

1 [Disposition and Development Agreement and Interagency Cooperation Agreement -
2 Treasure Island/Yerba Buena Island]

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5 **Resolution approving a Disposition and Development Agreement between the Treasure**
6 **Island Development Authority and Treasure Island Community Development, LLC, for**
7 **certain real property located within the Treasure Island/Yerba Buena Island Project**
8 **Area; approving an Interagency Cooperation Agreement between the City and the**
9 **Treasure Island Development Authority; adopting findings under the California**
10 **Environmental Quality Act; and adopting findings that the agreements are consistent**
11 **with the City's General Plan and Eight Priority Policies of City Planning Code**
12 **Section 101.1.**

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14 WHEREAS, Former Naval Station Treasure Island (the "Base" or "Treasure Island") is
15 a former military base consisting of approximately 550 acres on Treasure Island and Yerba
16 Buena Island, and is currently owned by the United States of America, acting by and through
17 the Department of the Navy (the "Navy"); and,

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19 WHEREAS, The Base was selected for closure and disposition by the Base
20 Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its
21 subsequent amendments, and the Base ceased operations in 1997; and,

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23 WHEREAS, Under the Treasure Island Conversion Act of 1997 (AB 699), which
24 amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to
25 Chapter 1333 of the Statutes of 1968, the State Legislature (i) designated the Treasure Island
Development Authority ("TIDA") as a redevelopment agency under the California Community
Redevelopment Law (Section 33000 et seq. of the California Health and Safety Code)
("Community Redevelopment Law") with authority over the Base upon approval of the Board

1 of Supervisors; and (ii) with respect to those portions of the Base that are subject to the public
2 trust for commerce, navigation and fisheries (the "Public Trust"), vested in TIDA the authority
3 to administer the Public Trust as to such property; and,

4 WHEREAS, The Board of Supervisors subsequently approved the designation of TIDA
5 as the redevelopment agency for Treasure Island in 1998; and,

6 WHEREAS, In 1994, the Treasure Island/Yerba Buena Island Citizens Advisory Board
7 ("CAB") was formed to (1) review reuse planning efforts for Treasure Island by the San
8 Francisco Planning Department and the San Francisco Redevelopment Agency, and (2) make
9 recommendations to the City's Planning Commission and Board of Supervisors; and,

10 WHEREAS, After completion of a competitive master developer selection process, in
11 2003, TIDA and Treasure Island Community Development, LLC ("Developer") entered into an
12 Exclusive Negotiating Agreement ("ENA"), with respect to portions of Treasure Island and
13 Yerba Buena Island to facilitate the planning for the redevelopment of Treasure Island (the
14 "Project Site"); and,

15 WHEREAS, The ENA and its subsequent amendments set forth the terms and
16 conditions under which TIDA and the Developer have been negotiating a Disposition and
17 Development Agreement and other transaction documents for the conveyance, management
18 and redevelopment of the Project Site, including a schedule of performance for major
19 milestones; and,

20 WHEREAS, The Disposition and Development Agreement and other transaction
21 documents have been developed to support and implement the Treasure Island/Yerba Buena
22 Island Redevelopment Project (the "Project"), which is anticipated to include (1) up to 8,000
23 new residential units, 30 percent of which (2,400 units) will be made affordable to a broad
24 range of very-low to moderate income households, including 435 units to be developed by the
25 Treasure Island Homeless Development Initiative ("TIHDI") and its member organizations,

1 (2) adaptive reuse of approximately 311,000 square feet of historic structures,
2 (3) approximately 140,000 square feet of new retail uses and 100,000 square feet of
3 commercial office space, (4) approximately 300 acres of parks and open space, (5) new
4 and/or upgraded public facilities, including a joint police/fire station, a school, facilities for the
5 Treasure Island Sailing Center and other community facilities, (6) a 400-500 room hotel, (7) a
6 new 400 slip marina, and (8) transportation infrastructure, including a ferry/quay intermodal
7 transit center; and,

8 WHEREAS, One of the key milestones in the ENA was the completion of a
9 comprehensive Term Sheet summarizing the key policy goals, basic development guidelines,
10 financial framework and other key terms and conditions that formed the basis for the
11 negotiation and completion of the final transaction documents; and,

12 WHEREAS, In 2006, the Board of Supervisors by Resolution No. 699-06 endorsed a
13 Development Plan and Term Sheet for the Project, which set forth the terms of the Project, a
14 copy of which Resolution is on file with the Clerk of the Board of Supervisors in File
15 No. 061498 and incorporated herein by reference; and,

16 WHEREAS, In May of 2010, the Board of Supervisors endorsed a package of
17 legislation that included an update to the Development Plan and Term Sheet, terms of an
18 Economic Development Conveyance Memorandum of Agreement for the conveyance of the
19 site from the Navy to the TIDA, and a Term Sheet between TIDA and TIHDI in Resolution
20 Nos. 242-10, 243-10 and 249-10, copies of which Resolutions are on file with the Clerk of the
21 Board of Supervisors in File Nos. 100428, 100429 and 100432, and incorporated herein by
22 reference; and,

23 WHEREAS, The Navy and TIDA have negotiated an Economic Development
24 Conveyance Memorandum of Agreement (the "Conveyance Agreement") that governs the
25 terms and conditions for the transfer of Treasure Island from the Navy to TIDA, which is

1 concurrently being considered by the Board of Supervisors, a copy of which is on file with the
2 Clerk of the Board of Supervisors in File No. _____, and incorporated herein by
3 reference; and,

4 WHEREAS, In accordance with the Community Redevelopment Law, the City, acting
5 through the Board of Supervisors, is concurrently considering a Redevelopment Plan for the
6 Treasure Island/Yerba Buena Island Redevelopment Project (the "Redevelopment Plan"), a
7 copy of which is on file with the Clerk of the Board of Supervisors in File No.
8 _____, and incorporated herein by reference; and,

9 WHEREAS, TIDA, the City and the CAB have been working for more than a decade to
10 plan for the reuse and development of Treasure Island, and as a result of this community-
11 based planning process, TIDA and the Developer have negotiated the Disposition and
12 Development Agreement, the purpose of which is to govern the disposition and subsequent
13 development of the Project after the Navy's transfer of Treasure Island to TIDA in accordance
14 with the Conveyance Agreement; and,

15 WHEREAS, TIDA wishes to enter into the Disposition and Development Agreement
16 with the Developer, substantially in the form on file with the Clerk of the Board in File
17 No. _____, and incorporated herein by reference; and,

18 WHEREAS, The Disposition and Development Agreement governs the Developer's
19 right to develop the Project in a series of Major Phases and Sub-Phases and to sell or ground
20 lease developable lots to vertical developers for development, all in accordance with all of the
21 governing land use and entitlement documents, including the Redevelopment Plan, the
22 Design for Development and the Mitigation Monitoring and Reporting Program; and,

23 WHEREAS, The Disposition and Development Agreement also governs the
24 Developer's obligations with respect to the Project and requires the Developer to invest
25 hundreds of millions of dollars of private capital in the initial construction of public

1 infrastructure, affordable housing and community benefits and payment of the Navy payments
2 under the Conveyance Agreement; and,

3 WHEREAS, The Housing Plan attached to the Disposition and Development
4 Agreement includes the Transition Housing Rules and Regulations that the TIDA Board of
5 Directors approved on _____, 2011 to implement direction from the Board of
6 Supervisors that existing residents be provided with the opportunity to remain on Treasure
7 Island; and,

8 WHEREAS, Pursuant to Community Redevelopment Law, TIDA will incur financial
9 obligations to finance certain costs of the Project, including the pledge of tax increment from
10 the Project Site for public improvements, affordable housing and the payment of indebtedness
11 as specified in the Tax Increment Allocation Pledge Agreement, a copy of which is on file with
12 the Clerk of the Board of Supervisors in File No. _____, and incorporated herein
13 by reference; and,

14 WHEREAS, The Disposition and Development Agreement includes a Schedule of
15 Performance that includes outside dates for the completion of public infrastructure, public
16 parks and open space, payment of subsidies for affordable housing, transportation and open
17 space operations and maintenance; and,

18 WHEREAS, The Disposition and Development Agreement provides TIDA and the City
19 with remedies in the event that the Developer does not meet its obligations under the
20 Schedule of Performance or other provisions of the Disposition and Development Agreement,
21 these remedies include, but are not limited to, specific performance, liquidated damages,
22 termination and a right of reverter; and,

23 WHEREAS, Pursuant to Sections 33220, 33343, 33344 and 33370 of the Community
24 Redevelopment Law, and in order to promote development in accordance with objectives and
25 purposes of the Redevelopment Plan, the Disposition and Development Agreement and

1 documents relating to the Redevelopment Plan, the City intends to undertake and complete
2 proceedings and actions necessary to be carried out by the City under the provisions of the
3 Redevelopment Plan and to assist in implementation of the Disposition and Development
4 Agreement; specifically, the City wishes to enter into an Interagency Cooperation Agreement
5 with TIDA, substantially in the form on file with the Clerk of the Board in File
6 No. _____ and incorporated herein by reference (the "Interagency Cooperation
7 Agreement"), to provide for cooperation between the City and TIDA in administering the
8 process for control and approval of subdivisions, and all other applicable land use,
9 development, construction, improvement, infrastructure, occupancy and use requirements and
10 in establishing the policies and procedures relating to such approvals and other actions as set
11 forth in the Interagency Cooperation Agreement for the entire Project Site; and,

12 WHEREAS, On _____, 2011, the Planning Commission by Motion
13 No. _____ and the TIDA Board of Directors by Resolution
14 No. _____, as co-lead agencies, certified the completion of the Final
15 Environmental Impact Report (the "Final EIR") for the Project, of which the Disposition and
16 Development Agreement and the Interagency Cooperation Agreement form a part; and,

17 WHEREAS, On _____, 2011, the TIDA Board of Directors, by Resolution
18 No. _____, adopted environmental findings pursuant to CEQA with respect to
19 approval of the Project, including the Mitigation Monitoring and Reporting Program and a
20 statement of overriding considerations; and,

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

3 WHEREAS, The Board of Supervisors has reviewed and considered the information
4 contained in the Final EIR and the General Plan Consistency Determination, and concurrently
5 with this Resolution is adopting findings as required by CEQA and findings of consistency with
6 the City's General Plan, which findings are on file with the Clerk of the Board of Supervisors in
7 File No. _____, and incorporated into this Resolution by reference; and,

8 WHEREAS, The Interagency Cooperation Agreement was presented to the CAB at
9 duly noticed public meetings on _____, 2011 and _____, 2011, and
10 on _____, 2011 the CAB voted __ to __ endorse the Interagency Cooperation
11 Agreement; and,

12 WHEREAS, The Disposition and Development Agreement was presented to the CAB
13 at duly noticed public meetings on _____, 2011 and _____, 2011,
14 and on _____, 2011 the CAB voted __ to __ endorse the Disposition and
15 Development Agreement; and,

16 WHEREAS, The Interagency Cooperation Agreement was presented to the TIDA
17 Board at duly noticed public meetings on _____, 2011 and _____,
18 2011, and on _____, 2011 the TIDA Board voted __ to __ approve the
19 Interagency Cooperation Agreement; and,

20 WHEREAS, The Disposition and Development Agreement was presented to the TIDA
21 Board at duly noticed public meetings on _____, 2011 and _____,
22 2011, and on _____, 2011 the TIDA Board voted __ to __ approve the
23 Disposition and Development Agreement; and,

24 WHEREAS, The Community Redevelopment Law provides in Section 33433 that
25 before any property acquired, in whole or in part, with tax increment monies, is sold or leased

1 for development pursuant to a redevelopment plan, such sale or lease shall first be approved
2 by the legislative body after a public hearing, that notice of the time and place of the hearing
3 shall be published in a newspaper of general circulation in the community for at least two (2)
4 successive weeks prior to the hearing, and that the agency shall make available for public
5 inspection a copy of the proposed sale or lease and a report containing specified information
6 and the financial aspects of the proposal; and,

7 WHEREAS, Pursuant to Section 33445 of the Community Redevelopment Law, an
8 agency is authorized, with the consent of the legislative body, to pay all or part of the value of
9 the land for and the cost of the installation and construction of any building, facility, structure
10 or other improvement which is publicly owned either within or without the redevelopment
11 project area upon a determination by the legislative body that such building, facility, structure
12 or other improvement is of benefit to the redevelopment project area or the immediate area in
13 which the project is located, that no other reasonable means of financing such building,
14 facility, structure or other improvement are available to the community, that the payment of
15 funds for the acquisition of land or the cost of such building, facility, structure or other
16 improvement will assist in the elimination of one or more blighting conditions within the
17 redevelopment project area, and is consistent with the agency's adopted Five-Year
18 Implementation Plan for the redevelopment project area; and,

19 WHEREAS, The Community Redevelopment Law provides in Section 33679 that
20 before an agency commits to use tax increment funds for the purpose of paying all or part of
21 the value of the land for, and the cost of the installation and construction of, any publicly
22 owned building, facility, structure or other improvement, other than parking facilities, the
23 legislative body shall hold a public hearing, that notice of the time and place of the hearing
24 shall be published in a newspaper of general circulation in the community for at least two (2)
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1 successive weeks prior to the hearing, and that a summary report shall be available for public
2 inspection containing specified information; and,

3 WHEREAS, Pursuant to Sections 33433 and 33679 of the Community Redevelopment
4 Law, TIDA has prepared a report (the "33433 Report") to provide certain information with
5 respect to the proposed Disposition and Development Agreement, which 33433 Report
6 includes a summary describing the cost of the Disposition and Development Agreement to
7 TIDA, and other information required by said Sections 33433 and 33679, and the 33433
8 Report together with the Disposition and Development Agreement was made available to the
9 public for inspection; and,

10 WHEREAS, Notice of a public hearing of the Board of Supervisors was published in the
11 _____ on _____, 2011 and _____, 2011, as required by law;

12 WHEREAS, On _____, 2011, the Board of Supervisors held a public hearing to
13 consider the disposition and development of the Project Site in accordance with the
14 Disposition and Development Agreement; and,

15 WHEREAS, TIDA's organizational documents require TIDA to obtain approval from the
16 Board of Supervisors prior to entering into contracts with a term of more than 10 years or
17 \$1 million or more in anticipated revenue; and,

18 WHEREAS, The Interagency Cooperation Agreement and the Disposition and
19 Development Agreement are contracts with a term in excess of 10 years, provided that it is
20 not terminated; now, therefore, be it,

21 RESOLVED, That the Board of Supervisors determines that the Project proposed
22 under the Disposition and Development Agreement and the Interagency Cooperation
23 Agreement is in the best interests of TIDA, the City, and the health, safety, morals and welfare
24 of its residents, are in accordance with the public purposes and provisions of applicable
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1 federal, state and local laws and requirements, and are consistent with, in furtherance of, and
2 necessary to effectuate the Redevelopment Plan; and, be it

3 FURTHER RESOLVED, That the Board of Supervisors finds and determines that
4 approval and implementation of the Disposition and Development Agreement, and the sale
5 and transfer of portions of the Project Site to the Developer as provided in the Disposition and
6 Development Agreement, will assist in the elimination of blight, and is consistent with the Five-
7 Year Implementation Plan for the Treasure Island/Yerba Buena Island Redevelopment Project
8 Area ("Project Area") pursuant to Health and Safety Code Section 33490, and the Board of
9 Supervisors further finds and determines that the consideration to be paid by the Developer to
10 TIDA for the portions of the Project Site to be conveyed to the Developer under the
11 Disposition and Development Agreement is not less than the fair market value at the highest
12 and best use in accordance with the Redevelopment Plan, which findings are based upon the
13 facts and information contained in TIDA's 33433 Report and other evidence and testimony
14 presented at the public hearing on the Disposition and Development Agreement; and, be it

15 FURTHER RESOLVED, That the Board of Supervisors hereby finds and determines
16 that the payment by TIDA of costs for the acquisition and assembly of those portions of the
17 Project Site to be acquired by TIDA, site preparation, environmental remediation activities,
18 and public improvements, in whole or in part, for the development of the Project pursuant to
19 the Disposition and Development Agreement is necessary to effectuate the purposes of the
20 Redevelopment Plan and TIDA is authorized to pay such costs, and the Board of Supervisors
21 further finds and determines that the public improvements to be provided pursuant to the
22 Disposition and Development Agreement are of primary benefit to the Project Area; that no
23 other reasonable means of financing the public improvements are available to the community;
24 and that the payment of funds for the acquisition of land, site preparation and environmental
25 remediation, and the cost of the public improvements, will assist in the elimination of one or

1 more blighting conditions inside the Project Area and is consistent with the Five Year
2 Implementation Plan adopted by TIDA pursuant to Health and Safety Code Section 33490;
3 which findings are based upon the facts and information contained in TIDA's 33433 Report
4 and other evidence and testimony presented prior to and at the public hearing on the
5 Disposition and Development Agreement; and, be it

6 FURTHER RESOLVED, That the Board of Supervisors hereby approves and
7 authorizes the Director of Redevelopment for TIDA ("Redevelopment Director") to execute the
8 Disposition and Development Agreement between TIDA and the Developer, and approves
9 and authorizes Redevelopment Director and the appropriate City officers to execute the
10 Interagency Cooperation Agreement between TIDA and the City, in substantially the forms
11 filed with the Clerk of the Board in File No. _____, and any additions,
12 amendments or other modifications to such agreements (including, without limitation, its
13 exhibits) that the Redevelopment Director, on behalf of TIDA, and the applicable City officers,
14 on behalf of the City with respect to the Interagency Cooperation Agreement, determine, in
15 consultation with the City Attorney, are in the best interests of TIDA and the City, do not
16 otherwise materially increase the obligations or liabilities of TIDA or the City or decrease the
17 benefits to TIDA or the City, and are necessary or advisable to effectuate the purpose and
18 intent of this Resolution; and, be it

19 FURTHER RESOLVED, That to the extent that implementation of the Disposition and
20 Development Agreement involves the execution and delivery of additional agreements,
21 notices, consents and other instruments or documents by TIDA that have a term in excess of
22 10 years or anticipated revenues of \$1 million or more, including, without limitation,
23 instruments conveying developable lots to vertical developers (including, without limitation,
24 Vertical Disposition and Development Agreements, Ground Leases, Lease Disposition and
25 Development Agreements, Assignment and Assumption Agreements and Permits to Enter)

1 (collectively, "Subsidiary Agreements"), TIDA and the Redevelopment Director, as they or any
2 of them deem necessary or appropriate, in consultation with the City Attorney, are hereby
3 authorized to enter into all such Subsidiary Agreements so long as the transactions governed
4 by such Subsidiary Agreements are contemplated in the Disposition and Development
5 Agreement, do not otherwise materially increase the obligations or liabilities of TIDA, and are
6 necessary and advisable to effectuate the purpose and intent of this Resolution, such
7 determination to be conclusively evidenced by the execution and delivery by such person or
8 persons of any such documents; and, be it

9 FURTHER RESOLVED, That the Board of Supervisors authorizes and urges the
10 Mayor, Controller, and any other officers, agents, and employees of the City to take any and
11 all steps (including the execution and delivery of any and all agreements, notices, consents
12 and other instruments or documents) as they or any of them deem necessary or appropriate,
13 in consultation with the City Attorney, in order to consummate the Disposition and
14 Development Agreement, the Interagency Cooperation Agreement and any Subsidiary
15 Agreement in accordance with this Resolution, or to otherwise effectuate the purpose and
16 intent of this Resolution, such determination to be conclusively evidenced by the execution
17 and delivery by such person or persons of any such documents.

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