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

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

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

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

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

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

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

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

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

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

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

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

24 WHEREAS, Since endorsement of the Reuse Plan and selection of TICD as the
25 proposed master developer, TIDA has undertaken an extensive public process to further

1 refine the land use plan for the Base, which has included over 220 public meetings before the
2 TIDA Board, the Treasure Island/Yerba Buena Island Citizens Advisory Board ("CAB"), the
3 Board of Supervisors, the Planning Commission, and in other public forums; and,

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

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

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

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

20 WHEREAS, In April 2010, the Board of Supervisors unanimously voted to endorse a
21 term sheet for the proposed EDC by Resolution No. 243-10, which term sheet addressed key
22 terms of the proposed EDC, including the conveyance process, the consideration payable to
23 the Navy, and certain controls required by the Navy relating to the economic performance of
24 the Project; and,

25

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

4 WHEREAS, TIDA and the Navy have diligently and in good faith negotiated an
5 Economic Development Conveyance Memorandum of Agreement (the "EDC MOA"), attached
6 as Exhibit A to this Resolution, which is hereby declared to be a part of this Resolution as if
7 set forth fully herein; and,

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

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

15 WHEREAS, The EDC MOA was presented to the CAB at a duly noticed public meeting
16 on February 15, 2011 and on April 19, 2011 the CAB voted to recommend the EDC MOA;
17 and,

18 WHEREAS, On April 21, 2011, the Planning Commission by Motion No. 18325 and the
19 TIDA Board by Resolution No. 11-14-04/21, as co-lead agencies, certified the completion of
20 the Final Environmental Impact Report for the Project, of which the EDC MOA forms a part;
21 and,

22 WHEREAS, On April 21, 2011, the TIDA Board, by Resolution No. 11-15-04/21,
23 adopted environmental findings pursuant to the California Environmental Quality Act with
24 respect to approval of the Project, including a mitigation monitoring and reporting program and
25 a statement of overriding considerations; now, therefore, be it

1 RESOLVED, That the TIDA Board approves the EDC MOA and authorizes the
2 Treasure Island Project Director ("Director") to execute, deliver and perform the EDC MOA,
3 subject to Board of Supervisors approval of the EDC MOA; and, be it

4 FURTHER RESOLVED, That the TIDA Board authorizes and urges the Director, prior
5 to execution of the EDC MOA, to make changes and take any and all steps, including but not
6 limited to, the attachment of exhibits and the making of corrections, as the Director
7 determines, in consultation with the City Attorney, are necessary or appropriate to
8 consummate the EDC MOA in accordance with this Resolution; provided, however, that such
9 changes and steps do not materially decrease the benefits to or materially increase the
10 obligations or liabilities of TIDA, and are in compliance with all applicable laws; and, be it

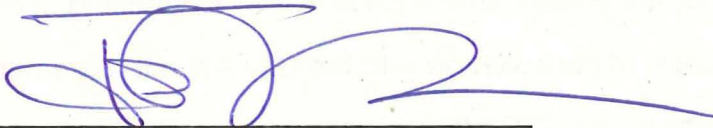
11 FURTHER RESOLVED, That all actions heretofore taken by TIDA and its officers,
12 employees, and agents with respect to the EDC MOA are hereby approved, confirmed and
13 ratified; and, be it

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

20 FURTHER RESOLVED, That the TIDA Board authorizes the Director to enter into any
21 amendments or modifications to the EDC MOA that the Director determines, in consultation
22 with the City Attorney, are in the best interest of TIDA, do not materially decrease the benefits
23 to or materially increase the obligations or liabilities of TIDA, and are in compliance with all
24 applicable laws.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on April 21, 2011.



Jean-Paul Samaha, Secretary

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