

1 [Economic Development Conveyance Memorandum of Agreement - Treasure Island/Yerba
2 Buena Island]

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4 **Resolution approving the Economic Development Conveyance Memorandum of**
5 **Agreement for the transfer of former Naval Station Treasure Island from the United**
6 **States Government to the Treasure Island Development Authority; adopting findings**
7 **that the agreement is consistent with the City's General Plan and Eight Priority Policies**
8 **of City Planning Code Section 101.1.**

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10 WHEREAS, Former Naval Station Treasure Island is a military base located on
11 Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by
12 the United States of America, acting by and through the Department of the Navy ("the Federal
13 Government" or the "Navy"); and,

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

17 WHEREAS, Pursuant to the power and authority provided by the Defense Base
18 Closure and Realignment Act of 1990, 10 U.S.C. § 2687 note, as amended, the Navy is
19 authorized to convey surplus property at a closed military installation to the local
20 redevelopment authority for economic development purposes; and,

21 WHEREAS, The United States Department of Defense designated the City and County
22 of San Francisco ("City") as the Local Redevelopment Authority ("LRA") responsible for the
23 conversion of the Base under the federal disposition process; and,

24 WHEREAS, In July 1996, after an extensive community planning effort, a draft reuse
25 plan for the Base (the "Reuse Plan") was unanimously endorsed by the Mayor, the Board of

1 Supervisors, the Planning Commission and the Treasure Island Citizens Reuse Committee;
2 and,

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

5 WHEREAS, In 1997, the Base closed and the Treasure Island Development Authority
6 ("TIDA") was created to replace the City as the LRA and to serve as a single entity
7 responsible for the reuse and development of the Base; and,

8 WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended
9 Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 3
10 1333 of the Statutes of 1968 (the "Conversion Act"), the California Legislature (i) granted to
11 the Board of Supervisors the authority to designate TIDA as a redevelopment agency under
12 California Community Redevelopment Law with authority over the Base; and (ii) with respect
13 to those portions of the Base that are subject to the public trust for commerce, navigation and
14 fisheries (the "Tidelands Trust"), vested the authority to administer the Tidelands Trust as to
15 such property in TIDA in accordance with the terms of the Conversion Act; and,

16 WHEREAS, Under the Conversion Act and TIDA's Articles of Incorporation and
17 Bylaws, TIDA, acting by and through its Board of Directors (the "TIDA Board"), has the power,
18 subject to applicable laws, to sell, lease, exchange, transfer, convey or otherwise grant
19 interests in or rights to use or occupy all or any portion of the Base; and,

20 WHEREAS, TIDA submitted to the Navy an EDC Application and Business Plan for
21 Naval Station Treasure Island dated June 19, 2000, as amended on July 1, 2003 (the "EDC
22 Application"), for an economic development conveyance ("EDC") of the Base; and,

23 WHEREAS, In 2003, after a competitive bid process, the TIDA Board selected
24 Treasure Island Community Development, LLC ("TICD") as the proposed master developer of
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1 the Base and entered into exclusive negotiations with TICD relating to a Disposition and
2 Development Agreement ("TICD DDA") and other transaction documents; and,

3 WHEREAS, Since endorsement of the Reuse Plan and selection of TICD as the
4 proposed master developer, TIDA has undertaken an extensive public process to further
5 refine the land use plan for the Base, which has included over 220 public meetings before the
6 TIDA Board, the Treasure Island/Yerba Buena Island Citizens Advisory Board ("CAB"), the
7 Board of Supervisors, the Planning Commission, and in other public forums; and,

8 WHEREAS, In 2006, a Development Plan and Term Sheet for the Redevelopment of
9 Naval Station Treasure Island (as updated from time to time, the "Development Plan")
10 between TIDA and TICD was endorsed by the CAB, the TIDA Board and the Board of
11 Supervisors, which, among other things, describes the updated land use plan for the
12 proposed reuse and development of the Base (the "Project") and the basic terms of the
13 proposed TICD DDA; and,

14 WHEREAS, In 2007, TIDA submitted an amended and restated EDC Application (the
15 "Amended EDC Application") to the Navy based on the Development Plan; and,

16 WHEREAS, The Amended EDC Application proposed a financial structure for
17 conveyance of the Base that included a profit participation mechanism that would include
18 compensation to the Navy based on the actual performance of the Project; and,

19 WHEREAS, In October 2009, the President signed the 2009 National Defense
20 Authorization Act, which included a provision specifically authorizing the Department of
21 Defense to accept consideration for the transfer of BRAC properties under an EDC in the form
22 of a profit participation component, which change enabled TIDA and the Navy in December
23 2009 to negotiate the basic financial terms for the conveyance of the Base to TIDA; and,

24 WHEREAS, In April 2010, the Board of Supervisors unanimously voted to endorse a
25 term sheet for the proposed EDC by Resolution No. 243-10, which term sheet addressed key

1 terms of the proposed EDC, including the conveyance process, the consideration payable to
2 the Navy, and certain controls required by the Navy relating to the economic performance of
3 the Project; and,

4 WHEREAS, In August 2010, Mayor Gavin Newsom, House Speaker Nancy Pelosi, and
5 U.S. Secretary of the Navy Ray Mabus endorsed the terms of the proposed conveyance of
6 the Base from the Navy to TIDA; and,

7 WHEREAS, TIDA and the Navy have diligently and in good faith negotiated an
8 Economic Development Conveyance Memorandum of Agreement (the "EDC MOA"), a copy
9 of which is on file with the Clerk of the Board of Supervisors in File No. _____,
10 which is hereby declared to be a part of this Resolution as if set forth fully herein; and,

11 WHEREAS, Pursuant to the EDC MOA, the consideration for the Base is based on a
12 guaranteed, fixed initial payment plus additional consideration subject to the Project achieving
13 certain financial benchmarks; and,

14 WHEREAS, The EDC MOA and the TICD DDA are structured so that TICD will make
15 all payments to the Navy on behalf of TIDA, and the City will not be required to fund any of the
16 consideration to the Navy and the City's General Fund is insulated from any obligation to pay
17 on behalf of TIDA; and,

18 WHEREAS, The EDC MOA was presented to the CAB at duly noticed public meetings
19 on February 15, 2011 and _____, 2011, and on _____, 2011 the
20 CAB voted to endorse the EDC MOA; and,

21 WHEREAS, The EDC MOA was presented to the TIDA Board at duly noticed public
22 meetings on February 18, 2011 and _____, 2011, and on _____,
23 2011 the TIDA Board voted to approve the EDC MOA; and,

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1 WHEREAS, TIDA’s organizational documents require TIDA to obtain approval from the
2 Board of Supervisors prior to entering into contracts with a term of more than 10 years or \$1
3 million or more in anticipated revenue; and,

4 WHEREAS, The EDC MOA is anticipated to have a term in excess of 10 years; and,

5 WHEREAS, On _____, 2011, the Planning Commission by Motion No.
6 _____ and the TIDA Board of Directors by Resolution No. _____, as
7 co-lead agencies, certified the completion of the Final Environmental Impact Report for the
8 Project, of which the EDC MOA forms a part; and,

9 WHEREAS, On _____, 2011, the TIDA Board of Directors, by Resolution
10 No. _____, adopted environmental findings pursuant to the California
11 Environmental Quality Act (“CEQA”) with respect to approval of the Project, including a
12 mitigation monitoring and reporting program and a statement of overriding considerations;
13 and,

14 WHEREAS, On _____, 2011, the Planning Commission, by Motion No.
15 _____, adopted environmental findings pursuant to CEQA with respect to
16 approval of the Project, including a mitigation monitoring and reporting program and a
17 statement of overriding considerations; and,

18 WHEREAS, The Planning Commission determined that the Project, and the various
19 actions being taken by the City and the TIDA Board of Directors to approve and implement the
20 Project, are consistent with the General Plan and with the Eight Priority Policies of City
21 Planning Code Section 101.1, and made findings in connection therewith (the "General Plan
22 Consistency Determination"), a copy of which is on file with the Clerk of the Board of
23 Supervisors in File No. _____, and is incorporated into this Resolution by
24 reference; and,

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1 WHEREAS, The Board of Supervisors has reviewed and considered the information
2 contained in the General Plan Consistency Determination, and concurrently with this
3 Resolution is adopting said findings as its own, and said findings are on file with the Clerk of
4 the Board of Supervisors in File No. _____, and incorporated into this Resolution
5 by reference; and,

6 WHEREAS, Concurrently with this Resolution, the Board of Supervisors has adopted
7 Resolution No. _____, adopting findings under CEQA, including the adoption of a
8 mitigation monitoring and reporting program and a statement of overriding considerations in
9 connection with the development of the Project, which Resolution is on file with the Clerk of
10 the Board of Supervisors in File No. _____, and incorporated herein by reference;
11 now, therefore, be it

12 RESOLVED, That the Board of Supervisors finds that the EDC MOA is consistent with
13 the General Plan and the Eight Priority Policies of City Planning Code Section 101.1 for the
14 reasons set forth in the General Plan Consistency Determination; and, be it

15 FURTHER RESOLVED, That the Board of Supervisors approves the EDC MOA and
16 authorizes the Director of Redevelopment for TIDA ("Director") to execute, deliver and
17 perform the EDC MOA substantially in the form in the Board of Supervisors' file; and, be it

18 FURTHER RESOLVED, That the Board of Supervisors authorizes and urges the
19 Director, prior to execution of the EDC MOA, to make changes and take any and all steps,
20 including but not limited to, the attachment of exhibits and the making of corrections, as the
21 Director determines, in consultation with the City Attorney, are necessary or appropriate to
22 consummate the EDC MOA in accordance with this Resolution; provided, however, that such
23 changes and steps do not materially decrease the benefits to or materially increase the
24 obligations or liabilities of TIDA or the City, and are in compliance with all applicable laws;
25 and, be it

1 FURTHER RESOLVED, That all actions heretofore taken by TIDA and the City and
2 their officers, employees, and agents with respect to the EDC MOA are hereby approved,
3 confirmed and ratified; and, be it

4 FURTHER RESOLVED, That the Board of Supervisors authorizes and urges all
5 officers, employees, and agents of TIDA and the City to take any and all steps as they deem
6 necessary or appropriate, to the extent permitted by applicable law, in order to consummate
7 the EDC MOA in accordance with this Resolution, including execution of subsequent
8 documents and acceptance of real property from the Navy, or to otherwise effectuate the
9 purpose and intent of this Resolution and TIDA's performance under the EDC MOA; and, be it

10 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director to enter
11 into any amendments or modifications to the EDC MOA that the Director determines, in
12 consultation with the City Attorney, are in the best interest of TIDA and the City, do not
13 materially decrease the benefits to or materially increase the obligations or liabilities of TIDA
14 and the City, and are in compliance with all applicable laws.

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