfer (as defined in the Conveyance Agreement) for
11 specified parcels of NSTI or portions thereof; and

12 WHEREAS, On May 29, 2015, TIDA accepted title to the first conveyance of 290 acres
13 on Treasure Island and Yerba Buena Island transferred by the Navy under the terms of the
14 Conveyance Agreement; and

15 WHEREAS, Treasure Island Community Development, LLC (the "Developer") and
16 TIDA previously entered into a Disposition and Development Agreement (Treasure
17 Island/Yerba Buena Island) (the "DDA"), including a Financing Plan (Treasure Island/Yerba
18 Buena Island) (the "Financing Plan"), which governs the disposition and development of a
19 portion of NSTI (the "Project Site") after the Navy's transfer of NSTI to TIDA in accordance
20 with the Conveyance Agreement; and

21 WHEREAS, The DDA contemplates a project (the "Project") under which TIDA
22 acquires the Project Site from the Navy and conveys portions of the Project Site to Developer
23 for the purposes of (i) alleviating blight in the Project Site through development of certain
24 improvements, (ii) geotechnically stabilizing the Project Site, (iii) constructing public
25 infrastructure to support the Project and other proposed uses on NSTI, (iv) constructing and

1 improving certain public parks and open spaces, (v) remediating certain existing hazardous
2 substances, and (vi) selling and ground leasing lots to vertical developers who will construct
3 residential units and commercial and public facilities; and

4 WHEREAS, The Developer and the City previously entered into a Development
5 Agreement related to the Project Site to eliminate uncertainty in the City's land use planning
6 for the Project Site and secure orderly development of the Project consistent with the DDA
7 and other applicable requirements, and the Financing Plan is also an exhibit to the
8 Development Agreement; and

9 WHEREAS, The Financing Plan identifies certain financial goals for the Project and the
10 contractual framework for cooperation between TIDA, the City, and Developer in achieving
11 those goals and implementing the Project; and

12 WHEREAS, The Financing Plan, among other things, obligates TIDA and the City to
13 take all actions reasonably necessary, and obligates Developer to cooperate reasonably with
14 the efforts of (i) the City to form requested community facilities districts (each, a "CFD";
15 together, the "CFDs") and take related actions under the Mello-Roos Community Facilities Act
16 of 1982 (the "Mello-Roos Act") to pay for Qualified Project Costs, Ongoing Park Maintenance
17 and Additional Community Facilities (as those terms are defined in the Financing Plan), (ii) the
18 City to form requested infrastructure financing districts (each, an "IFD"; together the "IFDs")
19 and take related actions under applicable provisions of the Government Code of the State of
20 California (the "IFD Law") to pay for Qualified Project Costs and (iii) the City to issue bonds
21 and other debt for the CFDs and the IFDs and other public financing instruments described in
22 the Financing Plan (defined in the Financing Plan as "Public Financing"); and

23 WHEREAS, Developer and the City have agreed that the City will concurrently
24 undertake proceedings to establish a future annexation area for one or more CFDs (each, a
25

1 "Future Annexation Area"), and Developer has informed the City that it anticipates applying to
2 the City for annexation of territory in the Future Annexation Area(s) into the CFD(s); and

3 WHEREAS, Section 1.5(a) of the Financing Plan provides that the City and TIDA,
4 following consultation with Developer, will select any consultants necessary to implement their
5 respective portions of the Financing Plan, including the formation of any IFD and CFD and the
6 completion of any Public Financing, and that the City and TIDA's reasonable out-of-pocket
7 costs that are not contingent upon the completion of a Public Financing will be advanced by
8 Developer pursuant to a deposit agreement to be entered into among the City, TIDA, and
9 Developer, and Developer shall be entitled to reimbursement of such advances from the
10 proceeds of the Public Financing if authorized by applicable law; and

11 WHEREAS, The City, TIDA and Developer now wish to enter into a deposit agreement
12 as described in Section 1.5(a) of the Financing Plan to specify the terms of the advances of
13 funds and reimbursement; and

14 WHEREAS, The form of a Deposit and Reimbursement Agreement (Treasure
15 Island/Yerba Buena Island) (the "Deposit Agreement") is on file with the Clerk of the Board of
16 Supervisors in File No. 150648, which is hereby declared to be a part of this motion as if set
17 forth fully herein; and

18 WHEREAS, On May 13, 2015, the TIDA Board approved TIDA Board Resolution
19 Number 15-11-05/13, recommending approval of the Deposit Agreement and authorizing the
20 Treasure Island Director to execute the Deposit Agreement upon Board of Supervisors
21 approval; now, therefore, be it

22 RESOLVED, The Board of Supervisors hereby approves the form of the Deposit
23 Agreement, in substantially the form on file with the Clerk of the Board of Supervisors; and, be
24 it

1 FURTHER RESOLVED, The Mayor, the Controller, the Director of the Office of Public
2 Finance, and the Treasure Island Director, or such other official of the City as may be
3 designated by such officials (each, an "Authorized Officer"), is hereby authorized and directed
4 to execute and deliver, and the Clerk of the Board of Supervisors is hereby authorized and
5 directed to attest to, the Deposit Agreement in substantially the form on file with the Clerk of
6 the Board of Supervisors, together with such additions or changes as are approved by such
7 Authorized Officer upon consultation with the City Attorney and the City's bond counsel; the
8 approval of such additions or

9
10 *///*

11 *///*

12 *///*

1 changes shall be conclusively evidenced by the execution and delivery by an Authorized
2 Officer of the Deposit Agreement; and, be it

3 FURTHER RESOLVED, That this resolution shall take effect upon its adoption.

4
5
6 APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

7
8
9 By: 

Mark D. Blake
Deputy City Attorney

Approving a Deposit and Reimbursement Agreement Relating to Naval Station Treasure Island

SUMMARY OF PROPOSED ACTION

The proposed resolution would authorize the Treasure Island Director and the Director of the Office of Public Finance or such other official(s) of the City as may be designated to enter into a Deposit and Reimbursement Agreement with Treasure Island Community Development, LLC. ("TICD") for the reimbursement by TICD of certain eligible expenses incurred by the City and County of San Francisco ("City") in the formation of Community Facilities Districts (each, a "CFD"; together, the "CFDs") and Infrastructure Financing Districts (each, an "IFD"; together the "IFDs") in support of the development of the former Naval Station Treasure Island ("NSTI").

BACKGROUND

Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California Legislature (i) designated TIDA as a redevelopment agency under California redevelopment law with authority over NSTI upon approval of the City's Board of Supervisors, and (ii) with respect to those portions of NSTI which are subject to Tidelands Trust, vested in TIDA the authority to administer the public trust for commerce, navigation and fisheries as to such property.

The Board of Supervisors approved the designation of TIDA as a redevelopment agency for NSTI in 1997, but subsequently rescinded designation of TIDA as the redevelopment agency for Treasure Island under California Community Redevelopment Law in Resolution No. 11-12 on January 24, 2012.

On April 21, 2011, in a joint session with the San Francisco Planning Commission, the Treasure Island Development Authority ("TIDA") Board of Directors adopted a series of resolutions to approve numerous entitlement and transaction documents relating to the Treasure Island/Yerba Buena Island Development Project (collectively, the "Transaction and Entitlement Documents"), including a Development Agreement ("DA") and a Disposition and Development Agreement ("DDA") with TICD, adopting environmental findings pursuant to the California Environmental Quality Act ("CEQA"). On June 7, 2011, the Board of Supervisors approved these same Transaction and Entitlement Documents.

The Transaction and Entitlement Documents contemplate a project (the "Project") under which TIDA acquires the Project Site from the Navy and conveys portions of the Project Site to TICD for the purposes of (i) alleviating blight through development of certain improvements, (ii) geotechnically stabilizing the Project Site, (iii) constructing public infrastructure to support the Project and other proposed uses on NSTI, (iv) constructing and improving certain public parks and open spaces, (v) remediating certain existing hazardous substances, and (vi) selling and ground leasing lots to vertical developers who will construct residential units and commercial and public facilities.

Included as an Exhibit to both the DDA and DA was a Financing Plan (Treasure Island/Yerba Buena Island) (the "Financing Plan") which governs the disposition and development of a portion of NSTI (the "Project Site"). The Financing Plan identifies certain financial goals for the Project and the contractual framework for cooperation between TIDA, the City, and TICD in achieving those goals and implementing the Project.

Also included as an Exhibit to the DDA was the form of an Economic Conveyance Memorandum of Agreement (the "Conveyance Agreement") between the Navy and TIDA establishing the terms and conditions for the transfer of NSTI from the Navy to TIDA. TIDA and the Navy subsequently executed a final form of the Conveyance Agreement in July of 2014, and on May 29, 2015, TIDA accepted title to the first conveyance of 290 acres on Treasure Island and Yerba Buena Island.

DISCUSSION

In the absence of redevelopment tax increment, the Financing Plan calls, amongst other things, for TIDA and the City to (i) form requested CFDs and take related actions under the Mello-Roos Community Facilities Act of 1982 (the "Mello-Roos Act") to pay for Qualified Project Costs, Ongoing Park Maintenance and Additional Community Facilities, (ii) to form requested IFDs and take related actions under applicable provisions of the Government Code of the State of California (the "IFD Law") to pay for Qualified Project Costs and (iii) the City to issue bonds and other debt for the CFDs and the IFDs and other public financing instruments described in the Financing Plan ("Public Financing").

The Financing Plan provides that the City and TIDA, following consultation with TICD, will select any consultants necessary to implement their respective portions of the Financing Plan, including the formation of any IFD and CFD and the completion of any Public Financing, and that the City and TIDA's reasonable out-of-pocket costs that are not contingent upon the completion of a Public Financing will be advanced by TICD pursuant to a deposit agreement to be entered into among the City, TIDA, and TICD, and TICD will be entitled to reimbursement of such advances from the proceeds of the Public Financing if authorized by applicable law.

The City, TIDA and TICD are commencing the formation of an initial CFD and IFD in anticipation of the first Major Phase of development and wish to enter a Deposit and Reimbursement Agreement (Treasure Island/Yerba Buena Island) (the "Deposit Agreement") which is on file with the Secretary of the Board of Directors. The Deposit Agreement provides a framework for TICD to advance funds to the City to finance the costs of forming the CFD and IFD. TICD would be entitled to reimbursement from the proceeds of the Public Financing to the extent allowable by applicable law.

RECOMMENDATION

It is recommended that the Board of Supervisors approve the form of the Deposit Agreement on file with the Secretary of the Board of Directors and authorize the Director of the Office of Public Finance and the Treasure Island Director to execute and deliver the Deposit Agreement in substantially the form on file with such additions or changes as they upon consultation with the

City Attorney and the City's Bond Counsel determine are in the interest of TIDA and the City and do not materially increase the obligations of TIDA and the City.

Prepared by:

Robert Beck
Treasure Island Director

DEPOSIT AND REIMBURSEMENT AGREEMENT
(Treasure Island/Yerba Buena Island)

THIS DEPOSIT AND REIMBURSEMENT AGREEMENT (TREASURE ISLAND/YERBA BUENA ISLAND) (the "Agreement"), dated for convenience as of _____, 2015, is by and among City and County of San Francisco, a political subdivision and municipal corporation of the State of California (the "City"), Treasure Island Development Authority, a California public benefit corporation ("TIDA"), and Treasure Island Community Development, LLC, a California limited liability company ("Developer").

RECITALS:

WHEREAS, Naval Station Treasure Island ("NSTI") is a former United States Navy base located in the City that consists of two islands connected by a causeway: (1) Treasure Island, and (2) an approximately 90 acre portion of Yerba Buena Island;

WHEREAS, the United States of America, acting by and through the Department of the Navy ("Navy"), and TIDA entered into an Economic Conveyance Memorandum of Agreement (as amended and supplemented from time to time, the "Conveyance Agreement") that governs the terms and conditions for the transfer of NSTI from the Navy to TIDA; under the Conveyance Agreement, the Navy will convey NSTI to TIDA in phases after the Navy has completed environmental remediation and issued a Finding of Suitability to Transfer (as defined in the Conveyance Agreement) for specified parcels of NSTI or portions thereof;

WHEREAS, the Developer and TIDA previously entered into a Disposition and Development Agreement (Treasure Island/Yerba Buena Island) (the "DDA"), including a Financing Plan (Treasure Island/Yerba Buena Island) (the "Financing Plan"), which governs the disposition and development of a portion of NSTI (the "Project Site") after the Navy's transfer of NSTI to TIDA in accordance with the Conveyance Agreement;

WHEREAS, the DDA contemplates a project (the "Project") under which TIDA acquires the Project Site from the Navy and conveys portions of the Project Site to Developer for the purposes of (i) alleviating blight in the Project Site through development of certain improvements, (ii) geotechnically stabilizing the Project Site, (iii) constructing public infrastructure to support the Project and other proposed uses on NSTI, (iv) constructing and improving certain public parks and open spaces, (v) remediating certain existing hazardous substances, and (vi) selling and ground leasing lots to vertical developers who will construct residential units and commercial and public facilities;

WHEREAS, the Developer and the City previously entered into a Development Agreement related to the Project Site to eliminate uncertainty in the City's land use planning for the Project Site and secure orderly development of the Project consistent with the DDA and other applicable requirements, and the Financing Plan is also an exhibit to the Development Agreement;

WHEREAS, the Financing Plan identifies certain financial goals for the Project and the contractual framework for cooperation between TIDA, the City, and Developer in achieving those goals and implementing the Project;

WHEREAS, the Financing Plan, among other things, obligates TIDA and the City to take all actions reasonably necessary, and obligates the Developer to cooperate reasonably with the efforts of (i) the City to form requested community facilities districts (each, a "CFD"; together, the "CFDs") and take related actions under the Mello-Roos Community Facilities Act of 1982 (the "Mello-Roos Act") to pay for Qualified Project Costs, Ongoing Park Maintenance and Additional Community Facilities (as those terms are defined in the Financing Plan), (ii) the City to form requested infrastructure financing districts (each, an "IFD"; together the "IFDs") and take related actions under applicable provisions of the Government Code of the State of California (the "IFD Law") to pay for Qualified Project Costs and (iii) the City to issue bonds and other debt for the CFDs and the IFDs and other public financing instruments described in the Financing Plan (defined in the Financing Plan as "Public Financing");

WHEREAS, Developer and the City have agreed that the City will concurrently undertake proceedings to establish a future annexation area for one or more CFDs (each, a "Future Annexation Area"), and the Developer has informed the City that it anticipates applying to the City for annexation of territory in the Future Annexation Area(s) into the CFD(s);

WHEREAS, Section 1.5(a) of the Financing Plan provides that the City and TIDA, following consultation with Developer, will select any consultants necessary to implement their respective portions of the Financing Plan, including the formation of any IFD and CFD and the completion of any Public Financing, and that the City's and TIDA's reasonable out-of-pocket costs that are not contingent upon the completion of a Public Financing will be advanced by Developer pursuant to a deposit agreement to be entered into among the City, TIDA, and the Developer, and the Developer shall be entitled to reimbursement of such advances from the proceeds of the Public Financing if authorized by applicable law;

WHEREAS, the City, TIDA and Developer now wish to enter into the deposit agreement described in Section 1.5(a) of the Financing Plan to specify the terms of the advances of funds and reimbursement.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants set forth herein, and for other consideration the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

AGREEMENT:

Section 1. The Advances.

(a) Developer hereby agrees to provide \$100,000, in the form of cash or a check payable to the City (the "Initial Advance"), to be used by the City to pay the "Initial Costs" (as defined below); the Initial Advance shall be delivered to the Director of the Office of Public Finance of the City or its designee (the "Director of the Office of Public Finance") prior to the execution of this Agreement by the City. The City, by its execution hereof, acknowledges receipt of the Initial Advance.

(b) Developer further agrees to advance any additional amounts (collectively with the Initial Advance, the "Advances") incurred or reasonably expected to be incurred by the City and TIDA within fifteen (15) days of written demand therefore by the Director of the Office of Public Finance, said Advances to be made to the City or TIDA or directly to the City's consultants by the date and as otherwise specified by the Director of the Office of Public Finance in writing to Developer. The City shall use good faith efforts to provide Developer with prior notice whenever

the City believes Initial Costs will exceed Advances made by Developer. In the event that Developer shall fail or refuse to remit any such amounts to or at the direction of the Director of the Office of Public Finance within said fifteen (15) day time period, then, as the sole remedy of the City and TIDA hereunder (except as set forth in the second clause of this sentence and pursuant to Section 8 hereof), all processing by the City and TIDA of the proceedings for the CFD(s), the IFD(s) and any Public Financing shall cease and the City and TIDA shall be entitled to instruct all consultants to cease performance of their services related to the CFD(s), the IFD(s) and any Public Financing until such time as the requested amounts are paid by Developer, at which time proceedings for the CFD(s), the IFD(s) and any Public Financing (including work by consultants) shall resume immediately; notwithstanding the first clause of this sentence, Developer shall remain obligated for any Initial Costs already incurred by the City or TIDA or for which the City or TIDA is committed to pay.

(c) The City and TIDA will allocate all Initial Costs to one of two expense categories: (i) CFD Expenses; or (ii) IFD Expenses. Where there is overlap between the two expense categories for an item of Initial Costs, the City and TIDA will split the costs among the expense categories by any reasonable means of allocation.

(d) The purpose of this Agreement is to have a mechanism for collecting, applying, and reimbursing deposits for Initial Costs for the life of the Financing Plan. Consequently, this Agreement shall govern all aspects of the Public Financings, including, but not limited to: (i) the formation of each additional CFD or IFD; (ii) the annexation of property to a CFD or into its own new improvement area (each, an "Improvement Area") from the property identified as Future Annexation Area; (iii) the annexation of property into an IFD; (iv) proceedings for Public Financings by both the CFD and IFD; and (v) the filing and prosecution of any required judicial validation actions.

(e) Following completion of a proceeding contemplated by this Agreement (e.g., completion of formation of the first Improvement Area and the designation of Future Annexation Areas), there may be unexpended and uncommitted Advances still on deposit with the City. Such unexpended and uncommitted Advances shall remain on deposit with the City pursuant to this Agreement and shall be utilized for the payment of any Initial Costs associated with subsequent proceedings contemplated by this Agreement unless the Developer requests the return of such funds in writing. If the Developer makes such a written request, the City shall within ten (10) business days of such written request, return any then unexpended Advances to Developer, without interest, less an amount equal to any Initial Costs incurred by the City or TIDA or that the City or TIDA is otherwise committed to pay. If the City returns such unexpended Advances to the Developer pursuant to this subdivision (e), the Developer will be required to make additional Advances before the City or TIDA will commence subsequent proceedings.

(f) The Initial Costs include, but are not limited to: (i) the fees and expenses of any consultants to the City or TIDA employed in connection with the formation of the CFDs, the IFDs and the Public Financings (such as engineering, legal counsel, including special counsel to the City or TIDA, financial advisory and special tax consultant), excluding the fees and expenses of such consultants that are payable on a contingent basis; (ii) the costs of appraisals, absorption studies and other reports necessary or deemed advisable by City staff in connection with the formation of the CFD and the IFDs and the Public Financings; (iii) costs of publication of notices, preparation and mailing of ballots and other costs related to any election with respect to the CFDs, the IFDs or the Public Financings; (iv) the costs of any action prosecuted in the superior court to validate the proceedings relating to the CFDs, the IFDs or the Public Financings; (v) a

reasonable charge, as determined by the Director of the Office of Public Finance, in such official's sole discretion, for an allocable share of administrative expense with respect to City and TIDA staff engaged in analyzing and participating in the proceedings related to formation of the CFDs and the IFDs, special tax formulation, preparation of an infrastructure financing plan, facilities acquisition and Public Financings; (vi) any costs incurred by the City or TIDA in connection with discussions with or applications to bond rating agencies, if applicable; and (vii) any and all other actual costs and expenses incurred by the City with respect to the CFDs, the IFDs, the Future Annexation Areas and the Public Financings.

Section 2. Use of Funds. The Advances are subject to reimbursement only as follows:

(a) The Advances allocated to the CFD pursuant to Section 1(c) shall be reimbursable to the Developer from (i) Remainder Taxes (as defined in the Financing Plan) collected in the CFD, but only to the extent permitted under the Financing Plan and (ii) the proceeds of any Public Financing issued by or for the CFD (collectively, the "CFD Sources"). As CFD Sources become available, the City shall provide for reimbursement to Developer, without interest, of all Advances allocated to the CFD, said reimbursement to be made solely from the CFD Sources and only to the extent otherwise permitted under applicable law.

(b) The Advances allocated to the IFD pursuant to Section 1(c) shall be reimbursable to the Developer from (i) Net Available Increment (as defined in the Financing Plan) collected in the IFD, but only to the extent permitted under the Financing Plan and (ii) the proceeds of any Public Financing by or for the IFD (collectively, the "IFD Sources"). As IFD Sources become available, the City shall provide for reimbursement to Developer, without interest, of all Advances allocated to the IFD, said reimbursement to be made solely from the IFD Sources and only to the extent otherwise permitted under applicable law.

(c) If there are no CFD Sources or IFD Sources, for whatever reason, the Director of the Office of Public Finance shall, within ten (10) business days after termination of the DDA, return any then unexpended Advances to Developer, without interest, less an amount equal to any Initial Costs incurred by the City or TIDA or that the City or TIDA is otherwise committed to pay, which costs would be subject to payment under Section 1 above but have not yet been paid by the City or TIDA.

Section 3. Reimbursement of Other Costs. Nothing contained herein shall prohibit reimbursement of other costs and expenses of Developer incurred in connection with the CFDs, the Future Annexation Areas, the IFDs or the Public Financings from, as applicable, the CFD Sources or the IFD Sources. Any such reimbursement shall be made solely from the applicable CFD Sources or IFD Sources and only to the extent otherwise permitted under applicable law.

Section 4. Agreement Not Debt or Liability of City or TIDA. It is hereby acknowledged and agreed that this Agreement is not a debt or liability of the City or TIDA. The City and TIDA shall in no event be liable hereunder other than to allocate the Initial Costs as costs associated with the CFD or the IFD, process the reimbursement of the Developer from the CFD Sources and IFD Sources as provided in Sections 2(a) and 2(b) above, return any unexpended and uncommitted portions of any Advances as provided in Section 2(c) above, and provide an accounting under Section 7 below. The City and TIDA shall not be obligated to advance any of its own funds with respect to the formation proceedings or in connection with

any Public Financing. No member of the governing board of the City or TIDA, or member, associate member, director, officer, employee or agent of the City or TIDA, shall to any extent be personally liable hereunder.

Section 5. No Obligation to Complete Formation Proceedings or Complete the Public Financings. The provisions of this Agreement shall in no way obligate the City or TIDA to complete the formation of the CFDs or the IFDs, complete any Public Financings or to take any action with respect thereto. The City and TIDA obligations as to formation proceedings and Public Financings is governed by the Development Agreement and the DDA, respectively.

Section 6. Severability. If any part of this Agreement is held to be illegal or unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall be given effect to the fullest extent reasonably possible.

Section 7. Accounting. The Advances may be commingled with other funds of the City for purposes of investment and safekeeping, but the City shall at all times maintain records of the expenditure of the Advances. The City shall provide Developer with a written accounting, including copies of supporting invoices, of Advances expended pursuant to this Agreement within ten (10) business days of receipt by the Director of the Office of Public Finance of a written request therefor submitted by an authorized officer of Developer. No more than one accounting will be provided in any calendar month and the cost of providing the accounting shall be considered an Initial Cost. Developer shall be deemed to have expressly waived its right to any further accounting and its right to challenge any disbursements made by City or TIDA from the Advances ninety (90) days following the earlier of either the City's reimbursement of unexpended Advances pursuant to Section 2 of this Agreement or the City sending notice that all Advances are expended and that no further Advances are required, whichever event first occurs.

Section 8. Indemnification. Developer hereby agrees to assume the defense of, indemnify and hold harmless the City, TIDA, and each of their members, officers, employees and agents, from and against all actions, claims or proceedings of every type and description to which they or any of them may be subjected or put, by reason of, or arising out of, any acts or omissions of Developer or any of its members, officers, employees, contractors or agents in connection with a breach of this Agreement by the Developer. The City and TIDA shall promptly notify Developer of any such claim, action or proceeding, and the City and TIDA shall cooperate in the defense thereof. The obligations of Developer under this Section shall not apply to any claims, actions or proceedings arising through the negligence or willful misconduct of the City or TIDA, its members, officers, employees or agents.

Section 9. Conflict with DDA and Development Agreement. In the event of any conflict between the terms of this Agreement and the terms of the DDA or the Development Agreement, the terms of the DDA or the Development Agreement shall govern.

Section 10. Term. Unless the parties execute an amendment extending the term, this Agreement shall terminate on the earlier of the following: (i) the written request from any party to this Agreement; or (ii) the twentieth anniversary of the date first written above.

Section 11. Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of California.

Section 12. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto.

Section 13. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.

IN WITNESS THEREOF, the parties have executed this Agreement as of the day and year first written above.

DEVELOPER:

TREASURE ISLAND COMMUNITY
DEVELOPMENT, LLC

By: _____

Name: _____

Its: _____

CITY:

CITY AND COUNTY OF SAN FRANCISCO

By: _____

Name: _____

Its: _____

TIDA:

TREASURE ISLAND DEVELOPMENT
AUTHORITY

By: _____

Name: _____

Its: _____

Approved as to form:

DENNIS J. HERRERA
City Attorney

By: _____

Name: _____

Deputy City Attorney

FILE NO.

RESOLUTION NO. 15-11-05/13

1 [Resolution Authorizing the Treasure Island Director to Execute a Deposit and
2 Reimbursement Agreement]

3 **Resolution Authorizing the Treasure Island Director to Execute a Deposit and**
4 **Reimbursement Agreement Relating to Naval Station Treasure Island Development.**
5

6 WHEREAS, Naval Station Treasure Island ("NSTI") is a former United States Navy
7 base located in the City and County of San Francisco (the "City") consisting of approximately
8 550 acres on Treasure Island and Yerba Buena Island; and
9

10 WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended
11 Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter
12 1333 of the Statutes of 1968 (the "Act"), the California Legislature (i) designated TIDA as a
13 redevelopment agency under California redevelopment law with authority over NSTI upon
14 approval of the City's Board of Supervisors, and (ii) with respect to those portions of NSTI
15 which are subject to Tidelands Trust, vested in TIDA the authority to administer the public
16 trust for commerce, navigation and fisheries as to such property; and,

17 WHEREAS, The Board of Supervisors approved the designation of TIDA as a
18 redevelopment agency for NSTI in 1997; and,

19 WHEREAS, On January 24, 2012, the Board of Supervisors rescinded designation of
20 TIDA as the redevelopment agency for Treasure Island under California Community
21 Redevelopment Law in Resolution No. 11-12; and that such rescission does not affect TIDA's
22 status as the Local Reuse Authority for NSTI or the Tidelands Trust trustee for the portions of
23 NSTI subject to the Tidelands Trust, or any of the other powers or authority; and,

24 WHEREAS, The United States of America, acting by and through the Department of
25 the Navy ("Navy"), and TIDA entered into an Economic Conveyance Memorandum of

1 Agreement (as amended and supplemented from time to time, the "Conveyance Agreement")
2 that governs the terms and conditions for the transfer of NSTI from the Navy to TIDA; under
3 the Conveyance Agreement, the Navy will convey NSTI to TIDA in phases after the Navy has
4 completed environmental remediation and issued a Finding of Suitability to Transfer (as
5 defined in the Conveyance Agreement) for specified parcels of NSTI or portions thereof; and

6 WHEREAS, Treasure Island Community Development, LLC ("TICD" or "Developer")
7 and TIDA previously entered into a Disposition and Development Agreement (Treasure
8 Island/Yerba Buena Island) (the "DDA"), including a Financing Plan (Treasure Island/Yerba
9 Buena Island) (the "Financing Plan"), which governs the disposition and development of a
10 portion of NSTI (the "Project Site") after the Navy's transfer of NSTI to TIDA in accordance
11 with the Conveyance Agreement; and

12 WHEREAS, The DDA contemplates a project (the "Project") under which TIDA
13 acquires the Project Site from the Navy and conveys portions of the Project Site to TICD for
14 the purposes of (i) alleviating blight in the Project Site through development of certain
15 improvements, (ii) geotechnically stabilizing the Project Site, (iii) constructing public
16 infrastructure to support the Project and other proposed uses on NSTI, (iv) constructing and
17 improving certain public parks and open spaces, (v) remediating certain existing hazardous
18 substances, and (vi) selling and ground leasing lots to vertical developers who will construct
19 residential units and commercial and public facilities; and

20 WHEREAS, TICD and the City previously entered into a Development Agreement
21 related to the Project Site to eliminate uncertainty in the City's land use planning for the
22 Project Site and secure orderly development of the Project consistent with the DDA and other
23 applicable requirements, and the Financing Plan is also an exhibit to the Development
24 Agreement; and

25

1 WHEREAS, The Financing Plan identifies certain financial goals for the Project and the
2 contractual framework for cooperation between TIDA, the City, and TICD in achieving those
3 goals and implementing the Project;

4 WHEREAS, The Financing Plan, among other things, obligates TIDA and the City to
5 take all actions reasonably necessary, and obligates TICD to cooperate reasonably with the
6 efforts of (i) the City to form requested community facilities districts (each, a "CFD"; together,
7 the "CFDs") and take related actions under the Mello-Roos Community Facilities Act of 1982
8 (the "Mello-Roos Act") to pay for Qualified Project Costs, Ongoing Park Maintenance and
9 Additional Community Facilities (as those terms are defined in the Financing Plan), (ii) the City
10 to form requested infrastructure financing districts (each, an "IFD"; together the "IFDs") and
11 take related actions under applicable provisions of the Government Code of the State of
12 California (the "IFD Law") to pay for Qualified Project Costs and (iii) the City to issue bonds
13 and other debt for the CFDs and the IFDs and other public financing instruments described in
14 the Financing Plan (defined in the Financing Plan as "Public Financing");

15 WHEREAS, TICD and the City have agreed that the City will concurrently undertake
16 proceedings to establish a future annexation area for one or more CFDs (each, a "Future
17 Annexation Area"), and TICD has informed the City that it anticipates applying to the City for
18 annexation of territory in the Future Annexation Area(s) into the CFD(s);

19 WHEREAS, Section 1.5(a) of the Financing Plan provides that the City and TIDA,
20 following consultation with TICD, will select any consultants necessary to implement their
21 respective portions of the Financing Plan, including the formation of any IFD and CFD and the
22 completion of any Public Financing, and that the City and TIDA's reasonable out-of-pocket
23 costs that are not contingent upon the completion of a Public Financing will be advanced by
24 TICD pursuant to a deposit agreement to be entered into among the City, TIDA, and TICD,
25

1 and TICD shall be entitled to reimbursement of such advances from the proceeds of the
2 Public Financing if authorized by applicable law;

3 WHEREAS, The City, TIDA and TICD now wish to enter into the deposit agreement
4 described in Section 1.5(a) of the Financing Plan to specify the terms of the advances of
5 funds and reimbursement; and

6 WHEREAS, The form of a Deposit and Reimbursement Agreement (Treasure
7 Island/Yerba Buena Island) (the "Deposit Agreement") is on file with the Secretary of the
8 Board of Directors; now, therefore, be it

9 RESOLVED, The Board of Directors hereby approves the form of the Deposit
10 Agreement, in substantially the form on file with the Secretary of the Board of Directors. The
11 Treasure Island Director or his designee is hereby authorized and directed to execute and
12 deliver the Deposit Agreement in substantially the form on file with the Secretary of the Board
13 of Directors, together with such additions or changes as are approved by the Treasure Island
14 Director or his designee upon consultation with the City Attorney. The approval of such
15 additions or changes shall be conclusively evidenced by the execution and delivery by
16 Treasure Island Director or his designee of the Deposit Agreement.

17
18 **CERTIFICATE OF SECRETARY**

19 **I hereby certify that I am the duly elected Secretary of the Treasure Island Development**
20 **Authority, a California nonprofit public benefit corporation, and that the above**
21 **Resolution was duly adopted and approved by the Board of Directors of the Authority**
22 **at a properly noticed meeting on May 13, 2015.**

23
24 
25 **Jean-Paul Samaha, Secretary**

Ausberry, Andrea

From: Summerville, Peter (ADM)
Sent: Thursday, July 09, 2015 4:00 PM
To: Austin, Kate; Ausberry, Andrea
Subject: RE: MISSING Document - File 150648
Attachments: 15-11-0513.pdf

Hi Andrea, I think this is what you're looking for. Please confirm. Thanks!

Peter Summerville
Treasure Island Development Authority
One Avenue of Palms, Suite 241
San Francisco, CA 94130
Ph: (415) 274-0665
Peter.Summerville@sfgov.org

SFTreasureIsland.org

[Follow TIDA on Twitter @sftida](#)

From: Austin, Kate
Sent: Thursday, July 09, 2015 3:49 PM
To: Summerville, Peter (ADM)
Subject: Fwd: MISSING Document - File 150648

Hi Peter- Do you know where the resolutions are saved? Could you please send the below request to Andrea?

It is in the S drive- TIDA - 2015 - then a reso list folder

Please call me if you have any questions!

Kate Austin
Treasure Island Development Project
[One Avenue of the Palms, Suite 241](#)
[San Francisco, CA 94130](#)
P: [415-274-0646](tel:415-274-0646)
kate.austin@sfgov.org

Begin forwarded message:

From: "Ausberry, Andrea" <andrea.ausberry@sfgov.org>
Date: July 9, 2015 at 2:11:51 PM PDT
To: "Austin, Kate" <kate.austin@sfgov.org>, "Ivey, Nikki (ADM)" <nikki.ivey@sfgov.org>
Subject: FW: MISSING Document - File 150648

Hi Kate,

I left you a voice message earlier. Please forward the following document referenced in the attached legislation? It was not submitted upon introduction:

May 13, 2015, the TIDA Board approved TIDA Board Resolution Number 15-11-05/13, recommending approval of the Deposit Agreement and authorizing the Treasure Island Director to execute the Deposit Agreement upon Board of Supervisors approval

Page 4/ Lines 18 -21. This item is scheduled to be heard in Land Use on July 13th. Please forward the Resolution before close of business today, July 9th.

Thank you,

Andrea S. Ausberry

Assistant Clerk

Land Use and Transportation Committee

San Francisco Board of Supervisors

Office 415.554.4442

Website | <http://www.sfbos.org/>

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FORM SFEC-126:
NOTIFICATION OF CONTRACT APPROVAL
(S.F. Campaign and Governmental Conduct Code § 1.126)

City Elective Officer Information <i>(Please print clearly.)</i>	
Name of City elective officer(s): Members, Board of Supervisors	City elective office(s) held: Members, Board of Supervisors
Contractor Information <i>(Please print clearly.)</i>	
Name of contractor: Treasure Island Community Development, LLC.	
<p><i>Please list the names of (1) members of the contractor's board of directors; (2) the contractor's chief executive officer, chief financial officer and chief operating officer; (3) any person who has an ownership of 20 percent or more in the contractor; (4) any subcontractor listed in the bid or contract; and (5) any political committee sponsored or controlled by the contractor. Use additional pages as necessary.</i></p> <p>TICD is a limited liability company. The members of TICD are UST Lennar HE Scala SF Joint Venture and KSWM Treasure Island, LLC, each of which is a co-Managing Member that holds no more than 20% of the interests in TICD. The Executive Committee of TICD is comprised of: Chris Meany, Darius Anderson, Emile Haddad, Erik Higgins, Jonathan Jaffe, Kofi Bonner, and Terrence Fancher.</p>	
Contractor address: Treasure Island Community Development LLC c/o Lennar Urban, One Sansome Street, Suite 3200, San Francisco, CA 94104	
Date that contract was approved: July 21, 2015	Amount of contracts: \$100,000 initial deposit to be made by TICD to the City
Describe the nature of the contract that was approved: The Deposit Agreement is by and between Treasure Island Community Development, the Treasure Island Development Authority and the City. Under the Disposition and Development Agreement for Treasure Island, the City commits to forming Community Facilities District(s) and Infrastructure Financing District(s) over the Project Area and Treasure Island Community Development commits to advance funds to the City to cover the City's costs in forming the districts including the cost of outside bond counsel, special tax advisors, and other consultants whose services are required to support the formation of the districts. The proposed Deposit Agreement provides the instrument by which TICD would deposit an initial amount of \$100,000 with the City to initiate the IFD and CFD formations to be replenished as necessary when expenses deplete the deposited funds.	
Comments:	

This contract was approved by (check applicable):

the City elective officer(s) identified on this form

a board on which the City elective officer(s) serves: San Francisco Board of Supervisors
Print Name of Board

the board of a state agency (Health Authority, Housing Authority Commission, Industrial Development Authority Board, Parking Authority, Redevelopment Agency Commission, Relocation Appeals Board, Treasure Island Development Authority) on which an appointee of the City elective officer(s) identified on this form sits

Print Name of Board

Filer Information <i>(Please print clearly.)</i>	
Name of filer: Angela Calvillo, Clerk of the Board	Contact telephone number: (415) 554-5184
Address: City Hall, Room 244, 1 Dr. Carlton B. Goodlett Pl., San Francisco, CA 94102	E-mail: Board.of.Supervisors@sfgov.org

Signature of City Elective Officer (if submitted by City elective officer)

Date Signed

Signature of Board Secretary or Clerk (if submitted by Board Secretary or Clerk)

Date Signed

BOARD of SUPERVISORS



City Hall
Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

MEMORANDUM

TO: Tiffany Bohee, Executive Director, Office of Community Investment and Infrastructure
Mirian Saez, Director, Treasure Island Operations
Ben Rosenfield, City Controller, Office of the Controller

FROM: Andrea Ausberry, Assistant Clerk, Land Use and Transportation Committee,
Board of Supervisors

DATE: June 30, 2015

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Land Use and Transportation Committee has received the following legislation, introduced June 16, 2015, by Mayor Lee:

File No. 150648

Resolution approving a Deposit and Reimbursement Agreement relating to Naval Station Treasure Island between the City, the Treasure Island Development Authority, and Treasure Island Community Development, LLC, in the amount of an initial deposit of \$100,000 for reimbursement of certain eligible expenses incurred by the City in the formation of Community Facilities Districts and Infrastructure Financing Districts on Treasure Island and Yerba Buena Island over an indefinite term up to 20 years.

If you have any additional comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

c:
Asja Steeves, Secretary
Claudia Guerra, Commission on Community Investment and Infrastructure
Todd Rydstrom, Deputy City Controller

OFFICE OF THE MAYOR
SAN FRANCISCO



EDWIN M. LEE
MAYOR

TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: Mayor Edwin M. Lee
RE: Resolution Approving Deposit and Reimbursement Agreement Relating to
Naval Station Treasure Island
DATE: June 16, 2015

Attached for introduction to the Board of Supervisors is a resolution approving a Deposit and Reimbursement Agreement relating to Naval Station Treasure Island.

I respectfully request that this item be calendared in Land Use Committee on July 13th, 2015.

I respectfully request a waiver of the 30-day hold on this legislation.

Should you have any questions, please contact Nicole Elliott (415) 554-7940.

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO
2015 JUN 16 PM 3:52
AK

