

1 [Approving Agreements with the California Department of Transportation, the San Francisco  
2 Public Utilities Commission, and the US Navy in connection with an Upgraded Submarine  
3 Cable for Treasure Island.]

4 **Resolution approving (i) a Cooperative Utility Agreement between the California**  
5 **Department of Transportation and the Treasure Island Development Authority, (ii) a**  
6 **collateral Pledge and Security Agreement between the San Francisco Public Utilities**  
7 **Commission and the Treasure Island Development Authority, (iii) a Memorandum of**  
8 **Agreement between the San Francisco Public Utilities Commission and the Treasure**  
9 **Island Development Authority, and (iv) a Memorandum of Agreement between the**  
10 **Treasure Island Development Authority and the United States Navy, all in connection**  
11 **with an upgraded submarine power cable between the Oakland shoreline and Treasure**  
12 **Island.**

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14 WHEREAS, Former Naval Station Treasure Island is a military base located on  
15 Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by  
16 the United States of America (the "Navy"); and,

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

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

1 Board of Supervisors in File No. \_\_\_\_\_, which is hereby declared to be a part of this  
2 resolution as if set forth fully herein; and,

3 WHEREAS, With the approval of the Board of Supervisors, the Authority entered into a  
4 Cooperative Agreement and numerous modifications to the Cooperative Agreement with the  
5 Navy under which the Authority assumed certain responsibilities for (i) operation and  
6 maintenance for the water, waste water, storm water, electric and gas utility systems on the  
7 Base, (ii) security and public health and safety services, (iii) grounds and street maintenance  
8 and repair, and (iv) property management and caretaker services; and,

9 WHEREAS, In accordance with the Cooperative Agreement, the Authority, working  
10 with the City's Public Utilities Commission ("PUC"), has been managing all utilities used on the  
11 Base since 1998, including without limitation, the delivery of electricity to the occupants and  
12 users of Treasure Island and Yerba Buena Island, respectively, including the Job Corps, the  
13 United States Coast Guard, the approximately 3000 residents under subleases to the John  
14 Stewart Company and member organizations of the Treasure Island Homeless Development  
15 Initiative, and various commercial and nonprofit tenants; and,

16 WHEREAS, There exists one 750 KCMIL, 34.5 KV submarine electrical cable (the  
17 "Existing Cable") from Oakland to Treasure Island which is the sole source of electrical power  
18 to the Base. The nominal capacity of the Existing Cable is 12.9 mega-volt ampere (MVA).  
19 The California State Department of Transportation ("Caltrans") has determined that foundation  
20 piles for the new pier construction of the new eastern span of the San Francisco-Oakland Bay  
21 Bridge may be driven too close to, and compromise the integrity of, the Existing Cable; and,

22 WHEREAS, Caltrans and the Navy are parties to a Memorandum of Agreement dated  
23 September 9, 2005 (MOA) in which the State agreed to relocate and replace the Existing  
24 Cable, and Authority staff, working with staff from the PUC, have determined that two (2)  
25 higher-capacity 1000 KCMIL, 25 KV rated cables (the "Upgrade Cables"), each with a nominal

1 capacity of 14.9 MVA or a combined capacity of 29.8 MVA, would make a significant  
2 contribution to the redevelopment and conversion of the Base to civilian uses. A copy of the  
3 MOA is on file with the Clerk of the Board of Supervisors in File No. \_\_\_\_\_; and,

4 WHEREAS, Authority staff proposes to enter into a Cooperative Utility Agreement  
5 ("CUA") with Caltrans in which Caltrans will install the Upgrade Cables instead of relocating  
6 and replacing the Existing Cable, and the Authority would pay Caltrans the incremental  
7 increase in cost for the Upgrade Cables over the cost of relocating and replacing the Existing  
8 Cable (the "Upgrade Cost"). A copy of the CUA is on file with the Clerk of the Board of  
9 Supervisors in File No. \_\_\_\_\_; and,

10 WHEREAS, The estimated Upgrade Cost will be approximately \$4,000,000, and under  
11 the proposed CUA, the Authority would repay Caltrans for such Upgrade Cost in four (4) equal  
12 annual installment payments (each installment is referred to individually and collectively  
13 herein as the "Reimbursement Obligation") beginning in 2009; and,

14 WHEREAS, The Authority shall require that the Reimbursement Obligation be funded  
15 by any future development, including any public financing for such development, approved at  
16 Treasure Island; and,

17 WHEREAS, Caltrans has required that the Authority provide a form of security for the  
18 Authority's Reimbursement Obligation, and to satisfy this requirement the PUC would enter  
19 into a Pledge and Security Agreement ("Pledge Agreement") in favor of Caltrans as further  
20 assurance for the Authority's Reimbursement Obligation. A copy of the Pledge Agreement is  
21 on file with the Clerk of the Board of Supervisors in File No. \_\_\_\_\_; and,

22 WHEREAS, In consideration for entering into the Pledge Agreement, the PUC requires  
23 that the Authority repay the PUC (but only at such time that future development funds,  
24 including future public financing for such development, are available) any amount of any  
25 Reimbursement Obligation the PUC pays under the Pledge Agreement and grant to the PUC

1 an option to exercise transfer of one of the Upgrade Cables from the Authority, which option  
2 can be exercised by the PUC in its sole discretion. Therefore, staff for the Authority and the  
3 PUC have prepared a draft Memorandum of Agreement (the "PUC MOA") between the  
4 Authority and the PUC providing for such repayment to the PUC and grant of option to  
5 exercise transfer of such Upgrade Cable. A copy of such PUC MOA is on file with the Clerk of  
6 the Board of Supervisors in File No. \_\_\_\_\_; and,

7 WHEREAS, In connection with the Upgrade Cables, the Navy and the Authority  
8 propose to enter into a Memorandum of Agreement (the "TIDA/Navy MOA") whereby the  
9 Navy consents to such Upgrade Cables and the transfer of one Upgrade Cable directly to the  
10 Authority upon completion thereof, provided that the Authority promises not to use interim  
11 subleasing revenues for the cost of such Upgrade Cables; and,

12 WHEREAS, The Authority's Board of Directors approved the CUA, the Pledge  
13 Agreement, the PUC MOA, and the TIDA/Navy MOA at its regular meeting on June 14, 2006;  
14 and,

15 WHEREAS, The Authority's Bylaws require that the Board of Supervisors approve by  
16 resolution any Authority Agreements in excess of 10 years or one million dollars; and,

17 WHEREAS, an environmental impact report was prepared and certified on May 5, 2005  
18 for the transfer of Treasure Island from the Navy to the City and the general environmental  
19 effects of potential growth and development of Treasure Island were discussed in that report;  
20 and,

21 WHEREAS, Environmental review has been conducted for this proposal and such  
22 information is set forth in separate documentation provided to the Board of Supervisors from  
23 the City's Planning Department, a copy of which is contained in Board of Supervisors File No.  
24 \_\_\_\_\_; and,

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1           WHEREAS, this Board has reviewed and considered the environmental information;  
2 now, therefore be it

3           RESOLVED, That this Board hereby adopts the environmental findings attached to this  
4 Resolution as Exhibit A and incorporates the same herein by this reference; and, be it

5           FURTHER RESOLVED, That, in connection with the proposed Upgrade Cables, the  
6 Board of Supervisors hereby approves (i) the Cooperative Utility Agreement between the  
7 Authority and the California Department of Transportation, (ii) the Pledge Agreement among  
8 the Authority, the California Department of Transportation, and the San Francisco Public  
9 Utilities Commission, (iii) the PUC MOA between the Authority and the San Francisco Public  
10 Utilities Commission, and (iv) the TIDA/Navy MOA between the Authority and the Navy  
11 (collectively, the "Upgrade Cables Agreements"); and, be it

12           FURTHER RESOLVED, That the Board of Supervisors authorizes the Authority to  
13 enter into any additional amendments or modifications to the Upgrade Cables Agreements  
14 (including, without limitation, the exhibits) that the Executive Director of the Authority  
15 determines, in consultation with the City Attorney, are in the best interest of the Authority, do  
16 not materially increase the obligations or liabilities of the Authority, are necessary or advisable  
17 to effectuate the purposes of the Upgrade Cables Agreements or this resolution, and are in  
18 compliance with all applicable laws; and, be it

19           FURTHER RESOLVED, That the Board of Supervisors authorizes the Authority to  
20 enter into any additions, amendments or other modifications to the documents (including,  
21 without limitation, the attached exhibits) that the Executive Director of the Authority  
22 determines are in the best interests of the Authority, that do not materially increase the  
23 obligations or liabilities of the Authority, and are necessary or advisable to effectuate the  
24 purposes of the Upgrade Cables Agreements or this resolution, such determination to be  
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1 conclusively evidenced by the execution and delivery by the Executive Director of the  
2 Authority of the documents and any amendments thereto; and, be it

3 FURTHER RESOLVED, That the Authority shall require that the Reimbursement  
4 Obligation be funded by any future development, including any public financing for such future  
5 development, at Treasure Island; and, be it

6 FURTHER RESOLVED, That no general funds of the City and County of  
7 San Francisco shall be used for any portion of the Authority's Reimbursement Obligation.

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