

File No. 180331 Committee Item No. 2
 Board Item No. 15

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Land Use and Transportation Committee Date April 30, 2018

Board of Supervisors Meeting Date MAY 8, 2018

Cmte Board

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| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Resolution |
| <input type="checkbox"/> | <input type="checkbox"/> | Ordinance |
| <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 |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Introduction Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Subcontract Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Contract/Agreement |
| <input type="checkbox"/> | <input type="checkbox"/> | Form 126 – Ethics Commission |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
| <input type="checkbox"/> | <input type="checkbox"/> | Application |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Public Correspondence |

OTHER (Use back side if additional space is needed)

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| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Fact Sheet |
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Completed by: Erica Major Date April 26, 2018
 Completed by: Erica Major Date MAY 3, 2018

1 [Affirming the Board of Supervisors Commitment to the Environmental Protection, Public
2 Recreation, and Youth Education in Clipper Cove]

3 **Resolution responding to the recent proposal to expand the private marina located in**
4 **Clipper Cove at Treasure Island; and reaffirming San Francisco's commitment to public**
5 **recreation, public education, environmental protection, preservation of public open**
6 **space, and social equity.**

7
8 WHEREAS, Redevelopment of Clipper Cove raises critical issues of financial liability,
9 public access, social equity and environmental protection; and

10 WHEREAS, Clipper Cove at Treasure Island is the largest protected open-water cove
11 in the City and County of San Francisco and offers a geography of calm water and moderated
12 winds removed from strong tidal currents thus providing a uniquely safe environment for youth
13 learning to sail; and

14 WHEREAS, The waters of Clipper Cove are held in trust for the public benefit of the
15 people of California; and

16 WHEREAS, Clipper Cove is an important resource for public recreation, particularly
17 small boat recreation, and is home to the only community sailing center in San Francisco; and

18 WHEREAS, Clipper Cove is the site of youth public education programs, including a
19 STEM program that serves each year over 1,500 students from public elementary schools in
20 San Francisco, many of whom are from low-income communities and would otherwise have
21 no opportunity to experience the Bay in this manner: and further as public recreation and
22 public education on Clipper Cove have expanded dramatically in the 13 years since the
23 certification of the environmental impact analysis on land use for the proposed project; and

24 WHEREAS, Clipper Cove hosts beds of eelgrass, a critically important keystone
25 species in the San Francisco Bay and one of the rarest habitats in California (per National

1 Marine Fisheries Service's (NMFS) California Eelgrass Mitigation Policy (2014), section I(B));
2 and further as the National Marine Fisheries California Eelgrass Mitigation Policy calls for no
3 net loss of eelgrass habitat function in California; and

4 WHEREAS, A marina redevelopment proposal has been put forward that calls upon
5 the City of San Francisco to enter into a 66-year lease with a private marina development and
6 to provide \$6 million in rent credits to the development; and further as the aforesaid
7 redevelopment proposal would demolish the existing marina in Clipper Cove that is dedicated
8 almost exclusively to small craft; and further as the footprint of the marina would be expanded
9 several fold across the inner portion of the Cove where protection for small boat recreation is
10 most available; and further as the proposed marina would provide berthing sized solely for
11 large and very large craft (per Slip Mix chart, TIDA presentation, February 15, 2017, Treasure
12 Island Enterprises); and further as the proposed redevelopment would provide live-aboard
13 housing exclusively at luxury rates (per Treasure Island Marina Feasibility Report, California
14 Division of Boating and Waterways, page 10, April 5, 2017); and

15 WHEREAS, The State of California has published a feasibility study that has identified
16 significant potential shortfalls in the proposed financing for this project including potential over-
17 estimation of revenue and potential underestimation of expenses; (per Treasure Island Marina
18 Feasibility Report, California Division of Boating and Waterways, April 5, 2017); and as the
19 State of California notes that the redevelopment as proposed and the inclusion of a wave
20 attenuator in particular typically results in the deposition of silt (per Treasure Island Marina,
21 DBW staff presentation notes, California Division of Boating and Waterways Commission
22 Hearing, April 12, 2017, California Department of Boating and Waterways slide 8/page 8); and
23 further as the State of California had identified the necessity to budget significant annual
24 expenses to provide for maintenance dredging to address that siltation (per Treasure Island
25 Marina Feasibility Report, California Department of Boating and Waterways, page 12, April 5,

1 2017); and as unanticipated siltation in the wake of the redevelopment of the West basin of
2 San Francisco Marina and elsewhere in the San Francisco Bay Area has recently created
3 significant financial dredging liabilities (per Treasure Island Marina Feasibility Report,
4 California Division of Boating and Waterways, page 10, April 5, 2017, page 12; Treasure
5 Island Marina, DBW staff presentation notes, California Division of Boating and Waterways
6 Commission Hearing, April 12, 2017, California Department of Boating and Waterways slide
7 8/page 8); and as the proposed lease for the marina redevelopment does not provide for
8 maintenance dredging for areas in the Cove outside of the proposed marina and marina
9 entrance channel (that will also be threatened by increased sedimentation), thus creating a
10 potential threat to the Cove and new financial liability for the City of San Francisco; and

11 WHEREAS, The proposed redevelopment plan does not evaluate the likelihood or the
12 impact of such siltation and maintenance dredging; and further as the environmental impact
13 analysis for the proposed project did not evaluate the impact of the project's proposed wave
14 attenuator (per San Francisco Planning Department July 5, 2017 Memorandum, Table 1); and
15 further as professional biological expert opinion has identified both new sedimentation and
16 maintenance dredging stemming from wave attenuation as a potentially significant and
17 unmitigated threat to eelgrass beds in the Cove (per Treasure Island Marina Development
18 and Eelgrass Habitat Issues, October 10, 2017, Keith Merkel, Merkel and Associates); and

19 WHEREAS, The environmental impact analysis does not recognize the significant
20 increase in public use of Clipper Cove over the last decade since the certification of the
21 environmental impact report in 2005; and further as the environmental impact analysis
22 conducted in 2005 did not address the impact of the proposed project on views of the new
23 and iconic eastern span of the Bay Bridge; now, therefore, be it

1 RESOLVED, That the San Francisco Board of Supervisors affirms the principle that
2 marina redevelopment in Clipper Cove should not diminish the character or range of existing
3 public recreation and public education on Clipper Cove, including interim uses; and, be it

4 FURTHER RESOLVED, Marina redevelopment should not harm the existing
5 environmental resources of Clipper Cove, particularly the critically important eelgrass beds in
6 the Cove; and, be it

7 FURTHER RESOLVED, Marina redevelopment in Clipper Cove should not result in
8 diminished water depth in Clipper Cove, and should provide financing for all required
9 maintenance dredging to preserve water depth throughout the Cove; and, be it

10 FURTHER RESOLVED, Marina redevelopment should not reduce the current
11 availability of berthing in Clipper Cove sized for small craft; and, be it

12 FURTHER RESOLVED, Marina redevelopment should preserve existing views of
13 important visual resources, including views of the eastern span of the Bay Bridge from the
14 southern shore of Treasure Island as well as the beach on the western end of Clipper Cove;
15 and, be it

16 FURTHER RESOLVED, The Board of Supervisors calls for an analysis and
17 assessment of the impacts of proposed marina redevelopment on public access to the San
18 Francisco Bay and the impact on all current public use of Clipper Cove, including interim uses,
19 prior to any further action; and further the Board calls for assessment of the compatibility with
20 the policies of the current San Francisco Bay Plan; and, be it

21 FURTHER RESOLVED, the Board of Supervisors calls for an analysis and assessment
22 of the impact of the proposed marina redevelopment on eelgrass beds in Clipper Cove, prior
23 to any further action, including the impact of projected changes in sedimentation and the
24 impact of requisite maintenance dredging to maintain current water depth throughout the
25 Cove; and, be it

1 FURTHER RESOLVED, The Board of Supervisors calls for a financial analysis to
2 assess proposed financing, projected revenue, and projected expenses for the proposed
3 marina development to assess the risk of default at each stage of the proposed project and
4 the ensuing liability and losses for the city, including the net loss of public recreation and any
5 financial liabilities that may accrue to the city of San Francisco due to potential changes in
6 sedimentation in Clipper Cove, particularly sedimentation that would necessitate maintenance
7 dredging to preserve current public recreation and education in Clipper Cove.

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Friends of the Sailing Center

3150 – 18th Street, MB #309 San Francisco, CA 94110

April 24, 2018

San Francisco Board of Supervisors
1 Dr. Carlton B. Goodlett Place, City Hall, Room 244
San Francisco, CA 94102-4689
Email: Board.of.Supervisors@sfgov.org

Re: Clipper Cove planning resolution #180331

Dear Supervisors:

We write on behalf of the Friends of the Sailing Center to urge you to approve the Clipper Cove planning resolution (#180331) in order protect Clipper Cove, a critically important resource in San Francisco for public recreation and youth education.

The Friends of the Sailing Center are former board members, former executive directors, former program directors, former sailing instructors, program participants, tenants, and parents at the Treasure Island Sailing Center (TISC). In this capacity we bring years of experience regarding the value of Clipper Cove and in particular deep knowledge of the public programs at TISC.

We join Save the Bay, the US Sailing Association, San Francisco Bay Keeper and many others in endorsing the Clipper Cove planning resolution to establish sound principles and criteria for guiding marina development in Clipper Cove.

Please know that the recent marina redevelopment proposal forwarded by the Treasure Island Development would dramatically reduce public access to Clipper Cove and significantly diminish the public programs operated by TISC, particularly its youth programs. Clipper Cove, widely recognized as one of the best small boating venues on the West Coast, would be significantly and permanently diminished.

Under the TIDA proposal, the footprint of the marina would expand from covering 7% of the Cove to covering 31% of the Cove, an expansion of 342%, permanently eliminating public access to the heart of the Cove where the most protected water is found. In addition, the configuration of the marina would create a narrow, challenging entrance to the Cove, eliminating access for many youth sailors. As a result of these changes, public recreation and access to Clipper Cove would be dramatically reduced, particular for small boaters and youth.

The Treasure Island Sailing Center has detailed the significant negative impact of the proposed marina expansion. We highlight these statements in in particular:

- *“As we have detailed repeatedly, this proposed marina expansion would have significant negative impacts on our programs....As a result of taking up a third of the Cove, all of our beginner youth sailing programs will be affected, including Set Sail Learn our STEM program for San Francisco public schools which will lose one-third of the area it currently sails in. Additionally, access to the beach, an important destination of our young sailors will be blocked for many new sailors who will not be able to sail through the narrow space between the wave attenuator and YBI. Finally, our High School, College and Adult Sailors, the latter*

which have been sailing in the Cove since we began in 1999, will no longer be able to hold regattas in the Cove because of the lack of space."

- *"...our beginner sailing program and our Set Sail Learn program that teaches science through sailing to over 1,500 4th graders each year would both be impacted since the proposed marina would consume about a third of the space that these two programs currently utilize for on-the-water classes and practice."*
- *"We have also been clear that, under the proposed compromise agreement, some beginning youth sailors would no longer be able to directly access/sail into the Cove or reach the beach at the west end of the cove – a very important location to teach the safety lessons required for our programs, and an important milestone for beginner sailors."*
- *"...there would indeed be a large negative impact on high school and collegiate sailors since their practice area would be reduced and they would likely no longer be able to host regional and national events due to the size limitations of the racing area imposed by the new Marina."*
- *"In addition to the impacts on high-school and collegiate sailing, adult racers who use the cove weekly for 7 months of the year would also be negatively impacted."*

The TIDA vision for marina redevelopment in Clipper Cove could and should be improved upon. We urge you approve the Clipper Cove planning resolution to help marina development get back on track.

We look forward to working with all stakeholders to improve the planning for Clipper Cove as the process moves forward.

Thank you for your attention here.

Sincerely,

Avery Whitmarsh
Co-Chair Friends of the Sailing Center
Former Co-Chair of the TISC Adaptive Sailing Program

Sally Madsen,
Co-Chair Friends of the Sailing Center
Former Captain of the Stanford Sailing Team

Nick Adamson
Former Captain V15 fleet, Clipper Cove

Al Sargent
Co-Chair Friends of the Sailing Center
Former Captain V15 fleet, Clipper Cove

Clipper Cove Marina Expansion Economic Feasibility Study

October 19, 2016

TREASURE ISLAND SAILING CENTER

Launching Point for New Horizons

T·I·S·C



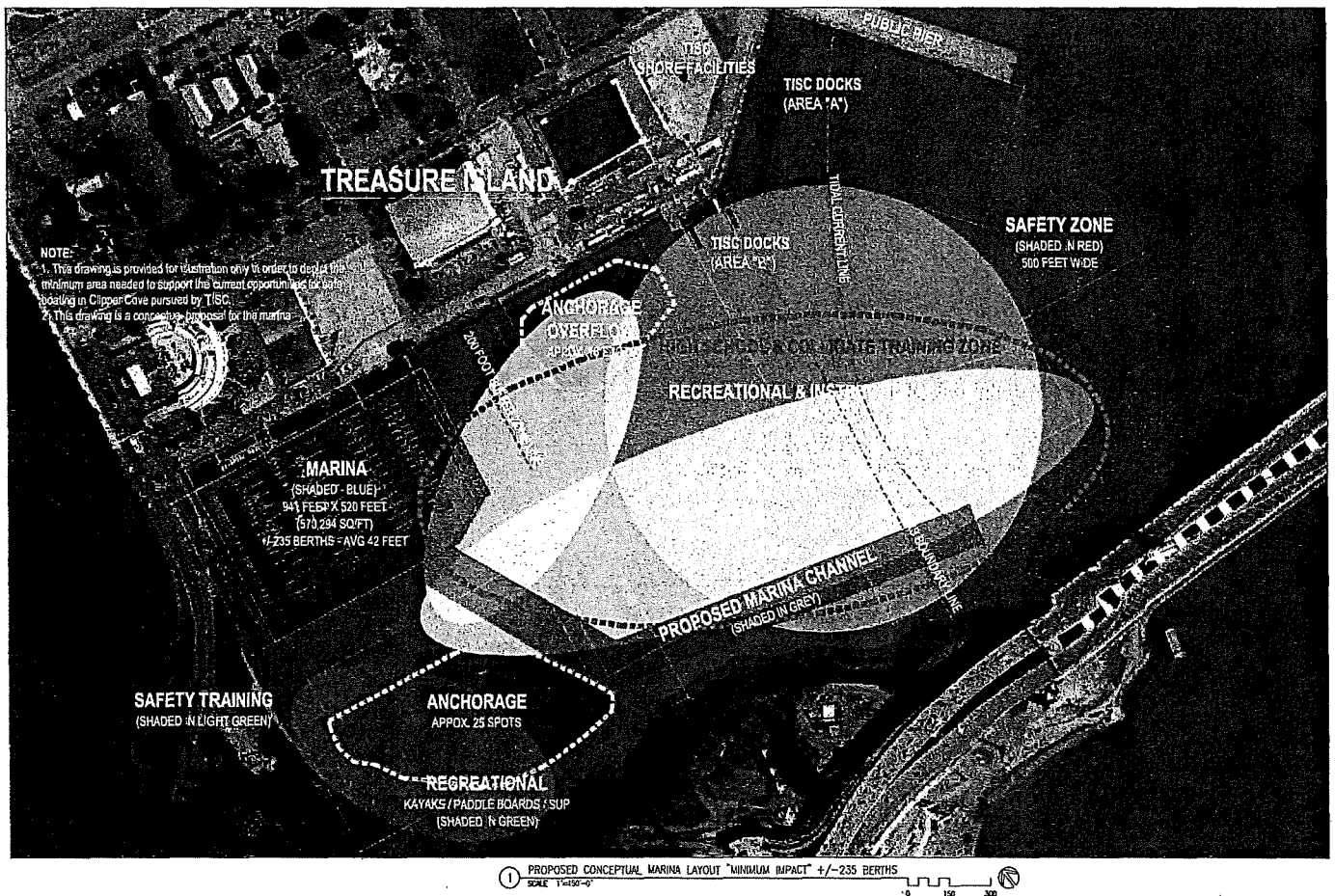
Proposed Solution for a Shared Approach to Clipper Cove- SPRING 2016

Benchmark: "Minimum Impact" Plan for Maximum Shared Use

More than doubling the size of the current marina (228% increase) would minimally impact the current use of the cove by anchorage folks as well as TISC Education and Recreation Programs. We believe that any marina design should start from this benchmark which establishes the maximum marina expansion that can be accommodated while minimally impacting current use.

Key Design Points:

- Marina Footprint with wave attenuator (570,294 SqFt)
 - Location of Wave Attenuator From Causeway to the East: 941'
 - Length of Wave Attenuator/Docks from shore to the South: 520' plus a 200' dog leg extension
- Accommodates 235 berths at ~42 ft slip average
- >500' of guest docks on each side of wave attenuator
- 25 mooring balls in the cove; Ample space for self-anchorage
- Current use is easily resumed close to normal



Clipper Cove Marina Expansion Economic Feasibility Study October 19, 2016

Several proposals have emerged to expand the existing private marina on Clipper Cove at Treasure Island. While economic feasibility is a key criterion for evaluating these proposals, there is little or no public information regarding the economic feasibility for any of these proposals. The Treasure Island Sailing Center (TISC) has voiced concern over the large marina footprint (420-slip marina) put forward by Treasure Island Enterprises (TIE). In response, TISC has proposed alternative footprints that would accommodate current use by the public. To ensure our solutions were economically feasible and sustainable, TISC undertook a study to establish economic viability.

This analysis provides a snapshot of cash flow for three marina configurations, utilizing development costs, dredging costs, operational costs and ongoing revenue for each configuration. Excluded from this analysis are tax liability implications as well as any leasing costs that might be imposed by the Treasure Island Development Authority.

This study provided the basis for economic comparisons between 300-slip and 400-slip marina configurations, and the results illustrate that a range of marina configurations are economically feasible, including a 306-slip shared-used plan. While larger marinas provide additional revenue they also incur substantially higher costs, particularly dredging costs.

Dredging costs are a significant cost challenge for proposals designed to accommodate large visiting yachts, such as the TIE proposal submitted to DBW in Sept, 2015 calling for guest docking for yachts up to 250'. Our baseline was based on 10' dredging for yachts up to 80' in length with variants of 8' and 12'. The dredging costs in this analysis are based upon a separate dredging cost model ("TISC Clipper Cove Dredging Cost Model" is available upon request).

The costs and revenues in this analysis were determined in consultation with W. B. Clausen Structural Engineers, Inc. and by reference to information provided by the California Division of Boating and Waterways.

The figures below summarize the economic feasibility detailed in the enclosed tables for a 306-slip marina in Clipper Cove with an average slip size of 46'.

Cash Flow Snapshot for 306-slip marina on-line in 2021

Revenue and Expenses:

- Annual Revenues: \$3,267,000
- Annual Expenses: \$2,736,000
- **Annual Net Cash Flow: \$531,000**

The attached tables detail the expenses and revenue established in this analysis for the 306-slip configuration as well as for a 398-slip configuration, including design variations for deeper or shallower dredging. Financial figures for the TIE proposed 420-slip marina, secured through a public records request to the California Department of Boating and Waterways, are also provided for comparison.

Across all options, the analysis consistently returns the same conclusion: a range of marina configurations is economically feasible, including a 306-slip shared-use marina layout.

For more information regarding this analysis contact:

David Guinther, TISC Board of Directors

daveg@onclippercove.com

www.onclippercove.com

Clipper Cove Marina Expansion - Economic Feasibility Study

Development Costs

ITEM	300 Slip Marina	Source*
Demo	\$300,000	WBC
Transient	\$1,200,000	WBC
Floats	\$8,000,000	WBC
Walkway	\$700,000	WBC
Piles	\$900,000	WBC
Elec/Plumbing	\$1,100,000	WBC
Inflation	included	
Construction Subtotal:	\$12,200,000	
Soft Costs:	\$4,000,000	WBC
Development subtotal:	\$16,200,000	
Dredging Costs -10'	\$1,684,000	
Total Marina Build-10'	\$17,884,000	
Dredging Costs:		
Dredging- to 8'	\$856,000	CCDCM
Dredging- to 10'	\$1,684,000	CCDCM
Dredging- to 12'	\$2,705,000	CCDCM
Total Cost Scenarios:		
TOTAL - @ 8'	\$17,056,000	
TOTAL - @ 10'	\$17,884,000	
TOTAL - @ 12'	\$18,905,000	

*** - Sources:**

WBC: W. B. Clausen Structural Engineers, Inc.
 CCDCM: Clipper Cove Dredging Cost Model
 TIE-DBW: TIE DBW Loan Document

DBW Loan Rates **

DBW Private Marina Loans: rate - prime plus 1, payback terms - 20 years after completion of construction.
 Note: Prime Rate 3.5% - Aug, 2016 (i.e. loan rate = 4.5%)

DBW Public Marina Loans: rate - 4.5%, payback terms - 30 years after completion of construction.

Revenues vs. Expenses 2021

	TISC	Source*
2021 Revenue	300 Slips	
Slips	\$2,967,000	TIE-DBW - Dock Rates
Visitors	\$300,000	Clausen Eng. Estimate
Total Revenue	\$3,267,000	
2021 Expenses		
Maintenance	\$860,000	Clausen Eng. Estimate
Mgt Fees	\$150,000	Clausen Eng. Estimate
Dredging Accrual	\$168,000	10% / yr Dredging Accrual
Legal	\$200,000	Clausen Eng. Estimate
DBW Loan Repayment	\$1,358,000	20 yr loan @ 4.5%
Total Expenses	\$2,736,000	
Net Cash Flow	\$531,000	
Adjustments to Net Cash Flow:		
- For Lower WBC Est.	(\$470,000)	Use Clausen Rates w / inflation
+ for 8' Dredge	\$146,000	Saving if Dredge to 8'
- for 12' Dredge	(\$78,000)	Higher Costs if Dredge to 12'
Annual Loan Repayment ** (principle & interest) / Total Amount		
Loan Repay-8'	\$1,295,000	/ \$17,056,000
Loan Repay-10'	\$1,358,000	/ \$17,884,000
Loan Repay-12'	\$1,435,000	/ \$18,905,000

Development Costs - 300 Slips

ITEM	300 Slip Config	Source*
Demo	\$ 300,000	WBC
Transient	\$ 1,200,000	WBC
Floats	\$ 8,000,000	WBC
Walkway	\$ 700,000	WBC
Piles	\$ 900,000	WBC
Elec/Plumbing	\$ 1,100,000	WBC
Inflation	included	
Construction	\$ 12,200,000	
Soft Costs	\$ 4,000,000	WBC
Marina Build-w/o dredging	\$ 16,200,000	

Dredging-TISC to 8'	\$ 855,752	CCDM
Dredging-TISC to 10'	\$ 1,683,899	CCDM
Dredging-TISC to 12'	\$ 2,705,280	CCDM

TISC - TOTAL - @ 8'	\$ 17,055,752
TISC - TOTAL - @ 10'	\$ 17,883,899
TISC - TOTAL - @ 12'	\$ 18,905,280

*** - Sources:**

WBC: W. B. Clausen Structural Engineers, Inc.

CCDM: Clipper Cove Dredge Model

"Clipper Cove Marina Expansion - Economic Feasibility Analysis"; Treasure Island Sailing Center; October 19, 2016

Cash Flow Analysis - 300 Slips

TISC - TIE Comparison Revenues vs. Expenses 2021

	TISC	Comments	
2021 Revenue	306 Slips		
Slips	\$ 2,497,146	Clausen Eng. Estimate	
Visitors	\$ 300,000	Clausen Eng. Estimate	
Total Revenue	\$ 2,797,146		
2021 Expenses			
Maintenance	\$ 860,000	Clausen Eng. Estimate	
Mgt Fees	\$ 150,000	Clausen Eng. Estimate	
Dredging Accrual	\$ 168,390	%/yr of Initial Dredging	
Legal	\$ 200,000	Clausen Eng. Estimate	10%
Loan Repay	\$ 1,357,709	Annual Loan Repay (P + I)	
Total Expenses	\$ 2,736,098		4.5% 20 yrs
Net Cash Flow	\$ 61,048		

Adjustments to Net Cash Flow:

+ for TIE Ratesw/infl.	\$ 469,788	Use TIE Rates w/inflation
+ for 8' Dredge	\$ 145,686	Save Loan Repay & Dredging
- for 12' Dredge	\$ (179,679)	Higher Loan Repay & Dredging
Loan Repay-8'	\$ 1,294,837	
Loan Repay-10'	\$ 1,357,709	
Loan Repay-12'	\$ 1,435,250	

DBW Private Marina Loans: rate - prime plus 1, payback terms - 20 years after completion of construction.

** Prime Rate 3.5% - Aug, 2016

DBW Public Marina Loans: rate - 4.5%, payback terms - 30 years after completion of construction.

Cost Comparison - 3 Marina Options

ITEM	TISC-300 Slips	TISC-400 Slips	TIE-420 Slips	Comments
Demo	\$ 300,000	\$ 300,000	\$ 250,000	
Transient	\$ 1,200,000	\$ 1,425,000	\$ 3,000,000	TISC Atten. Docks @ \$1,500/ft
Floats	\$ 8,000,000	\$ 10,500,000	\$ 375,000	TIE Floats et al is \$19,381,000 \$ 19,381,000
Walkway	\$ 700,000	\$ 800,000	\$ 850,000	
Piles	\$ 900,000	\$ 1,200,000		
Slips			\$ 16,078,000	\$/slip: \$ 38,280.95
Long Dock			\$ 2,208,000	
Util/Sec/Storm			\$ 470,000	
Dinghy Dock / L-Scap			\$ 250,000	
Elec/Plumbing	\$ 1,100,000	\$ 1,400,000		
Inflation	included	included	\$ 602,000	
Construction	\$ 12,200,000	\$ 15,625,000	\$ 24,083,000	
Engineering			\$ 2,031,000	
Entitlements			\$ 600,000	
Fees			\$ 2,418,000	
Contingency			\$ 2,031,000	
Other	\$ 4,000,000	\$ 4,300,000		
Close & Finance			\$ 734,000	
Soft Costs	\$ 4,000,000	\$ 4,300,000	\$ 7,814,000	(Math Error in TIE xls Corrected)
Marina Costs-w/o dredging	\$ 16,200,000	\$ 19,925,000	\$ 31,897,000	
Dredging-TIE Estimate	>>>>>	>>>>>	\$ 3,000,000	TIE Estimate for Dredging Costs

Dredging-TISC to 8'	\$ 855,752	\$ 938,567	
Dredging-TISC to 10'	\$ 1,683,899	\$ 1,821,923	TISC \$'s Use dredge model: 8'
Dredging-TISC to 12'	\$ 2,705,280	\$ 2,898,515	TISC \$'s Use dredge model: 10'
			TISC \$'s Use dredge model: 12'

TISC - TOTAL - @ 8'	\$ 17,055,752	\$ 20,863,567	
TISC - TOTAL - @ 10'	\$ 17,883,899	\$ 21,746,923	
TISC - TOTAL - @ 12'	\$ 18,905,280	\$ 22,823,515	

TIE Construction -TOTAL	\$ 34,897,000
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Cash Flow Analysis - 3 Marina Options

Comparison Revenues vs. Expenses 2021

	TISC		TISC	TIE	Comments
2021 Revenue	300 Slips		400 Slips	420 Slips	
Slips \$	2,497,146	\$	3,332,115		See DOCK RATES tab for slip/transient fees
Visitors \$	300,000	\$	300,000		
Total Revenue	\$ 2,797,146	\$	3,632,115	\$ 4,800,000	<<< From TIE DBW Application
2021 Expenses					
Line Item	\$		\$	\$	
Maintenance	\$ 860,000	\$	1,100,000	2,531,000	
Mgt Fees	\$ 150,000	\$	200,000		
Dredging (maint.)	\$ 168,390	\$	182,192	374,000	TISC: 10%/yr accrue @ 10'
Legal	\$ 200,000	\$	250,000		
Loan Repay	\$ 1,357,709	\$	1,650,981	2,649,232	<20 yr loan, 4.5%
Total Expenses	\$ 2,736,098	\$	3,383,174	\$ 5,554,232	
Net Cash Flow	\$ 61,048	\$	248,942	\$ (754,232)	
Adjustments to Net Cash Flow:					
- to remove 3% Infl.	\$ (343,086)	\$	(457,803)		less 3%/year inflation
+ for TIE Rates	\$ 62,157	\$	55,143		Use TIE Rates
+ for TIE Ratesw/infl.	\$ 469,788	\$	594,645		Use TIE Rates w/inflation
+ for 8' Dredge	\$ 62,871	\$	67,063		Decreased Loan Repay
- for 12' Dredge	\$ (77,541)	\$	(81,733)		Increased Loan Repay
Loan Repay-8'	\$ 1,294,837	\$	1,583,919		
Loan Repay-10'	\$ 1,357,709	\$	1,650,981		
Loan Repay-12'	\$ 1,435,250	\$	1,732,714		

Private 20 yr loan @ 4.5% (Prime +1)

Amount	Annual (\$M)	4.5%
\$20M	\$ 1.52	20
\$25M	\$ 1.90	
\$30M	\$ 2.28	
\$35M	\$ 2.66	

Public 30 yr loan @ 4.5%

Amount	Annual (\$M)	30
\$15M	\$ 0.91	
\$20M	\$ 1.22	
\$25M	\$ 1.52	
\$30M	\$ 1.82	
\$35M	\$ 2.13	

<IF TIE used Private Finance (\$k)

Private Marina Loans: rate - prime plus 1, payback terms - 20 years after completion of construction.
** Prime Rate 3.5% - Aug, 2016

Public Marina Loans: rate - 4.5%, payback terms - 30 years after completion of construction.

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Dock Rates for Cost Analysis

WBC Dock Rate Assumptions - 2016

MARINA - 300 Slips			Rate	Revenue	MARINA - 400 Slips			Rate	Revenue		
SLIP SIZE	# OF BERTHS	DOCK FOOTAGE			SLIP SIZE	# OF BERTHS	DOCK FOOTAGE				
25	36	900	10	\$ 9,000	25	36	900	10	\$ 9,000		
30	0	-	10	\$ -	30	0	-	10	\$ -		
35	76	2,660	10	\$ 26,600	35	76	2,660	10	\$ 26,600		
40	34	1,360	14	\$ 19,040	40	34	1,360	14	\$ 19,040		
45	61	2,745	14	\$ 38,430	45	102	4,590	14	\$ 64,260		
50	2	100	15	\$ 1,500	50	38	1,900	15	\$ 28,500		
60	60	3,600	16	\$ 57,600	60	73	4,380	16	\$ 70,080		
70	24	1,680	17	\$ 28,560	70	30	2,100	17	\$ 35,700		
80	13	1,040	18	\$ 18,720	80	9	720	18	\$ 12,960		
TOTAL	306	14,085		\$ 199,450	TOTAL	398	18,610		\$ 266,140		
AVERAGE SLIP SIZE	46.0				AVERAGE SLIP SIZE	46.8					
				Total	\$ 199,450					Total	\$ 266,140
				90% << Rate	\$ 179,505					90% << Rate	\$ 239,526

TIE TISC % Larger \$ 2,154,060
 48.5 46.0 5.4%
 2021 Revenue @ 1.03% Inflation \$ 2,497,146

TIE TISC % Larger \$ 2,874,312
 48.5 46.8 3.8%
 2021 Revenue @ 1.03% Inflation \$ 3,332,115

Rate Assumed by TIE Loan Document - 2016

MARINA - 300 Slips			Rate	Revenue	MARINA - 400 Slips			Rate	Revenue		
SLIP SIZE	# OF BERTHS	DOCK FOOTAGE			SLIP SIZE	# OF BERTHS	DOCK FOOTAGE				
25	36	900	12	\$ 10,800	25	36	900	12	\$ 10,800		
30	0	-	14	\$ -	30	0	-	14	\$ -		
35	76	2,660	15	\$ 39,900	35	76	2,660	15	\$ 39,900		
40	34	1,360	16	\$ 21,760	40	34	1,360	16	\$ 21,760		
45	61	2,745	17	\$ 45,293	45	102	4,590	17	\$ 75,735		
50	2	100	17	\$ 1,700	50	38	1,900	17	\$ 32,300		
60	60	3,600	18	\$ 64,800	60	73	4,380	18	\$ 78,840		
70	24	1,680	19	\$ 31,920	70	30	2,100	19	\$ 39,900		
80	13	1,040	20	\$ 20,800	80	9	720	20	\$ 14,400		
TOTAL	306	14,085		\$ 236,973	TOTAL	398	18,610		\$ 313,635		
AVERAGE SLIP SIZE	46.0				AVERAGE SLIP SIZE	46.8					
				Total	\$ 236,973					Total	\$ 313,635
				90% << Rate	\$ 213,275					90% << Rate	\$ 282,272

\$ 2,559,303
 2021 Revenue @ 1.03% Inflation \$ 2,966,934

TIE TISC % Larger \$ 3,387,258
 48.5 46.8 3.8%
 \$ 3,926,760

TISC Slip Mix for Analys Options

235 Slip Marina		
SLIP SIZE	# OF BERTHS	DOCK FOOTAGE
25	36	900
30	60	1,800
35	44	1,540
40	0	-
45	22	990
50	0	-
60	48	2,880
70	18	1,260
80	7	560
TOTAL	235	9,930
AVERAGE SLIP SIZE		42.3

300 Slip Marina		
SLIP SIZE	# OF BERTHS	DOCK FOOTAGE
25	36	900
30	0	-
35	76	2,660
40	34	1,360
45	61	2,745
50	2	100
60	60	3,600
70	24	1,680
80	13	1,040
TOTAL	306	14,085
AVERAGE SLIP SIZE		46.0

400 Slip Marina		
SLIP SIZE	# OF BERTHS	DOCK FOOTAGE
25	36	900
30	0	-
35	76	2,660
40	34	1,360
45	102	4,590
50	38	1,900
60	73	4,380
70	30	2,100
80	9	720
TOTAL	398	18,610
AVERAGE SLIP SIZE		46.8

324 Slip Marina		
SLIP SIZE	# OF BERTHS	DOCK FOOTAGE
40	7	280
45	102	4,590
50	118	5,900
60	62	3,720
70	20	1,400
80	15	1,200
TOTAL	324	17,090
AVERAGE SLIP SIZE		52.7

"Clipper Cove Marina Expansion - Economic Feasibility Analysis"; Treasure Island Sailing Center; October 19, 2016

TIE Revenue Worksheets

Revenues 2020-21		**** Transient Fees Estimated to align with DBW Estimates & TIE Forecast	
Slips	\$ 4,115,207	<<< Based on slip fees and occupancy rates below	
Transient	\$ 625,625	<<< Transient Dock @ \$2.50/ft - see chart for occupancy and days utilized	
Total Rent	\$ 4,740,832		
			\$ 1430 length
			\$ 2.50 rate/year
			70% occupancy
			250 days
			\$ 625,625

TIE Slip Fees - 2015

Size	25	30	35	40	45	50	60	70	80
Rate	\$ 12.00	\$ 14.00	\$ 15.00	\$ 16.00	\$ 16.50	\$ 17.00	\$ 18.00	\$ 19.00	\$ 20.00

TIE Slips Planned:	398										
Size		30	35	40	45	50	55	60	70		
Number		34	39	37	64	81	57	64	22	398	
Linear Feet		1020	1365	1480	2880	4050	3135	3840	1540	19,310	
Rate		\$ 14.00	\$ 15.00	\$ 16.00	\$ 16.50	\$ 17.00	\$ 17.50	\$ 18.00	\$ 19.00		
Occupancy	90%	90%	90%	90%	90%	90%	90%	90%	90%		
Revenue 2015		\$ 154,224	\$ 221,130	\$ 255,744	\$ 513,216	\$ 743,580	\$ 592,515	\$ 746,496	\$ 316,008	\$ 3,542,913	
enue - N years out	5	\$ 178,788	\$ 256,350	\$ 296,477	\$ 594,958	\$ 862,013	\$ 686,887	\$ 865,393	\$ 366,340	\$ 4,107,207	
* Factor 1	1	\$ 178,788	\$ 256,350	\$ 296,477	\$ 594,958	\$ 862,013	\$ 686,887	\$ 865,393	\$ 366,340	\$ 4,107,207	
+/- Factor 2	\$ 1,000	\$ 179,788	\$ 257,350	\$ 297,477	\$ 595,958	\$ 863,013	\$ 687,887	\$ 866,393	\$ 367,340	\$ 4,115,207	
Net Revenue		\$ 179,788	\$ 257,350	\$ 297,477	\$ 595,958	\$ 863,013	\$ 687,887	\$ 866,393	\$ 367,340	\$ 4,115,207	

Avg Slip Size
48.5

TIE Slips Planned:	349														
Size		30	36	35	40	41	45	48	50	58	60	70	80	88	
Number		0	3	0	37	4	91	6	109	6	56	20	16	1	349
Linear Feet		0	108	0	1480	164	4095	288	5450	348	3360	1400	1280	88	18,061
Rate		\$ 14.00	\$ 15.00	\$ 15.00	\$ 16.00	\$ 16.00	\$ 16.50	\$ 16.50	\$ 17.00	\$ 17.50	\$ 18.00	\$ 19.00	\$ 19.00	\$ 19.00	
Occupancy	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	
Revenue 2015		\$ -	\$ 17,496	\$ -	\$ 255,744	\$ 28,339	\$ 729,729	\$ 51,322	\$ 1,000,620	\$ 65,772	\$ 653,184	\$ 287,280	\$ 262,656	\$ 18,058	\$ 3,089,486
enue - N years out	5	\$ -	\$ 20,283	\$ -	\$ 296,477	\$ 32,853	\$ 845,956	\$ 59,496	\$ 1,159,993	\$ 76,248	\$ 757,219	\$ 333,036	\$ 304,490	\$ 20,934	\$ 3,581,561
* Factor 1	1	\$ -	\$ 20,283	\$ -	\$ 296,477	\$ 32,853	\$ 845,956	\$ 59,496	\$ 1,159,993	\$ 76,248	\$ 757,219	\$ 333,036	\$ 304,490	\$ 20,934	\$ 3,581,561
+/- Factor 2	\$ 1,000	\$ 1,000	\$ 21,283	\$ 1,000	\$ 297,477	\$ 33,853	\$ 846,956	\$ 60,496	\$ 1,160,993	\$ 77,248	\$ 758,219	\$ 334,036	\$ 305,490	\$ 21,934	\$ 3,592,561
Net Revenue		\$ 1,000	\$ 21,283	\$ 1,000	\$ 297,477	\$ 33,853	\$ 846,956	\$ 60,496	\$ 1,160,993	\$ 77,248	\$ 758,219	\$ 334,036	\$ 305,490	\$ 21,934	\$ 3,592,561

Avg Slip Size
51.8

TIE Slips Planned:	324														
Size		30	36	35	40	41	45	48	50	58	60	70	80	88	
Number		0	0	0	7	0	102	0	118	0	62	20	15	0	324
Linear Feet		0	0	0	280	0	4590	0	5900	0	3720	1400	1200	0	17,090
Rate		\$ 14.00	\$ 15.00	\$ 15.00	\$ 16.00	\$ 16.00	\$ 16.50	\$ 16.50	\$ 17.00	\$ 17.50	\$ 18.00	\$ 19.00	\$ 19.00	\$ 19.00	
Occupancy	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	
Revenue 2015		\$ -	\$ -	\$ -	\$ 48,384	\$ -	\$ 817,938	\$ -	\$ 1,083,240	\$ -	\$ 723,168	\$ 287,280	\$ 246,240	\$ -	\$ 2,960,010
enue - N years out	5	\$ -	\$ -	\$ -	\$ 56,090	\$ -	\$ 948,214	\$ -	\$ 1,255,772	\$ -	\$ 838,350	\$ 333,036	\$ 285,460	\$ -	\$ 3,431,463
* Factor 1	1	\$ -	\$ -	\$ -	\$ 56,090	\$ -	\$ 948,214	\$ -	\$ 1,255,772	\$ -	\$ 838,350	\$ 333,036	\$ 285,460	\$ -	\$ 3,431,463
+/- Factor 2	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 57,090	\$ 1,000	\$ 949,214	\$ 1,000	\$ 1,256,772	\$ 1,000	\$ 839,350	\$ 334,036	\$ 286,460	\$ 1,000	\$ 3,442,463
Net Revenue		\$ 1,000	\$ 1,000	\$ 1,000	\$ 57,090	\$ 1,000	\$ 949,214	\$ 1,000	\$ 1,256,772	\$ 1,000	\$ 839,350	\$ 334,036	\$ 286,460	\$ 1,000	\$ 3,442,463

Avg Slip Size
52.7

777

Dredge costs - Import from Clipper Cove Dredge Cost Model

8	Target Water Depth
\$ 17.00	Cost per CU yard
34	unit feet to be removed
11.33	unit yds to be removed
54,663	CU yds to be removed
1%	Scale factor (apply to removed material)
1	+/- factor (,000) (apply to removed material)
547	Additional material (*)
1,000	Additional material (+)
55,210	TOTAL Material to be removed
\$ 938,567	Dredging Cost 400 Slip Config

\$ 883,357 10' Add

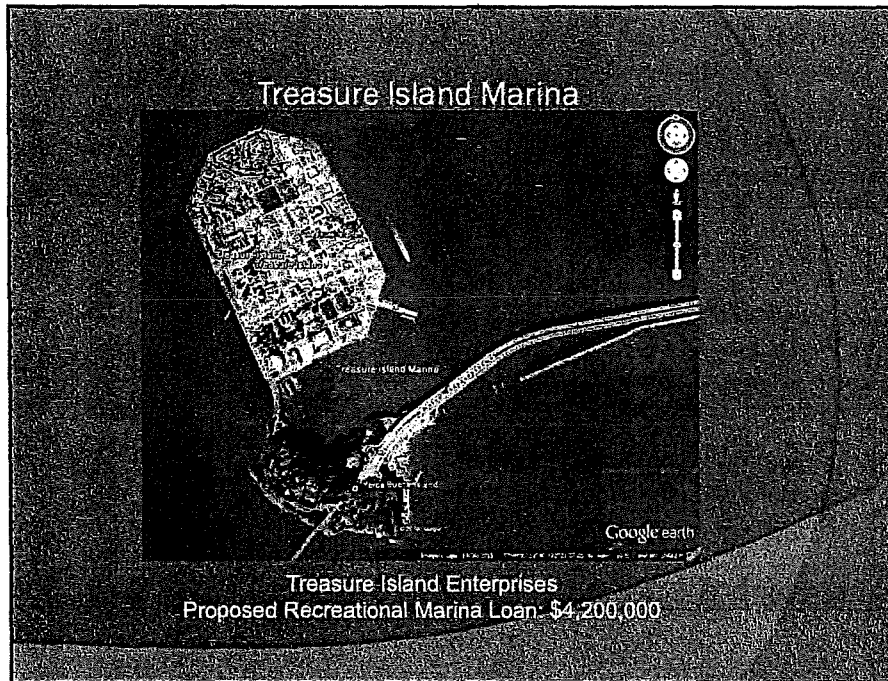
10	Target Water Depth
\$ 17.00	Cost per CU yard
66	unit feet to be removed
22.00	unit yds to be removed
106,111	CU yds to be removed
1%	Scale factor (apply to removed material)
1	+/- factor (,000) (apply to removed material)
1,061	Additional material (*)
1,000	Additional material (+)
107,172	TOTAL Material to be removed
\$ 1,821,923	Dredging Cost 400 Slip Config

8	Target Water Depth
\$ 17.00	Cost per CU yard
31	unit feet to be removed
10.33	unit yds to be removed
49,840	CU yds to be removed
1%	Scale factor (apply to removed material)
1	+/- factor (,000) (apply to removed material)
498	Additional material (*)
1,000	Additional material (+)
50,338	TOTAL Material to be removed
\$ 855,752	Dredging Cost 300 Slip Configuration

\$ 828,147 10' Add

10	Target Water Depth
\$ 17.00	Cost per CU yard
61	unit feet to be removed
20.33	unit yds to be removed
98,072	CU yds to be removed
1%	Scale factor (apply to removed material)
1	+/- factor (,000) (apply to removed material)
981	Additional material (*)
1,000	Additional material (+)
99,053	TOTAL Material to be removed
\$ 1,683,899	Dredging Cost 300 Slip Configuration

778



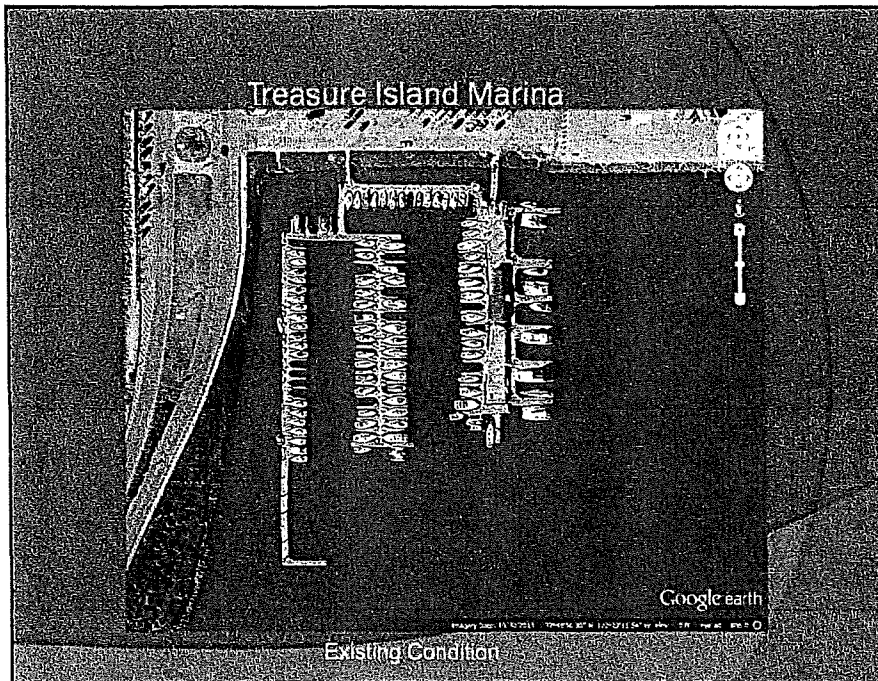
Good Morning Vice Chair Madueno, fellow Commissioners, Chief Deputy McGuirk, and Deputy Director Sadler.

My name is Keren Dill, Chief of the Boating Facilities Development and Financing Unit and I will be presenting staff's analysis of the Treasure Island Enterprises' request for a \$4.2 million loan for the proposed phase 1 construction of the Treasure Island Marina.

Here to represent Treasure Island Enterprises, also known as TIE, is Mr. Jay Wallace who will speak at the end of this presentation.

Staff is seeking Commission's advice and comment on the requested \$4.2 million Loan.

To reorient you, the Treasure Island Marina is located at clipper cove between treasure island and yerba Buena island in the San Francisco Bay.

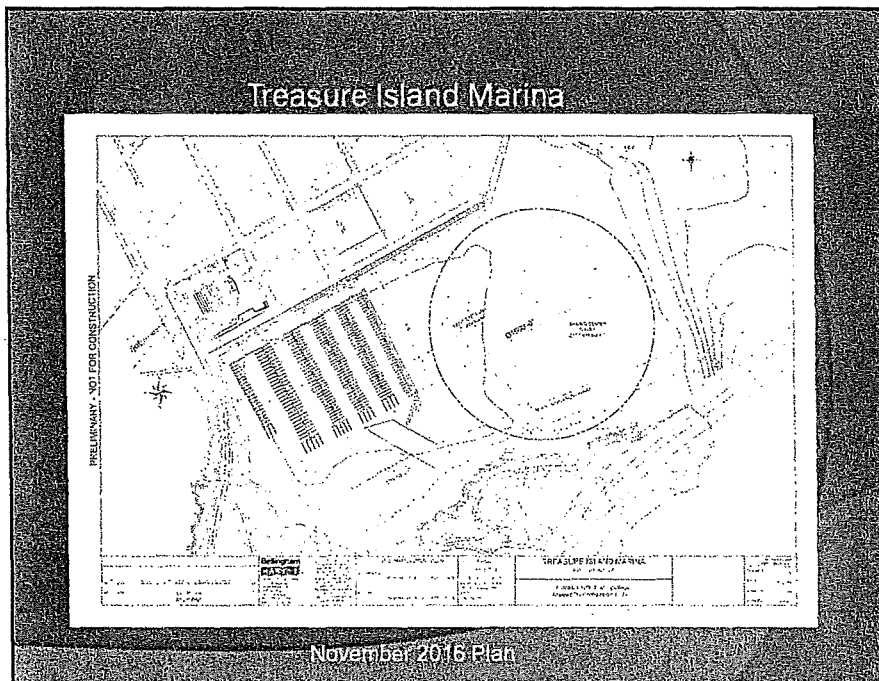


As you may recall, the Commission has heard this project twice before. The first time was in May 2016 when the Commission toured the facility and the second time was last November.

As you saw in the tour, Treasure Island Marina has 106 wooden slips ranging in size from 16 to 55 feet.

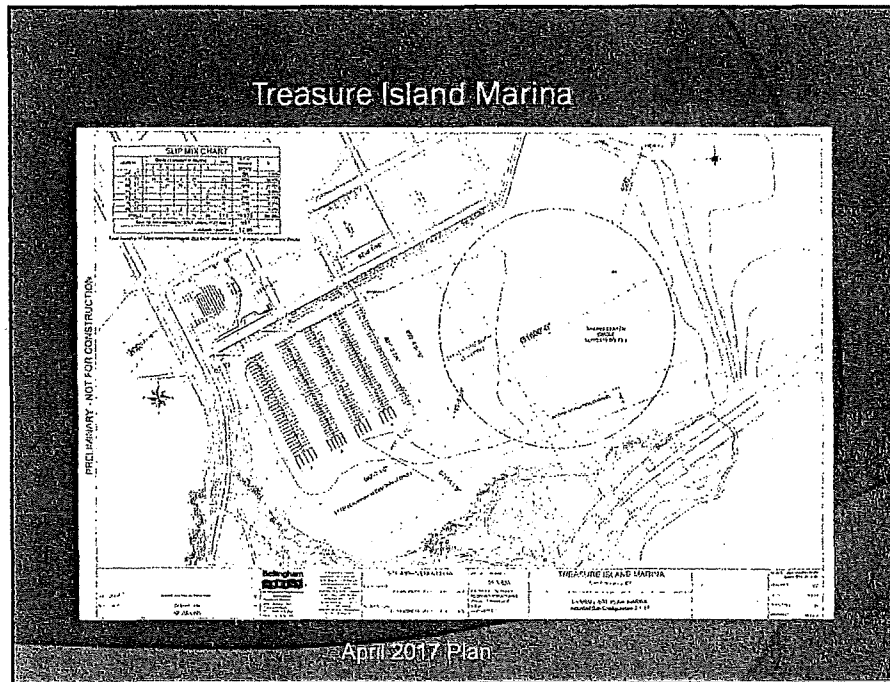
Since November, the Navy has transferred title of the property to the Treasure Island Development Authority. The Development Authority is anticipating entering into a long term lease agreement with Treasure Island Enterprises for development and management of this Marina.

To remind you, the Environmental Impact Report was certified in 2005 for the expansion of the Marina. As an additional reminder, DBW's role is as a potential lender for the project. Permitting agencies, such as BCDC, have authority for acceptance of the Environmental Impact Report, granting dredging and construction permits, approving liveaboard plans, and to rule in the event of usage conflicts.



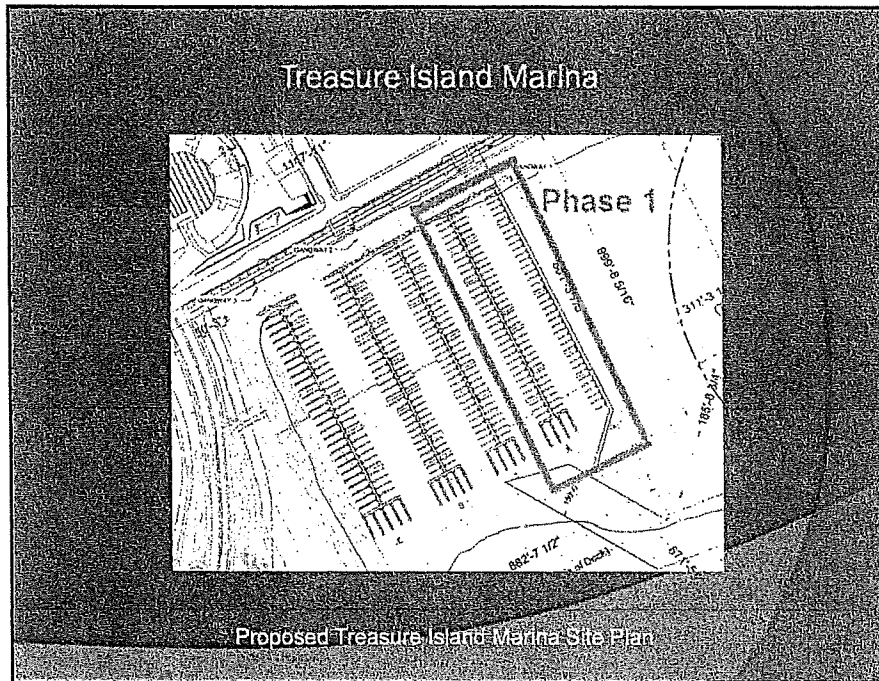
At November's meeting, the Marina was reduced in size to 336 slips, the slips were shifted to the west (left) in relation to the large circle, to allow sailing students sufficient area to safely learn. At the meeting, Treasure Island Sailing Center indicated support for this plan.

The new plan, on the next slide, eliminates the westernmost dock (here) and further shifts the marina an additional 100 feet to the west to make more room for the students of the Sailing Center.



This is the new plan. It includes a total of 313 slips for boats from 40 feet to 80 feet in length.

If funding is approved, it is anticipated the proposed Marina expansion would be constructed in three phases.



The first phase is identified here in green. It includes construction of docks A and B, dredging of the entrance channel and basin, and landside infrastructure improvements.

Docks A and B would add 109 new concrete slips, utilities, and piles to the existing facility, which would remain intact until construction of phase 3. Earlier presentations identified Dock A (here) as being partially funded by the US fish and Wildlife's Boating Infrastructure Grant for transient vessels. TIE has informed DBW that it is no longer seeking grant funding for this dock.

The anticipated cost for the proposed marina engineering, permits, dredging, and phase 1 construction is \$18.1 million

Treasure Island Enterprises is seeking a \$4.2 million loan from Boating and Waterways for this Phase 1 construction. As noted in the Feasibility report, the source of funding for the remaining \$13.8 million needed to complete phase 1 has been identified by TIE as coming from TIE's managing partner's equity and that of his partners. However, the letter does not specify who those partners are or the level of funding any individual has committed to the project.

Regulations (CCR Title 14 section 5172 (a)(9) require that that the funding plan,

[slide 6 notes cont.]

including sources of additional construction funds be identified. Other regulations (title 14, section 5175 (g)) prohibits the subordination of DBW's loan to any future loan. Therefore, Staff recommends that no loan funds shall be made available until TIE obtain DBW's prior written approval of the agreement between TIE's equity partners that confirms how they will fund Phase 1 construction.

Example if needed:...past partner equity agreement DBW reviewed, discovered that the initial investment and what was termed "partner equity" was in fact a loan from the equity partners that was expected to be repaid through marina operations at an interest rate of 12%. This kind of funding condition is a type of subordination which is prohibited.

Treasure Island Marina

Table 1: Phase 1 Development

<u>Length (feet)</u>	<u>Slips</u>
40	6
45	66
50	34
80	<u>3</u>
Total Phase 1 slips:	109

Source: Treasure Island Enterprises, 3/7/17

If approved, this Phase 1 would construct slips in these sizes



As noted in previous presentations, Dock A will include a built-in wave attenuator designed to slow down wave energy and protect the marina docks. This wave slow-down typically results in the deposition of silt, as we have seen at San Francisco Marina.

A recommended condition in DBW's staff report, is for TIE to fund a Maintenance Dredging Reserve Escrow account to deal with that deposition of silt. Staff recommended at the November meeting that a \$300,000 Maintenance Dredge Escrow Account be funded prior to issuance of loan funding. In addition, staff estimated an annual budget amount of \$150,000 for maintenance dredging .

To remind the Commission, in TIE's December 2015 proforma, TIE estimated a maintenance dredging budget of \$374,000 annually. In subsequent proforma's provided by TIE, this budget amount has dropped to the current maintenance dredging budget of \$25,000 annually.

At November's meeting, TIE disagreed with staff's recommended reserve and budget estimate for ongoing maintenance dredging. As a result of this disagreement, DBW asked for a study to be completed that would give an educated estimate of the cost and occurrence of maintenance dredging to keep the entrance channel open.

[slide 8 notes cont.]

TIE completed a study which addressed short term dredging needs. As a result, TIE modified its phase 1 budget from \$2.6 million in November to today's estimate of \$6 million. That study did not however estimate the potential cost or occurrence of maintenance dredging based on the new marina design as DBW requested. TIE has stated that it "is unable to provide DBW with a cost estimate or rate of occurrence for future dredging given the fact that it is impossible to know how slow or fast siltation may occur at Clipper Cove and other intangibles that will only be proven over time"

This slide with the new design shows the existing contour of the land under the marina. You see here the Marina Navigation Channel bringing boaters into the marina. This channel and the basin will be dredged as a part of phase 1 construction. But, if silt is allowed to accumulate in this navigation channel it could have dire effects to the financial viability of this marina.

Two loans in the bay area have defaulted due to lack of funding for maintenance dredging, and San Francisco Marina spends \$500,000 annually to keep their entrance channel for their West basin open.

Due to the lack of documentation to substantiate a lower reserve amount, staff continues to recommend budgeting of \$150,000 for annual maintenance dredging beginning the third year after construction dredging is complete, and has again used this estimate in its financial analysis.

Staff also continues to recommend as a condition of the loan that \$300,000 (equaling two years of dredge reserve payments) be placed in a maintenance dredge escrow account prior to issuance of loan funding.

Treasure Island Marina

**TABLE 5: TREASURE ISLAND MARINA
CASH FLOW PROJECTIONS AND DEBT SERVICE COVERAGE RATIO WITH TIE'S PROPOSED LIVEBOARD REVENUES AND EXPENSES
(Amount in Thousands)**

Category	2017		2018		2019		2020		2021		2022		2023		2024		2025		2026			
	Revenue	Expense	Revenue	Expense	Revenue	Expense	Revenue	Expense	Revenue	Expense	Revenue	Expense	Revenue	Expense	Revenue	Expense	Revenue	Expense	Revenue	Expense		
REVENUE																						
Boat Slip Revenue	152	238	260	260	320	320	380	380	440	440	500	500	560	560	620	620	680	680	740	740	800	
Boat - Dock Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Boat - Launch Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Boat - Storage Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Boat - Slip Hire/Day Storage	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Launch Fees (L)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Boat Hire (B)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Subtotal: All Revenue	152	238	260	260	320	320	380	380	440	440	500	500	560	560	620	620	680	680	740	740	800	
EXPENSES																						
Fixed Cost (Fixed)	90	90	102	102	114	114	126	126	138	138	150	150	162	162	174	174	186	186	198	198	210	
Variable Cost (Variable)	60	211	109	202	141	207	182	207	214	214	221	221	228	228	235	235	242	242	249	249	256	
Operating Expense (OpEx)	150	301	211	304	255	311	308	333	352	352	371	371	388	388	409	409	428	428	447	447	466	
Subtotal: All Expense	150	301	211	304	255	311	308	333	352	352	371	371	388	388	409	409	428	428	447	447	466	
NET INCOME	0	37	49	56	65	109	72	47	88	88	129	129	172	172	212	212	252	252	292	292	334	
DEBT SERVICE COVERAGE RATIO (DSR)	1.00	1.16	1.29	1.41	1.59	1.49	1.54	1.55	1.55	1.55	1.56	1.56	1.57	1.57	1.57	1.58	1.58	1.58	1.58	1.58	1.59	

NOTES:

1. Construction cost estimates are based on the TIE's estimates and are subject to change. Actual construction costs may vary from the estimates shown in this table.
2. Liveboard revenue estimates are based on the TIE's estimates and are subject to change. Actual liveboard revenue may vary from the estimates shown in this table.
3. The project is assumed to be completed by the end of 2018. Construction costs are assumed to be incurred over the 2017-2018 period.
4. Construction cost estimates are based on the TIE's estimates and are subject to change. Actual construction costs may vary from the estimates shown in this table.
5. The TIE's estimates are based on the TIE's estimates and are subject to change. Actual estimates may vary from the estimates shown in this table.
6. Construction cost estimates are based on the TIE's estimates and are subject to change. Actual construction costs may vary from the estimates shown in this table.
7. Construction cost estimates are based on the TIE's estimates and are subject to change. Actual construction costs may vary from the estimates shown in this table.
8. Construction cost estimates are based on the TIE's estimates and are subject to change. Actual construction costs may vary from the estimates shown in this table.
9. Construction cost estimates are based on the TIE's estimates and are subject to change. Actual construction costs may vary from the estimates shown in this table.

This slide is difficult to read on screen, which is why you have it included in the back of the feasibility report. Table 5 is shown here to show you what areas to reference for this next discussion.

When reviewing phased funding of a project, the financial merits of each phase must be evaluated on a stand alone basis as future construction funding is not guaranteed. Therefore, staff analysis after construction of phase 1, shown here and included in the feasibility report, evaluated revenue and expenses for the existing 106 wooden slips and the additional 109 slips only without the assumption of subsequent phases.

Per TIE's estimates, construction of phase 1 will be complete at the end of 2018 and occupancy of the new slips will graduate from 50% to 90% beginning 2019 through 2026. The revenue projections shown follow TIE's assumptions.

As noted in the feasibility report:

- TIE's most recent expense projections appear to DBW to be more reasonable than those previously submitted, particularly related to salaries and benefits.
- However, there is new uncertainty related to revenue projections, due to unusual aspects of TIE's proposed liveboard program.

Treasure Island Marina

Table 4: Current and Proposed Liveaboard Fees

Marina	Location	Slip Rental Fee		Total Monthly Fee for
		for 45' Boat	Monthly Liveaboard Fee	Two People on 45' Boat
Berkeley Marina	Berkeley	\$492.75	\$200.00	\$692.75
Pier 39 Marina	San Francisco	\$545.00	\$200 as of 2014 (not currently taking apps)	\$745.00
Marina Bay Yacht Harbor	Richmond	\$559.98	\$200.00	\$759.98
Brickyard Cove Marina	Richmond	\$575.75	\$175.00 first person, \$100.00 additional	\$850.75
Westpoint Harbor	Redwood City	\$500.00	\$375.00	\$875.00
Marina Village Yacht Harbor	Alameda	\$652.00	\$350.00	\$1,002.00
Treasure Island Marina (TIE proposed fee for liveaboard berths, 2019)	San Francisco	no slip fee for liveabords	\$3,315.00 flat fee	\$3,315.00

Source: DBW research and TIE slip revenue forecast dated 3/6/17

Note: All fees besides Treasure Island Marina's were advertised online as of 3/29/17 unless noted.

As shown at the bottom of this Table, TIE is proposing to charge \$3,315 a month for liveaboards boats in 2019. This is substantially higher than other marina's offering liveabords in the area as shown here. Most marina's in the area charge a slip fee plus an additional liveaboard fee. The combination of these, assuming a 45' slip, is depicted on the right. TIE is proposing a flat fee for both which is over three times as much as the most expensive competitor.

TIE's rationale for charging more, which Mr. Wallace may explain in more detail, is that Treasure Island Marina will provide a unique liveaboard opportunity in light of its location and new development surrounding the marina, with no comparable liveaboard options to benchmark against. The new development at Treasure Island is estimated to begin in 2019.

Due to the novelty of TIE's pricing proposal, it is difficult for DBW to predict its likelihood of success or the timing of when boaters would be willing to pay the quoted fee's. Particularly if development of Treasure Island is delayed. However, these questions are crucial to DBW's financial analysis of this project.

Additionally, Harbors and Navigation Code sections 76.7 (c) and (d) forbids private loan recipients from charging unreasonably high boat berthing fees and requires DBW to monitor the berthing fees of private marina owners

[slide 10 notes cont.]

receiving loans to ensure rates are reasonable and not exorbitant. Staff is concerned these rates may be exorbitant.

Treasure Island Marina

**TABLE 6: TREASURE ISLAND MARINA
CASH FLOW PROJECTIONS AND DEBT SERVICE COVERAGE RATIO WITH TIE'S PROPOSED LIVEBOARD REVENUES AND EXPENSES
FOR 2017 THROUGH CY 2026
(Amounts in Thousands)**

REVENUE	2017		2018		2019		2020		2021		2022		2023		2024		2025		2026	
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Revenue	242	252	262	272	282	292	302	312	322	332	342	352	362	372	382	392	402	412	422	432
Expenses	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
NET OPERATING INCOME	142	152	162	172	182	192	202	212	222	232	242	252	262	272	282	292	302	312	322	332
DEBT SERVICE COVERAGE RATIO (min. 1.25 req'd)	1.42	1.52	1.62	1.72	1.82	1.92	2.02	2.12	2.22	2.32	2.42	2.52	2.62	2.72	2.82	2.92	3.02	3.12	3.22	3.32

TIE's Anticipated liveboard revenue is in the top highlighted row. TIE assumes it will achieve 70% occupancy of liveboards in 2019 while charging a liveboard rate of \$3,315 per month. The fee will then increase 2% annually, while liveboard occupancy is expected to reach 90% by 2026. TIE anticipates having 20 liveboard slips at the end of Phase 1, eventually increasing to 30 once the project is fully built out.

The second row of highlighted cells depicts the expenses specifically related to the liveboard program. TIE has informed DBW that the marina management company will charge this flat rate regardless of liveboard occupancy.

If TIE's projections are accurate, liveboard revenues will routinely exceed expenses, and the debt service coverage ratio will continuously exceed the Commissions recommended minimum of 1.25, as shown in the third highlighted row of cells – even factoring in a \$150,000 per year dredging expense estimate.

As a reminder the debt Service Coverage ratio is a measure of an entities ability to afford debt. The Commission established a minimum ratio of 1.25 for public marina loans.

[slide 11 notes cont.]

While DBW hopes TIE's liveboard strategy proves to be successful and sustainable, we have been unable to find evidence of such an expensive program ever having been offered in the Bay Area.

Treasure Island Marina

TABLE 6: TREASURE ISLAND MARINA
CASH FLOW PROJECTIONS AND DEBT SERVICE COVERAGE RATIO WITHOUT LIVEBOARD REVENUES AND EXPENSES
CY 2018 THROUGH CY 2038

Category	Year	Construction Phase		All other 4 steps per TIC program except where noted, adjusted for Phase Development only, and assume 2019 for 4 cost increases after 2017																																			
		2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050					
REVENUES																																							
Event Revenue		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Food & Beverage Revenue		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Marina Fees		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal Liveboard Revenue		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Liveboard Revenue		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Subtotal Liveboard Revenue		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
EXPENSES																																							
Construction Expenses		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Operating Expenses		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal Operating Expenses		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
NET OPERATING INCOME																																							
Net Operating Income		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Debt Service (Interest + Principal)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Debt Service Coverage Ratio (DCR)																																							
DCR		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		

Due to the uncertainty of success of TIE's liveboard proposal, Table 6 in your feasibility report shows a conservative scenario where this liveboard program is not implemented. The top two highlighted rows show zero revenue and expenses in the liveboard categories. Without the liveboard element as TIE proposes, the Debt Service Coverage Ratio, the third highlighted row, would not reach the minimum 1.25 until 2028 and would lose money the first three years after construction.

Considering DBW's duty to uphold the public trust in administering public funds, and the uncertainty of success of TIE's liveboard program, we believe funding a payment reserve escrow account with two years of loan payments should be a condition of the proposed loan agreement until TIE demonstrates it can consistently exceed the 1.25 Debt Service Coverage Ratio. If the liveboard program succeeds as TIE expects, DBW believes it could be demonstrated within the first couple years after construction. Until then, however, a reserve seems prudent.

It is customary for DBW loans to require that two years of loan payments be placed in a Payment Reserve Escrow Account when projects don't meet the minimum 1.25 debt service coverage ratio. San Francisco Marina West was the most recent loan requiring this condition.

Treasure Island Marina

Collateral

- Lease – Lease Back
- Security Agreement
- Recorded Collateral Assignments of Rents and Leases
- Ongoing UCC-1 filing

As noted in the Feasibility Report, collateral for the loan is identified here. Per statute (HNC76.6 (b)), the value of collateral shall be no less than 110%. This level of collateral can be reached with these instruments.

The Lease – Lease back is a mechanism used historically for marina loans which allows DBW to take over the property in the event of default. Treasure Island Development Authority would enter into an agreement with DBW and DBW would enter into an agreement with Treasure Island Enterprises. In the event of Default, DBW could evict TIE from the premises and either take over operations or place another operator in its place.

Staff recommends that DBW's lease with the Development authority include a "zero payment" provision for DBW in the event of a TIE's default and eviction. In more direct terms, this means that if TIE defaults, DBW would not have to make rent payments.

A Security agreement gives a lender security interest in the asset.

The Collateral assignment of rents and leases is a recorded agreement that entitles DBW to any income generated from the property in the event of default.

The ongoing UCC-1 filing allows DBW to take possession of the material assets, such

[slide 14 notes cont.]

as the docks, gangways, etc.

Treasure Island Marina

Cost Estimate

Table 2: Phase 1 Tasks, Costs, and Funding Sources

	Estimated cost	Funding source	
		DBW loan	TIE
Mobilization and demobilization	\$ 75,000		\$ 75,000
Phase 1 slips	\$ 5,967,627	\$ 4,200,000	\$ 1,767,627
Dock A, transient dock and wave attenuator	\$ 3,671,640		\$ 3,671,640
Marginal walkway	\$ 181,187		\$ 181,187
Utilities	\$ 275,000		\$ 275,000
Gangway, abutment, and gates	\$ 165,000		\$ 165,000
Marina Wi-Fi	\$ 125,000		\$ 125,000
Security access system	\$ 33,333		\$ 33,333
Channel marker buoys	\$ 100,000		\$ 100,000
Dredging	\$ 5,997,600		\$ 5,997,600
Landscaping	\$ 33,334		\$ 33,334
Engineering and permits	\$ 580,000		\$ 580,000
Entitlements	\$ 100,000		\$ 100,000
Payment and performance bond	\$ 250,000		\$ 250,000
Contingency	\$ 219,720		\$ 219,720
Development fee	\$ 292,960		\$ 292,960
Total	\$ 18,067,401	\$ 4,200,000	\$ 13,867,401

Source: Treasure Island Enterprises cost estimate and DBW analysis

This is a summary of TIE's most recent cost estimate. DBW would limit use of the loan funds to construction of Phase 1 slips. Loan funds would be provided on a reimbursement basis after the slips are constructed and TIE has paid its contractor for the work. TIE would be responsible for paying for all other Phase 1 costs.

Treasure Island Marina

RECOMMENDED CONDITIONS:

1. No loan funds shall be available until DBW receives the final lease agreement that incorporates the collateral requirements (specifically the lease-lease back) of this loan and includes a provision that in the event TIE defaults on its loan with DBW, DBW shall have no obligation to make any lease payments to TIDA.
2. As customary with DBW loans, no loan funds will be advanced by DBW to TIE.
3. No loan funds shall be available for construction until engineers from the Department of Parks and Recreation, Division of Acquisition and Development confirm that the project design is compatible with 50 year sea level rise projections.
4. No loan funds shall be available for construction until TIE funds a \$300,000 Maintenance Dredging Reserve Escrow Account.

Due to ongoing uncertainties, if the Commission advises the Division to move forward with approving this loan, staff recommends the conditions identified in the feasibility report listed here.

- 1.No loan funds shall be available until DBW receives the final lease agreement that incorporates the collateral requirements (specifically the lease-lease back) of this loan and includes a provision that in the event TIE defaults on its loan with DBW, DBW shall have no obligation to make any lease payments to TIDA.
2. As customary with DBW loans, no loan funds will be advanced by DBW to TIE.
- 3.No loan funds shall be available for construction until engineers from the Department of Parks and Recreation, Division of Acquisition and Development confirm that the project design is compatible with 50 year sea level rise projections.
- 4.No loan funds shall be available for construction until TIE funds a \$300,000 Maintenance Dredging Reserve Escrow Account.

Treasure Island Marina

RECOMMENDED CONDITIONS (continued):

5. No loan funds shall be available until \$640,000 is placed in an additional and separate Payment Reserve Escrow Account which must remain funded until TIE demonstrates that the marina can maintain a minimum Debt Service Coverage Ratio of 1.25 throughout the remaining term of the loan.
6. TIE must agree to fund a maintenance reserve account at a level of 2% of the marina's gross annual revenues.
7. No loan funds shall be made available until TIE obtains DBW's prior written approval of the agreement between TIE's equity partners that confirms how they will fund Phase 1 construction. This is in compliance with CCR Title 14, Section 5172 (a)(9) which requires that the funding plan, including sources of additional construction funds, be identified. This will also ensure that funding used is not borrowed and subject to debt burden.

5. No loan funds shall be available until \$640,000 is placed in an additional and separate Payment Reserve Escrow Account which must remain funded until TIE demonstrates that the marina can maintain a minimum Debt Service Coverage Ratio of 1.25 throughout the remaining term of the loan.
6. TIE must agree to fund a maintenance reserve account at a level of 2% of the marina's gross annual revenues.
7. No loan funds shall be made available until TIE obtains DBW's prior written approval of the agreement between TIE's equity partners that confirms how they will fund Phase 1 construction. This is in compliance with CCR Title 14, Section 5172 (a)(9) which requires that the funding plan, including sources of additional construction funds, be identified. This will also ensure that funding used is not borrowed and subject to debt burden.

Treasure Island Marina

CONDITIONS PENDING RESOLUTION

No. 1. No loan funds shall be available until DBW receives the final lease agreement that incorporates the collateral requirements (specifically the lease-lease back) of this loan and includes a provision that in the event TIE defaults on its loan with DBW, DBW shall have no obligation to make any lease payments to TIDA.

No. 4. No loan funds shall be available for construction until TIE funds a \$300,000 Maintenance Dredging Reserve Escrow Account.

No. 5. No loan funds shall be available until \$640,000 is placed in an additional and separate Payment Reserve Escrow Account which must remain funded until TIE demonstrates that the marina can maintain a minimum Debt Service Coverage Ratio of 1.25 throughout the remaining term of the loan.

No. 7. No loan funds shall be made available until TIE obtains DBW's prior written approval of the agreement between TIE's equity partners that confirms how they will fund Phase 1 construction. This is in compliance with CCR Title 14, Section 5172 (a)(9) which requires that the funding plan, including sources of additional construction funds, be identified. This will also ensure that funding used is not borrowed and subject to debt burden.

In summary, of the seven recommended conditions, TIE has expressed reservations regarding these four related to guarantee's adequately protecting boaters money.

- Number 1. Lease agreement with TIDA incorporating the collateral requirements which include a no-payment obligation in the event TIE defaults.
- Number 4. \$300,000 Maintenance Dredging Reserve Escrow Account
- Number 5. \$640,000 Payment Reserve Escrow Account
- Number 7. Prior written approval of the agreement between TIE's partners confirming how they will fund the remaining balance of construction funding for Phase 1.

Staff seeks Commission advice and comment on these recommended conditions and the requested loan to TIE.

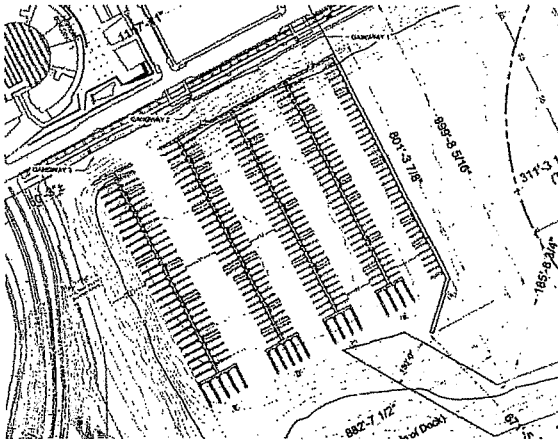
At this time, I'd like to introduce Mr. Jay Wallace who is here on behalf of TIE to discuss the proposed loan and staff's recommended conditions.

Treasure Island Marina

California State Parks, Division of Boating and Waterways seeks advice and comment on Treasure Island Enterprises' request for a \$4,200,000 Recreation Marina Loan for the Treasure Island Marina and staff's recommended conditions as described in the April 5, 2017 Feasibility Report.

At this time, [read slide]

TREASURE ISLAND MARINA FEASIBILITY REPORT



Proposed Site Plan



Existing Facility

Treasure Island Enterprises, LLC

\$4,200,000 Private Recreational Marina Loan

SUMMARY

The Boating and Waterways Commission is being asked to provide Advice and Comment on the Treasure Island Enterprises, LLC (TIE) request for a \$4,200,000, Private Marina Loan from the Harbors and Watercraft Revolving Fund (HWRF) for construction of Phase 1 which would add 109 slips, Docks "A" and "B", to the existing marina at Clipper Cove on Treasure Island. If approved, DBW loan funding would reimburse TIE for construction costs of the slips and related revenue-generating facilities only. This is the third iteration this project has been brought before the Commission. This report outlines TIE's revised plan for developing and repaying this potential Phase 1 loan.

The total cost for development of Phase 1 is now approximately \$18.1 million. This estimate includes costs for engineering and permitting; construction dredging; construction of 109 slips (noted above), utilities, gangway, security gates and access system; installation of wi-fi; entitlements, and other related features, such as trash and other amenities.

The currently proposed marina development at Clipper Cove would be constructed in three phases and would have 313 slips instead of the 336 slips proposed in November. The existing 106 wooden slips would be removed during Phase 3.

Background: In FY2015/16, TIE requested that the State include a budget item of a \$4,200,000 loan for construction of the first phase of a 400-slip marina. This request was included in the State's budget in FY15/16, and although this funding authorization expired, the same amount was included in the FY16/17 budget. TIE brought its budget request to the Boating and Waterways Commission in May 2016 and November 2016, at which times DBW expressed concerns and asked TIE for more information.

In November 2016, TIE proposed construction of a 336-slip marina that addressed some of the DBW concerns, and today, TIE is proposing a further-reduced project, totaling 313 slips, which is estimated to cost \$31 million.

Status Update: At the November 2016 Commission presentation, various financial, lease, public support, and permitting issues remained outstanding. DBW requested that all outstanding documentation be provided to DBW by March 1, 2017. Supporting documentation for TIE's updated project proposal was received by DBW on March 1. Additional items were supplied, with staff's permission on March 8, 2017, and both are the basis for this updated review except where noted.

Due to DBW's obligation to safeguard public funds and the difficulties involved with recovering those funds in the event of a default from a business without easily liquid collateral, staff recommended at the November, 2016 Commission meeting that if the Commission advised DBW to move forward with this loan, TIE must meet certain conditions to DBW's satisfaction no later than March 1, 2017. The status of each of these conditions is as follows:

1. "Final lease agreement with Treasure Island Development Authority (TIDA) shall be provided and shall include a provision that in the event TIE defaults on its loan with DBW, that DBW shall have no obligation to make any lease payments to TIDA."

Status: DBW received proposed new language for the lease from TIE. However, the new language does not fully address default conditions as it relates to offered collateral, specifically the lease-lease back instrument. At the time of this report, DBW is still working with TIE on this requirement. Harbors and Navigation Code (HNC) Section 76.6(b) directs DBW to require collateral in a minimum amount of 110% of the loan as a condition of any private loan.

2. "Provides documentation confirming that the entirety of Phase 1 is fully funded."

Status: On March 8, DBW received a letter from TIE's managing partner stating up to \$13.8 million of his and his partners' private equity would be provided to cover Phase 1 costs not covered by the DBW loan. Because the letter references partners who are not personally verifying their commitment to the project, and because the division of commitment between partners is not made clear in the letter, DBW does not consider full funding of Phase 1 to be confirmed. California Code of Regulations (CCR) Title 14, Section 5172(a)(9) requires that the funding plan, including sources of additional construction funds, be identified.

3. "Marina design shall to be adaptable to National Oceanic and Atmospheric Administration's (NOAA's) 50-year sea level rise projections."

Status: TIE has stated its understanding of this condition and intent to comply. Ongoing compliance will be monitored by DBW.

4. "Prior to issuance of loan funding, TIE shall complete a study to determine estimated accumulation of siltation of the new proposed marina design, the estimated dredge expense, and the estimated rate of occurrence required to maintain a viable marina. This study would determine how much money shall be annually budgeted for this expense and placed into a Maintenance Dredging Reserve Escrow account for ongoing maintenance dredging."

-
- a) Annual reserve payments of the amount determined by the study shall be deposited into the Maintenance Dredging Reserve Account. Payments shall begin the third year after the construction dredging is complete (currently 2022).
 - b) Two years of annual payments shall be placed into the Maintenance Dredging Reserve Escrow account prior to issuance of any loan funds. The Maintenance Dredging Reserve Escrow account shall be available for loan payments in the event of default."

Status: On March 1, DBW received a consultant's report that addressed short-term construction dredging needs. However, the consultant's study did not discuss future dredging needs. TIE, in its submittals to DBW, also stated it "is unable to provide DBW with a cost estimate or rate of occurrence for future dredging given the fact that it is impossible to know how slow or fast siltation may occur at Clipper Cove and other intangibles that will only be proven over time."

TIE proposes to fund a reserve dredging account in the amount of \$25,000 annually, up to a maximum of \$225,000. TIE has not provided DBW a basis for estimating the cost of dredging to be \$25,000 per year, but the draft TIDA/TIE lease agreement requires TIE to make a minimum annual contribution of \$25,000 to a dredging reserve fund. Staff is concerned TIE's \$25,000 estimate may be inadequate given that TIE's initial estimate for maintenance dredging was \$374,000 annually, and San Francisco Marina West Harbor, for example, is currently spending \$500,000 annually for maintenance dredging.

5. "\$640,000 shall be placed in an additional and separate Payment Reserve Escrow Account which must remain funded until TIE demonstrates that the marina can maintain a minimum Debt Service Coverage Ratio (DSCR) of 1.25 through the remaining term of the loan."

Status: Based on uncertainties discussed in this report, DBW believes there is still a compelling need for this reserve account to exist until a 1.25 DSCR can be maintained. TIE's strategy for generating the revenues needed to support the 1.25 DSCR involves renting up to 20 slips for liveaboards and charging a flat fee starting at \$3,250 monthly, which, if successful, could provide an increase in revenue from those slips that would strengthen the DSCR. This is an unusual approach, and if it is not as successful as TIE anticipates, the project may not meet this threshold for the first nine years of the loan repayment period. As reminders, this 1.25 DSCR threshold was set by the Commission for public loans in May 2009. Requiring two years of loan payments be held in a reserve account when this threshold isn't expected to be met is a method of gaining additional security when excess risk is involved. This method has been used multiple times for DBW loans, most recently with San Francisco Marina West.

The Department of Parks and Recreation, Division of Boating and Waterways (DBW) seeks Commission Advice and Comment to this proposed \$4,200,000 loan (HWRF) to Treasure Island Enterprises, LLC for the improvements described in this April 5, 2017 Feasibility Report, and recommends that if the Commission advises the Department to proceed with the requested loan, conditions be written into the loan agreement. Staff's recommendations for these conditions are as follows:

1. No loan funds shall be available until DBW receives the final lease agreement between TIDA and TIE that incorporates the collateral requirements (specifically the lease-lease

back) of this loan and includes a provision that in the event TIE defaults on its loan with DBW, DBW shall have no obligation to make any lease payments to TIDA.

2. As customary with DBW loans, loan funding will be provided on a reimbursement basis only.
3. No loan funds shall be available for construction until engineers from the Department of Parks and Recreation, Division of Acquisition and Development confirm that the project design is compatible with 50-year sea level rise projections.
4. No loan funds shall be available for construction until TIE funds a \$300,000 Maintenance Dredging Reserve Escrow Account.
5. No loan funds shall be available until \$640,000 is placed in an additional and separate Payment Reserve Escrow Account which must remain funded until TIE demonstrates that the marina can maintain a minimum Debt Service Coverage Ratio of 1.25 throughout the remaining term of the loan.
6. TIE must agree to fund a maintenance reserve account at the customary level of 2% of the marina's gross annual revenues.
7. No loan funds shall be made available until TIE obtains DBW's prior written approval of the agreement between TIE's equity partners that confirms how they will fund Phase 1 construction. This is in compliance with CCR Title 14, Section 5172(a)(9) which requires that the funding plan, including sources of additional construction funds, be identified. This will also ensure that funding used is not borrowed and subject to debt burden.

LOAN APPLICANT AND PREVIOUS COMMISSION ACTION

Loan Applicant

The loan applicant for this project is Treasure Island Enterprises, LLC.

Commission Site Visit

On May 10, 2016 the Commission visited the site as part of the Boating and Waterways Commission Meeting tour.

Previous Commission Action

During the May 11, 2016 Commission meeting, the Commission vote did not advise approval or rejection for \$4.2 million in FY2015/16 state funding for Phase 1 of this project. The FY2015/16 state funding was not encumbered and has reverted.

On November 9, 2016, the Commission heard a project status update, and opted to calendar this project for action at a future meeting.

GENERAL LOCATION AND AREA

Location

The Marina is located in Clipper Cove, on Treasure Island, in San Francisco. From Sacramento head west on Interstate 80 for 82 miles, exit at Treasure Island Road and follow the signage to Treasure Island Marina.

Area and History

The construction of Treasure Island began in February 1936 and was completed in January 1939. To build the 403 acre island, 29 million cubic yards of sand and gravel were transported to or dredged from the Bay and the Sacramento River Delta. Approximately 259 thousand tons of rock was used to create a rock wall to contain the Island.

In February, 1941, as American involvement in World War II was becoming more certain, the island was leased from the City of San Francisco by the United States Government. On April 1st, 1941, it became a military base known as Naval Station Treasure Island which also included portions of Yerba Buena Island. It became the headquarters of the 12th Naval District. The islands served as the "Gateway to the Pacific" in the battle of the Pacific.

In 1996 Treasure Island was decommissioned and opened to public control, under stipulations. Treasure Island is now part of District 6 of the City and County of San Francisco.

Clipper Cove was retained by the Navy for remediation efforts arising from former Navy skeet shooting activity. The Navy has completed that work and has transferred title of the property to the Treasure Island Development Authority (TIDA).

The draft lease agreement indicates TIDA intends to lease the marina property to TIE for 66 years. However, this lease agreement has not yet been executed.

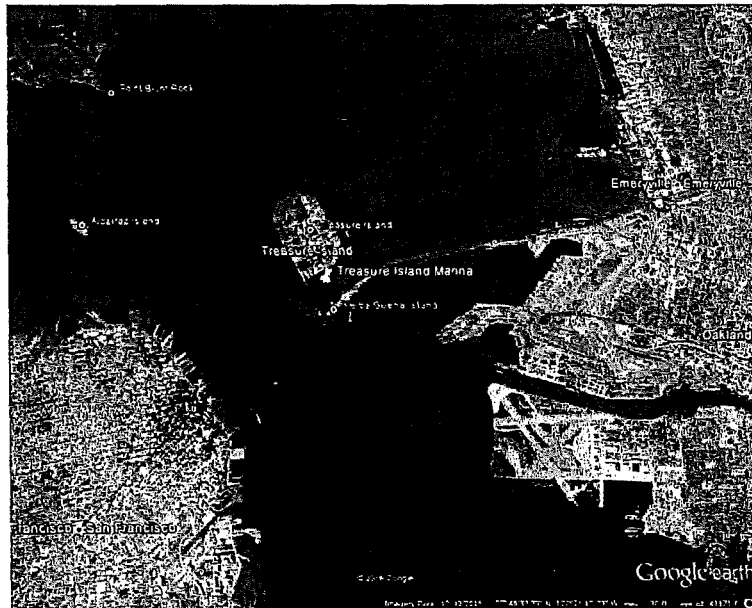


Figure 1, Source: Google Earth

Existing Conditions

Treasure Island Marina currently has three floating wood docks with 106 slips. Slip sizes range from 15 to 55 feet in length. The existing docks would remain in use until the final phase of marina construction (approximately 2022).

PROJECT DESCRIPTION

The requested funding for Phase 1 would construct Docks A and B, the rightmost docks in Figure 2 below. This addition would add 109 new slips of the sizes outlined in Table 1 to the existing 106 slip marina for a total of 215 slips when Phase 1 is complete.

The existing wooden docks would remain in place until Phase 3, which is planned for construction in approximately 2022, at which time they would be removed and replaced with new, reconfigured concrete docks as shown in Figure 2.

<u>Length (feet)</u>	<u>Slips</u>
40	6
45	66
50	34
80	<u>3</u>
Total Phase 1 slips:	109

Source: Treasure Island Enterprises, 3/7/17

Project Scope

Concrete Docks and Wave Attenuator

New concrete Docks A and B would be constructed in a configuration identified in Figure 2 below. A wave attenuator would be built into the east side of Dock A and would extend 185 feet past the end of Dock A, angled inward toward the other marina docks.

Utilities

All new utilities would be installed, including electric, communications (telephone, wireless internet, and cable), potable water, and fire suppression systems.

Piles

New concrete piles would be installed and would be engineered to account for anticipated sea level rise.

Dredging

TIE anticipates dredging a navigation channel and part of the basin during Phase 1 in 2018 and 2019. The estimated expense for this dredging is \$6 million.

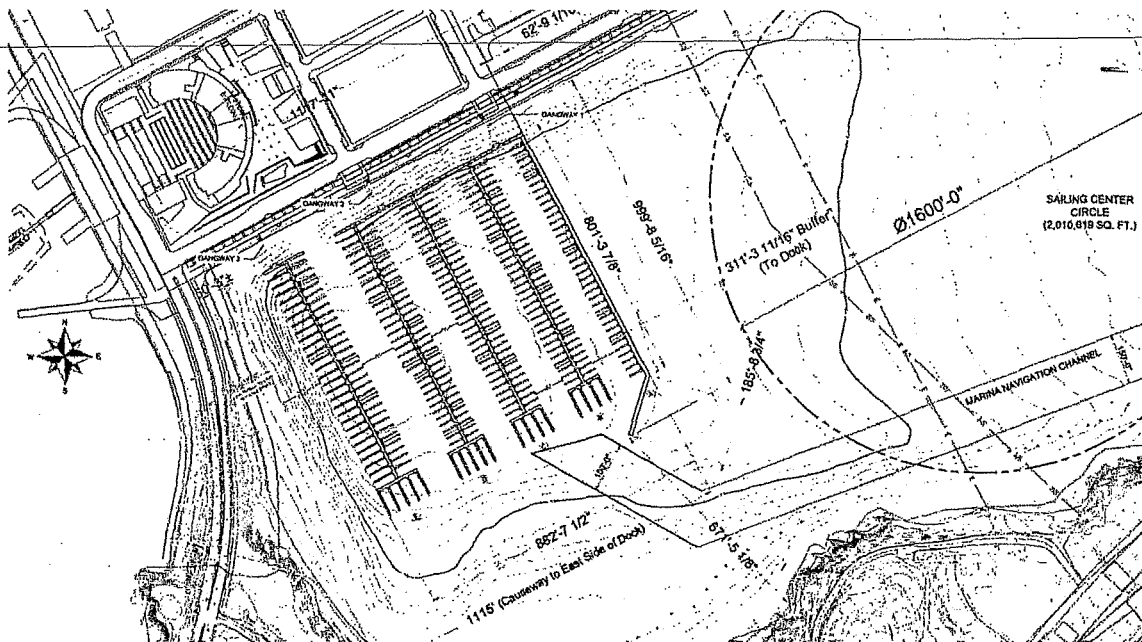


Figure 2, Site Plan, Source: TIE submission package dated 3/7/17

Sea Level Rise Consideration

According to projections by the National Oceanic and Atmospheric Administration (NOAA), large portions of Treasure Island may be permanently submerged within the next 50 years. Therefore the Marina must be designed to be adaptable to the 50 year expected rise in sea level. This is a recommended condition of this loan.

Cost Estimate

Per TIE's revised cost estimate, project engineering, entitlements, Phase 1 construction, and related activities are expected to cost approximately \$18.1 million. If approved, \$4,200,000 would be funded by this requested DBW loan, and the remaining balance would be funded, according to TIE, by the private equity capital of TIE's general manager and his partners.

Project components and DBW's proposal for dividing responsibility for paying the costs of each component are identified in Table 2 below. DBW proposes to only allow loan funds to be used to reimburse a portion of expenses of constructing Phase 1 slips and related revenue-generating facilities only.

Table 2: Phase 1 Tasks, Costs, and Funding Sources

	Estimated cost	Funding source	
		DBW loan	TIE
Mobilization and demobilization	\$ 75,000		\$ 75,000
Phase 1 slips	\$ 5,967,627	\$ 4,200,000	\$ 1,767,627
Dock A, transient dock and wave attenuator	\$ 3,671,640		\$ 3,671,640
Marginal walkway	\$ 181,187		\$ 181,187
Utilities	\$ 275,000		\$ 275,000
Gangway, abutment, and gates	\$ 165,000		\$ 165,000
Marina Wi-Fi	\$ 125,000		\$ 125,000
Security access system	\$ 33,333		\$ 33,333
Channel marker buoys	\$ 100,000		\$ 100,000
Dredging	\$ 5,997,600		\$ 5,997,600
Landscaping	\$ 33,334		\$ 33,334
Engineering and permits	\$ 580,000		\$ 580,000
Entitlements	\$ 100,000		\$ 100,000
Payment and performance bond	\$ 250,000		\$ 250,000
Contingency	\$ 219,720		\$ 219,720
Development fee	\$ 292,960		\$ 292,960
Total	\$ 18,067,401	\$ 4,200,000	\$ 13,867,401

Source: Treasure Island Enterprises cost estimate and DBW analysis

Project Status

Project work has not begun. A long term lease of the project area from TIDA to TIE is set for hearing in April 2017. TIE expects permits to be acquired during the remainder of 2017.

Timeline

TIE anticipates construction of Phase 1 to occur in 2018. Construction of Phases 2 and 3 are planned for completion in 2020 and 2022 respectively.

Engineering Feasibility

Upon preliminary review, the project appears feasible from an engineering perspective.

Access

To satisfy a condition of all DBW loans, the Treasure Island Marina shall make facilities available to all on equal and reasonable terms according to that which is consistent with general commercial business practices, per HNC section 76.3(b), including future restroom and shower facilities serving the marina.

Environmental Impact and Permits

DBW has received a copy of the certification of an Environmental Impact Report for the transfer and reuse of Naval Station Treasure Island and expansion of the Marina from 2005. According

to TIE, permits from Bay Conservation and Development Commission, Regional Water Quality Control Board, and the US Army Corps are necessary but have not yet been acquired. If this loan is approved, loan provisions require submission of permits to DBW.

Public Opposition

Since the May 11, 2016 Commission meeting where the public and Commission members expressed concern regarding balancing uses of Clipper Cove. TIE and the Treasure Island Sailing Center (TISC) have continued negotiations of a marina design to meet the needs of both organizations. As of October 25, 2016, a final design was fully agreed on by TIE and TISC. Recent additional changes to the final design appear to DBW staff to be favorable for TISC.

ECONOMIC ANALYSIS

Three typical factors used by DBW to determine economic feasibility of a proposed loan are the following: One, the borrower demonstrates that adequate capital is available to finance the project to completion. Two, the borrower demonstrates that revenues will be sufficient to operate and maintain the project area, including the repayment of any debt. Three, the borrower proposes adequate collateral for the loan.

Capital

As identified above, TIE estimates the cost of marina design, entitlements, construction of Phase 1, and related activities to be approximately \$18.1 million. To date, only the \$4.2 million DBW loan has been specifically identified by TIE for Phase 1. TIE's managing partner has stated his and his partners' private equity capital would be used to fully fund Phase 1 of the TIE marina project up to the anticipated total capital amount needed to pay for costs beyond those covered by the loan.

When construction is not fully funded by the DBW loan, CCR Title 14, Section 5172(a)(9) requires that the funding plan, including sources of additional construction funds, be identified. In addition, CCR Title 14 Section 5175 (g) prohibits the subordination of DBW's loan to any future loan.

Because the letter from the managing partner references partners who have not personally verified their commitment to the project, and because the division of commitment between partners is was not made clear in the letter, DBW does not consider full funding of Phase 1 to be confirmed. Additionally, staff recommends that DBW review the terms of partner's equity agreement to confirm that funding used is not borrowed and subject to debt burden.

For example, in a past partner equity agreement, unrelated to subject of this report, DBW discovered that the initial investment and what was termed "partner equity" was, in reality, a loan from the equity partners that was expected to be repaid through marina operations at an interest rate of 12%. This kind of funding condition is a type of "subordination" which is prohibited. This is why staff recommends that no loan funds shall be made available until TIE obtains DBW's prior written approval of the agreement between TIE's equity partners that confirms how they will fund Phase 1 construction.

Slip Fee Revenue

Per TIE's revised proposal, expected slip fees for the proposed marina, in 2019 dollars, are somewhat commensurate to surrounding marinas except for 80 foot slips; see Table 3. In addition, according to the most recent documentation submitted, TIE estimates that slip fees

would increase by 2% annually. Based on the fees shown in Table 3, a 45 foot boat berthed at Treasure Island Marina would pay a monthly slip fee of \$755.10 in 2019.

Table 3: Slip Fee Comparison, 2019

Slip Sizes	40'	45'	50'	80'
Berkeley Marina	\$ 11.39	\$ 11.39	\$ 12.08	\$ 14.37
San Francisco Marina	\$ 16.63	\$ 16.63	\$ 17.00	\$ 17.35
Treasure Island Marina	\$ 13.26	\$ 16.78	\$ 18.30	\$ 32.64

Note: Berkeley and San Francisco prices based on 2016-17 quotes, increased 2% annually for two years

Liveaboard Revenue

TIE expects to start allowing liveaboard boaters in 2019. TIE anticipates having 20 liveaboard slips at the conclusion of Phase 1, eventually increasing to 30 once all phases are complete. TIE's marina management company will charge TIE a "live aboard surcharge" fee for managing the liveaboard program. According to TIE, this expense will not vary based on liveaboard occupancy or TIE's liveaboard revenue.

TIE intends to charge a fee of \$3,250 per month for liveaboards at the marina in 2018, with this fee increasing to \$3,315 per month in 2019 and 2% per year thereafter. TIE has informed DBW the liveaboard fee will represent the entire berth fee for liveaboards; it will not be an additional charge on top of the normal slip fee.

According to DBW staff research, other Bay area marinas that allow liveaboards charge a monthly liveaboard fee in addition to the regular slip fee. Table 4 below lists a sampling of current liveaboard fees in the Bay area.

Table 4: Current and Proposed Liveaboard Fees

Marina	Location	Slip Rental Fee for 45' Boat	Monthly Liveaboard Fee	Total Monthly Fee for Two People on 45' Boat
Berkeley Marina	Berkeley	\$492.75	\$200.00	\$692.75
Pier 39 Marina	San Francisco	\$545.00	\$200 as of 2014 (not currently taking apps)	\$745.00
Marina Bay Yacht Harbor	Richmond	\$559.98	\$200.00	\$759.98
Brickyard Cove Marina	Richmond	\$575.75	\$175.00 first person, \$100.00 additional	\$850.75
Westpoint Harbor	Redwood City	\$500.00	\$375.00	\$875.00
Marina Village Yacht Harbor	Alameda	\$652.00	\$350.00	\$1,002.00
Treasure Island Marina (TIE proposed fee for liveaboard berths, 2019)	San Francisco	no slip fee for liveaboards	\$3,315.00 flat fee	\$3,315.00

Source: DBW research and TIE slip revenue forecast dated 3/6/17
Note: All fees besides Treasure Island Marina's were advertised online as of 3/29/17 unless noted.

TIE is proposing a liveaboard fee that is more akin to the rental of an apartment. According to TIE, its projected liveaboard fee "is based on TIE's expectation that future liveaboards will view the new marina as a unique, and premium live aboard program that is unmatched in the Bay Area given its proximity to the master development activities of TIDA and its master developer

program at Treasure Island. There is no comparable for that offering anywhere in the Bay Area.” TIE has informed DBW it expects the first phase of master development activities to be completed in 2019. However, until that development occurs, DBW is uncertain whether TIE can command liveaboard rates at the level proposed.

Although TIE’s ordinary slip rental fees, as illustrated in Table 3, appear reasonable compared to nearby marinas, the subset of slips that will carry the higher liveaboard fees are significantly above market. Harbors and Navigation Code Sections 76.7 (c) and (d) forbids private loan recipients from charging unreasonably high boat berthing fees, and requires DBW to monitor the berthing fees of private marina owners receiving loans to ensure rates are reasonable and not exorbitant. Staff is concerned the proposed fee may be exorbitant. Staff is also concerned that if TIE cannot collect this fee, the project will not generate sufficient revenues to repay the proposed loan (as discussed below).

Occupancy

TIE expects occupancy rates of existing slips to remain at current levels, and occupancy rates of new slips after construction to begin at 50% and increase to 90% by 2026. Berkeley Marina, which has a combination of recently renovated and older slips, is currently experiencing occupancy rates of approximately 80%. San Francisco Marina West Harbor, which was recently renovated, has occupancy rates of 92%. DBW has used TIE’s assumptions, including its projections of increasing occupancy rates, in the revenue projections in Tables 5 and 6.

Revenue

A project’s financial feasibility partly depends on whether there would be sufficient revenue to pay for project expenses on an annual basis, including the repayment of the proposed DBW loan. Slip fees, liveaboard fees, and occupancy rates are all significant drivers for TIE’s revenue estimates.

The pro formas submitted by TIE include revenue and expense forecasts based on completion of the entire 313-slip project. However, since funding for future phases is not guaranteed, DBW’s financial analysis must consider only the incremental funding currently being requested. Tables 5 and 6 include footnotes that list assumptions DBW has made to assess whether the proposed Phase 1 loan will provide sufficient revenue for operations and loan repayment in the event that no planned construction work after Phase 1 is completed.

Due to TIE’s liveaboard fee proposal, and the difficulties in predicting how a private entity will react if it does not realize the profits it hopes to generate from an investment, it is difficult to determine whether TIE’s business model is sustainable. Therefore, staff has included two financial analyses with this report; one with the liveaboard program fully realized and one with no liveaboard element:

- Table 5 adopts most of TIE’s revenue assumptions, including those associated with its liveaboard program and the increase of liveaboard revenue by 2% each year after 2019, the year in which Phase 1 is scheduled for completion.

Table 5 assumes TIE can command the fees it expects for its liveaboard program. However, if the liveaboard fee needs to be reduced to the point it becomes competitive with other nearby marinas, the expense of the liveaboard program will exceed the revenues TIE would collect at even 100% occupancy. In that case, DBW’s financial analysis assumes TIE never initiates the program and avoids its related expense, as shown in Table 6.

-
- Table 6 makes all the same assumptions as Table 5, except it entirely removes the liveaboard program's revenues (and expenses) from the analysis.

Expenses

Tables 5 and 6 identify anticipated expenses based on TIE's most recent pro forma, except the annual maintenance dredging expense and the maintenance reserve as discussed below. Table 6 removes liveaboard-specific expenses (and revenues) for the reasons discussed above.

Maintenance Dredging Reserve

As the rate of sediment accumulation is unknown at this time, staff previously recommended that TIE complete a study to determine estimated accumulation of siltation of the new proposed marina, the estimated dredging expense, and the estimated rate of occurrence required to maintain a viable marina. This study was intended to determine how much money shall be budgeted for this expense and placed into a Maintenance Dredging Reserve Escrow account annually (adjusted for inflation) for ongoing maintenance dredging.

TIE has informed DBW it will not provide this analysis, stating: "TIE is unable to provide DBW with a cost estimate or rate of occurrence for future dredging given the fact that it is impossible to know how slow or fast siltation may occur at Clipper Cove and other intangibles that will only be proven over time. TIE will, however, pay all maintenance dredging costs as they may arise in the future. TIE will put aside a total of \$25,000.00 annually into a dedicated future dredge reserve fund, up to a total of \$225,000."

While DBW hopes the actual need for dredging ends up being as low as TIE's estimates indicate, we cannot ignore the possibility that actual costs could be higher and that two other DBW loans in the bay area have defaulted due to improper budgeting for siltation. In the absence of new data from TIE, DBW continues to use the same \$150,000 estimate for annual maintenance dredging it used in its November 2016 report, and DBW recommends funding a dredging reserve account up to a maximum of \$300,000 be a condition of the loan.

DBW Reserve Account

TIE's most recent pro forma does not include a DBW-required reserve account for unforeseen expenses as required by CCR Title 14, Section 5175(a). TIE proposes to set aside \$25,000 annually for maintenance, but this is below DBW's established minimum requirement of 2% of gross revenues for all loans. This reserve level has been in place for more than 15 years. DBW 2% reserve requirement is included in Tables 5 and 6. The 2% contribution will be a condition of the loan.

Collateral

TIE proposes the collateral for the proposed loan would "be the rents from the marina, the marina personal property and the leasehold interest in the marina." The collateral documents would include a lease-lease back, security agreement, recorded collateral assignments of rents and leases, and ongoing UCC-1 filings.

The minimum collateral amount required by the Harbors and Navigation Code section 76.6(b) is 110% of the loan. The proposed improvements meet that minimum requirement. However, in the event of default, the lease-lease back would make DBW liable for the annual lease payments to TIDA. According to documentation supplied by TIE, the currently agreed base rent is \$100,000.

In November 2016, staff recommended as a condition of the loan that a provision be included in the TIDA lease that confirms the State will not be required to make any lease payments to TIDA in the event of a TIE default. This has not yet occurred. The latest lease language does not fully address default conditions as it relates to offered collateral, specifically the lease-lease back instrument. Staff recommends that proof of this provision, specifically as it relates to offered collateral, be included in the lease and that this be a condition of the loan.

FINANCIAL MEASURES

Income Expense Ratio

Since 2009, it has been DBW's practice to require a 1.2:1 income to expense ratio. Table 5 indicates the project meets this requirement in all years after 2018 if the liveaboard program is successful, while Table 6 indicates that the project does not meet this requirement until 2021 if the liveaboard program is not implemented.

Debt Service Coverage Ratio

The Debt Service Coverage Ratio (DSCR) is a measure of an entity's capacity to not only maintain operations, but also to afford debt. The minimum DSCR established by the Commission at its May 2009 meeting was 1.25 for public marina loans. A separate DSCR for private loans has not been established by the Commission, but due to the increased risk of private marina loans, staff recommends a higher DSCR be considered for private marina loans. The calculation for determining this ratio is:

$$\text{DSCR} = \text{Net Operating Income} / \text{Total Debt Service.}$$

TIE's success in implementing the premium liveaboard program it proposes appears essential for the project to meet this ratio. As Table 5 shows, if TIE generates the demand it anticipates for liveaboards at the proposed monthly fee and occupancy level, TIE will consistently meet DBW's DSCR requirement after 2018. However, as Table 6 shows, if TIE determines that the liveaboard program cannot be profitably implemented, the DSCR will be below 1.25 from 2018 through 2027, even if TIE incurs no liveaboard-specific expenses. And if TIE runs the liveaboard program at a loss for any length of time, its ability to meet the ratio may be further impacted.

Due to the number of variables that could affect TIE's ability to cover debt, staff continues to recommend requiring capitalization of a separate Payment Reserve Escrow Account which must be funded with no less than two years loan payments totaling approximately \$640,000 that would remain in the escrow account until TIE demonstrates to DBW that the marina can maintain a minimum DSCR of 1.25 through the remaining term of the loan.

CONCLUSION

The Department of Parks and Recreation, Division of Boating and Waterways (DBW) seeks Commission Advice and Comment to this proposed \$4,200,000 loan (HWRF) to Treasure Island Enterprises, LLC for the improvements described in this April 5, 2017 Feasibility Report, and recommends that if the Commission advises the Department to proceed with the requested loan, conditions be written into the loan agreement. Staff's recommendations for these conditions are as follows:

-
1. No loan funds shall be available until DBW receives the final lease agreement between TIDA and TIE that incorporates the collateral requirements (specifically the lease-lease back) of this loan and includes a provision that in the event TIE defaults on its loan with DBW, DBW shall have no obligation to make any lease payments to TIDA.
 2. As customary with DBW loans, loan funding will be provided on a reimbursement basis only.
 3. No loan funds shall be available for construction until engineers from the Department of Parks and Recreation, Division of Acquisition and Development confirm that the project design is compatible with 50-year sea level rise projections.
 4. No loan funds shall be available for construction until TIE funds a \$300,000 Maintenance Dredging Reserve Escrow Account.
 5. No loan funds shall be available until \$640,000 is placed in an additional and separate Payment Reserve Escrow Account which must remain funded until TIE demonstrates that the marina can maintain a minimum Debt Service Coverage Ratio of 1.25 throughout the remaining term of the loan.
 6. TIE must agree to fund a maintenance reserve account at the customary level of 2% of the marina's gross annual revenues.
 7. No loan funds shall be made available until TIE obtains DBW's prior written approval of the agreement between TIE's equity partners that confirms how they will fund Phase 1 construction. This is in compliance with California Code of Regulations Title 14, Section 5172(a)(9) which requires that the funding plan, including sources of additional construction funds, be identified. This will also ensure that funding used is not borrowed and subject to debt burden.

COMMISSION ADVICE AND COMMENT

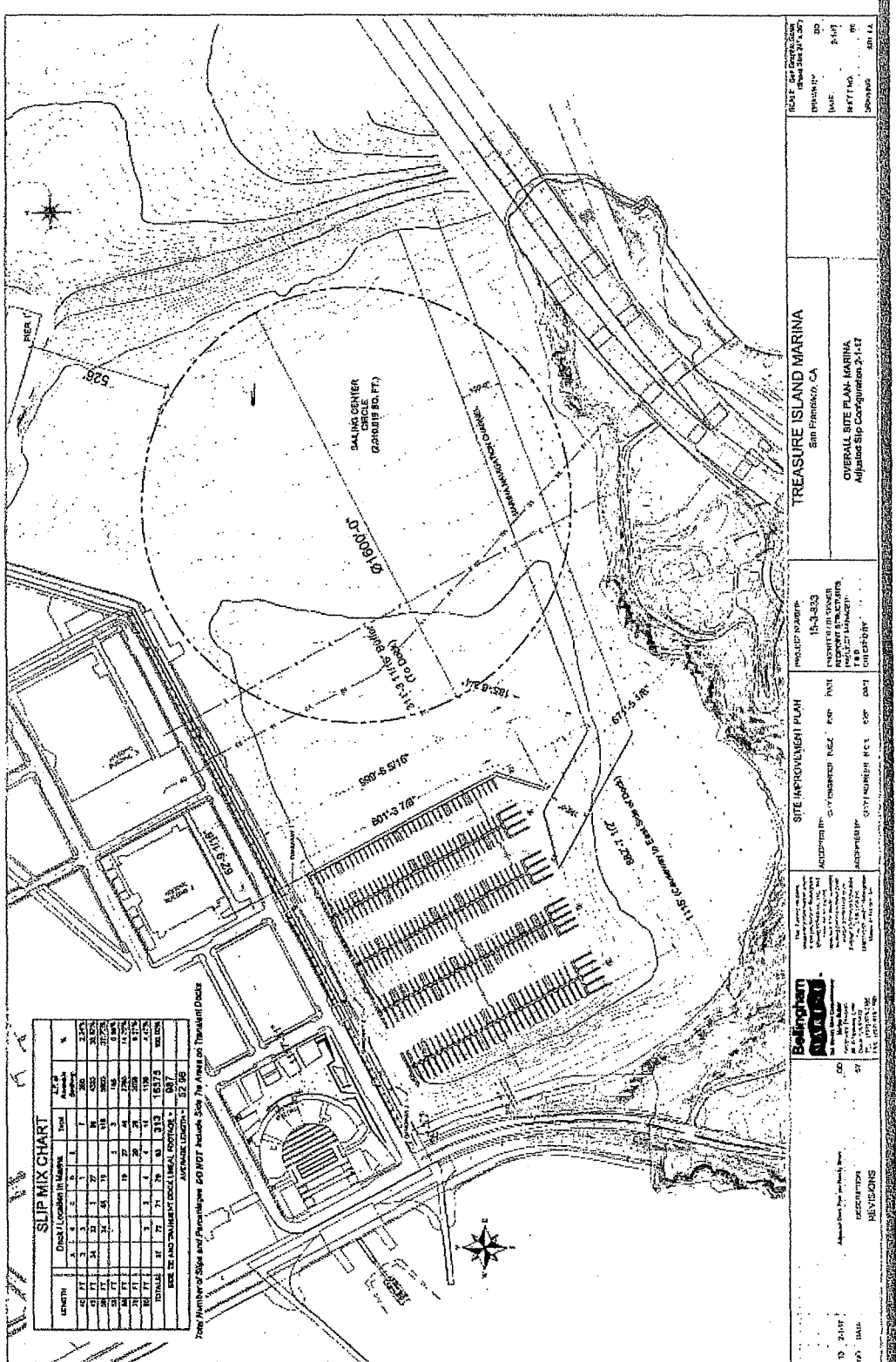
DBW seeks Commission Advice and Comment on Treasure Island Enterprises' request for a \$4,200,000 loan from the Harbors and Watercraft Revolving Fund and staff's recommended conditions for the improvements described in this April 5, 2017 feasibility report.

**TABLE 5: TREASURE ISLAND MARINA
CASH FLOW PROJECTIONS AND DEBT SERVICE COVERAGE RATIO WITH TIE'S PROPOSED LIVEABOARD REVENUES AND EXPENSES
CY 2017 THROUGH CY 2038
(Figures in Thousands)**

	Current year, estimated by TIE	Phase 1 Construction, partial occupancy	Phase 1 First full year after construction	All revs & exps per TIE pro forma except where noted, adjusted for Phase 1 development only, and assume 2%/yr fee & cost increases after 2019																		
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
REVENUES																						
Berths - Regular (1)		962	898	904	1,014	1,128	1,221	1,246	1,271	1,286	1,322	1,349	1,375	1,403	1,431	1,459	1,489	1,518	1,549	1,580	1,611	1,644
Berths - Guest Revenue (2)		16	45	45	51	56	61	62	64	65	68	67	69	70	72	73	74	76	77	79	81	82
Berths - Liveaboards (3)		0	557	603	745	760	776	791	806	823	839	856	873	890	908	926	945	964	983	1,003	1,023	1,043
Transient Dock (2)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Dry Storage - Dinghy (2)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Subtotal: Slip Rent/Dry Storage		878	1,500	1,558	1,810	1,945	2,057	2,099	2,140	2,183	2,227	2,272	2,317	2,363	2,411	2,459	2,508	2,558	2,609	2,661	2,715	2,769
Laundry/Vending (2)		6	14	15	15	16	16	16	17	17	17	18	18	18	19	19	19	20	20	21	21	21
Electricity (2)		77	78	80	83	85	88	88	90	92	93	95	97	99	101	103	105	107	110	112	114	116
Subtotal: Ad'l Revenue		83	92	95	98	100	102	104	106	109	111	113	115	117	120	122	125	127	130	132	135	138
TOTAL REVENUES	349	961	1,592	1,652	1,908	2,045	2,160	2,203	2,247	2,292	2,338	2,384	2,432	2,481	2,530	2,581	2,633	2,685	2,739	2,794	2,850	2,907
EXPENSES																						
Rent (per Ground Lease) (4)	90	100	102	104	106	108	110	113	115	117	120	122	124	127	129	132	135	137	140	143	146	149
Percentage Rent (5)																						
Salaries & Fringe (Sal + Payroll Tax + Ins.)	83	231	242	247	252	257	262	267	273	278	284	289	295	301	307	313	319	326	332	339	346	353
Insurance/Account Legal	33	42	43	44	45	46	47	47	49	49	50	51	52	53	55	56	57	58	59	60	61	63
Direct Operating Expenses (6)	45	194	199	203	207	211	215	220	224	229	233	238	243	247	252	257	263	268	273	279	284	290
Office to Rent	14	74	75	77	78	80	81	83	84	85	88	90	91	93	95	97	99	101	103	105	107	109
Possessory/Property Tax	6	119	119	121	124	126	129	131	134	137	139	142	145	148	151	154	157	160	163	167	170	173
Utilities	3	19	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	62	63	64
Overhead/Management/Almar	29	46	114	116	119	121	123	126	128	131	134	136	139	142	145	147	150	153	156	160	163	166
Liveaboard Surcharge (7)	0	0	177	181	184	188	192	195	199	203	207	212	216	220	224	229	234	238	243	248	253	258
Maintenance Dredging Reserve (8)	0	0	0	0	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	150
DBW req'd maintenance reserve (9)		18	32	33	38	41	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58
Subtotal Operating Expenses:	302	844	1,147	1,170	1,198	1,374	1,400	1,425	1,451	1,476	1,504	1,530	1,558	1,586	1,615	1,644	1,674	1,704	1,736	1,767	1,800	1,833
NET OPERATING INCOME	47	117	445	482	710	671	760	777	796	815	834	854	874	895	916	937	959	981	1,003	1,026	1,050	1,074
Less: DBW DEBT SERVICE (\$4.2 MILLION LOAN, 4.5% INTEREST RATE, 20 YEAR REPAYMENT TERM)		160	320	320	320	320	320	320	320	320	320	320	320	320	320	320	320	320	320	320	320	320
Less: Ad'l DEBT SERVICE (10)																						
NET INCOME	47	(43)	125	162	390	351	440	457	476	495	514	534	554	575	596	617	639	661	683	706	730	814
DBW INCOME/EXPENSE RATIO (min. 1.2:1 req'd)	1.16	1.14	1.39	1.41	1.59	1.49	1.54	1.55	1.55	1.55	1.55	1.56	1.56	1.56	1.57	1.57	1.57	1.58	1.58	1.58	1.58	1.59
DEBT SERVICE COVERAGE RATIO (min. 1.25 req'd)	N/A	0.73	1.39	1.51	2.22	2.10	2.37	2.43	2.49	2.55	2.61	2.67	2.73	2.80	2.86	2.93	3.00	3.06	3.14	3.21	3.28	6.71

NOTES:

- Berth revenue projections submitted by TIE for new slips are based on forecasted slip mix, occupancy projections, and rental rates computed by Almar Management. Construction occurring 2018 with first full year of occupancy in 2019, and occupancy increasing at rates forecasted by TIE but adjusted by DBW to reflect only Phase 1 being developed. In this forecast, DBW assumes maintenance of current occupancy levels for existing/old slips, and 2%/yr increases on monthly fees for those slips.
- Future revenue estimated by TIE, graduating 2% annually after 2019, which is the first full year after construction. Guest revenue is expected to be 5% of slip revenue.
- TIE's proposal for liveaboard assumes 20 liveaboard slips, occupancy of 70% in 2018 increasing to 90% in 2024; monthly charge of \$3,315 ea/mo. In 2019, increasing 2% annually thereafter. This table adopts that proposal and assumes 20 45-foot berths will be used as liveaboard slips.
- Ground rent of \$100,000 per year, forecasted to increase annually by 2%. Percentage rent will be offset by a credit in the lease agreement for construction dredging.
- Per the TIO/TIE lease agreement, percentage rent is to be offset by \$8 million in credits for construction dredging. Due to difficulties in forecasting this item, DBW has excluded it from this analysis.
- Direct operating expenses are Contractor Expenses less salary, payroll tax and insurance.
- According to its most recently submitted financial documents, TIE has used the "liveaboard surcharge" line item in its expenses as the place where TIE captures the added costs of operating and maintaining the liveaboard boaters in the marina. TIE proposed a \$177,000 expense for the liveaboard surcharge in 2018. DBW has adopted TIE's proposal in this table.
- Maintenance Dredge Reserve - estimated \$150,000 payment to begin the third year (2022) after construction dredging is complete (2019). TIE intends to only provide \$25,000 annually up to a \$225,000 maximum, but has submitted no justification for this estimate, which DBW considers unrealistically low.
- DBW Maintenance Reserve per Exhibit A, Art. 2, Definition Q, of DBW's standard Loan Agreement. DBW standard reserve is 2% of Project Area Gross Revenues. TIE proposes a \$25,000 annual asset reserve fund, but this would not comply with DBW requirements.
- DBW has not yet identified any additional debt service, but DBW has not verified the private equity available for this project, and it is possible the private partners could finance this equity through additional loans.



SLIP MIX CHART

LENGTH	Depth Location	Slip	Total	%
40'	1	1	1	2.33%
35'	1	1	1	2.33%
30'	1	1	1	2.33%
25'	1	1	1	2.33%
20'	1	1	1	2.33%
15'	1	1	1	2.33%
10'	1	1	1	2.33%
5'	1	1	1	2.33%
3'	1	1	1	2.33%
2'	1	1	1	2.33%
1'	1	1	1	2.33%
TOTAL			43	100%

NOTE: Number of Slips and Percentages DO NOT include Slips for Accession Throughway Catches.

PRELIMINARY - NOT FOR CONSTRUCTION

TREASURE ISLAND MARINA
San Francisco, CA

OVERALL SITE PLAN - MARINA
Adjusted Slip Configuration 2-1-17

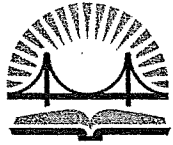
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ISSUED FOR REVIEW: PROJECT LABORATORY
DATE: 2-1-17
PROJECT NO.: 15-3-839
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SFUSD SAN FRANCISCO
PUBLIC SCHOOLS

DIVISION OF CURRICULUM & INSTRUCTION, STEM – SCIENCE DEPARTMENT
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May 19, 2017

R. Zachary Wasserman, Chair
Bay Conservation and Development Commission
455 Golden Gate Avenue, Suite 10600
San Francisco, CA 94102-7019
via email: brad.mccrea@bccdc.ca.gov

Dear Mr. Wasserman:

On behalf of the Science Department of the San Francisco Unified Public School District, I write to encourage the Bay Conservation and Development Commission to protect Clipper Cove at Treasure Island. This ask echoes the US Sailing Association and the Sierra Club in urging you to reject the recent marina expansion proposal forwarded by Treasure Island Enterprises.

Over the past three years over thirty-five SFUSD elementary schools have participated in the sailing STEM classes taught on Clipper Cove by the Treasure Island Sailing Center (TISC). The classes are full STEM (science, technology, engineering, and mathematics) curricula that meet 4th grade Next Generation Science Standards (NGSS). They include: Ecology of the Bay, Maritime History, and Power of the Wind. As part of the Science Enrichment Pathway, I have been able to fund dozens of students in the past semester to attend, all with glowing reviews of their experiences.

These classes are making a vital contribution to our work in the classroom, and more importantly they are making a significant contribution in the development of our students. For many of the students these classes are their first on-the-water experience of San Francisco Bay.

However, the Treasure Island Sailing Center has been explicit that the proposed marina expansion would significantly harm their programs and would significantly reduce public access (especially for beginning sailors), including a 25% reduction of the sailing area used by the STEM program. For full detail and documentation, see the April 17, 2017 note posted on the Sailing Center's website here: <https://tisailing.org/resources/news-and-press-releases>

Clipper Cove is an extremely valuable public resource. Due to unique geography it provides the extremely rare combination of good wind, flat water, and no currents. It is recognized as one of the best small boat venues on the west coast and is ideal for teaching youth sailing. About 10 times the size of McCovey Cove, Clipper cove is by far and away San Francisco's most important protected open water.

As proposed, the marina expansion would have a dramatic negative impact on public education and public recreation on the San Francisco Bay.

Under this proposal, the marina would expand from covering 7% of the Cove to covering 31% of the Cove, an

expansion of 342%, permanently eliminating public access to 1/3rd of the Cove. In addition, the configuration of the marina footprint would leave only a narrow and challenging entrance to the Cove, effectively blocking beginning sailors from the Cove. High school and collegiate racing will be pushed part way out of the Cove, mandating the expense of additional safety boats as well as prompting additional racing limitations and cancellations when conditions outside the Cove become dangerous. [For documentation see at link above.]

The Treasure Island Sailing Center, through its many programs, gets thousands of people sailing out on the water every year. Most impressively, many low-income youth have a chance to learn how to sail, a chance that in all likelihood they would not have without the Center and Clipper Cove. The Sailing Center is a very special institution - no one is ever turned away. Full and partial scholarships are always available for its summer and after-school programs. The US Sailing Association recently awarded the Treasure Island Sailing Center the Kilroy award given annually each year to a program that has made "*notable contributions in promoting public access sailing by identifying and actively including people who would normally have no access to sailing.*"

By teaching youth how to sail on Clipper Cove, the Treasure Island Sailing Center is fostering a generation of Bay Area residents who understand the value of the Bay and will work to protect this vital public resource. The San Francisco Bay Plan specifically recognizes the importance of recreation to conservation: "Participating in recreation activities on the Bay and along its shoreline can inspire an appreciation of the Bay and can motivate people to participate in the responsible management and protection of the Bay." (San Francisco Bay Plan, reprinted March 2012, at p. 58.)

The STEM classes offered on Clipper Cove through the Sailing Center are making an invaluable contribution to our students. These classes are also providing our students with an important introduction of the San Francisco Bay. Protecting the Cove is vital to maintaining the integrity of these classes.

We urge to protect Clipper Cove and reject the proposed marina expansion.

Sincerely,

Vanessa Carter

Vanessa Carter
Environmental Literacy Content Specialist



San Francisco Group of the San Francisco Bay Chapter

Reply to:
Sierra Club, San Francisco Group
1474 Sacramento St., #305
San Francisco, CA 94109

April 30, 2018

San Francisco Board of Supervisors
1 Dr. Carlton B. Goodlett Place, City Hall, Room 244
San Francisco, CA 94102-4689
Email: Board.of.Supervisors@sfgov.org

Re: Clipper Cove planning resolution #180331

Dear Supervisors:

I write on behalf of the San Francisco Group, Sierra Club, to urge you to support the Clipper Cove planning resolution #180331 introduced by Supervisor Jane Kim.

The San Francisco Group has evaluated the marina development proposal approved by the Treasure Island Authority on Oct. 30, 2017, and found that the scale of the marina as currently proposed is much greater than can be accommodated without significant negative impact on public recreation and education on the San Francisco Bay. A report issued by the Treasure Island Sailing Center (TISC) in May of 2017 details how the proposed marina would incur significant negative impacts on public access, including a dramatic reduction in access to the Cove for youth.

The Club is also deeply disturbed by potential impacts on the eelgrass beds on the south side of Clipper Cove, the potential impacts on views of open water and the new eastern span of the Bay Bridge, and the restriction of space for anchor-out recreation in the Cove.

The recent proposal by TIDA staff director Bob Beck that the critical issues of dredging and protection of eelgrass should be addressed by BCDC after City approval of the TIDA development proposal is wholly inappropriate. No City action on marina development should be taken until these issues are assessed and fully understood. The failure of the 2006 EIR to address these issues should not be compounded by failing to address them now.

An April 2017 assessment of the TIE marina proposal by the California Division of Boating and Waterways revealed, for the first time on record, that the wave attenuator wall proposed for the marina might change siltation patterns in the Cove. **The Club notes that changing siltation in Clipper Cove could dramatically impact existing eelgrass beds on the south side of the Cove.** Wave attenuators and even marina docks and boats in the marinas have the well-documented potential to affect eelgrass adversely.ⁱⁱ This risk and potential outcome is not identified considered or evaluated in any way by the 2006 project FEIR for the proposed marina.

The DBW assessment notes that the seawall attenuator proposed by TIE “typically results in the deposition of silt,” and estimates maintenance dredging for an entrance channel will cost \$150,000 yearly and further notes that the San Francisco Marina now spends \$500,000 annually to resolve unanticipated silting that occurred after the installation of a wave attenuator there.ⁱⁱⁱ Silting is also now occurring in the inner basin of the San Francisco Marina posing additional significant costs.

DBW reports that two other DBW loans in the Bay Area have “defaulted due to improper proper budgeting for siltation. DBW also notes that in an earlier financial pro forma submitted to DBW in December 2015, TIE estimated maintenance dredging at \$374,000 annually.

In response to this DBW finding, the developers formally responded to DBW by stating: “TIE is unable to provide DBW with a cost estimate or rate of occurrence for future dredging given the fact that it is impossible to know how slow or fast siltation may occur at Clipper Cove and other intangibles that will only be proven over time.”^{iv}

This is a clear and documented admission by the project developers that they have not properly considered, identified, nor provided mitigation measures for changing siltation patterns in Clipper Cove due to development of the proposed marina. No marina development of any scale should proceed in Clipper Cove until the risk of changing siltation is properly evaluated and the necessary mitigation measures identified.

Disturbingly, this State DBW report is not mentioned in the TIDA staff report to the TIDA Board submitted in support of the marina development proposal adopted by the TIDA Board on Oct. 30, 2017.

Keith Merkel, the leading biological expert on the eelgrass beds in Clipper Cove has conducted a preliminary assessment of the proposed marina expansion.

Merkel’s assessment validates the DBW finding that the proposed marina may change siltation and sedimentation in the Cove. His assessment also validates

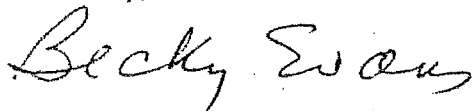
the notice by the Sierra Club to TIDA that changing siltation and annual maintenance dredging both pose a potential threat to the eelgrass in the beds, a threat that is substantial. Finally, his assessment establishes that the 2006 EIR does not address the potential of changing siltation and sedimentation in the Cove. This is new, substantial, and important information relevant to the environmental impact of this project.

See attached correspondence from Keith Merkel documenting his assessment, submitted to TIDA on Oct. 11, 2017.

The Treasure Island Sailing Center developed two alternate scenarios to illustrate different options for development of a marina in Clipper Cove. We have reviewed these scenarios as well as various proposals by the developers. The Group has endorsed the Sailing Center's minimum impact option as the best proposal presented for development of a marina in Clipper Cove. The minimal impact option is designed to allow for a doubling of the number of berths in the marina, and an increase in the average berth length from 31' to 42'. While this expansion is dramatic, the impact on current use of the cove would be minimized.

On behalf of the SF Group's 8200 members and countless others who use Clipper Cove, I urge you support the Clipper Cove planning resolution in order put marina development in the Cove back onto sound footing.

Sincerely,



Becky Evans
Chair, San Francisco Group

CC:

San Francisco Supervisor Jane Kim: Jane.Kim@sfgov.org

ⁱMerkel, K.W. 1991. Identifying impacts and developing mitigation for eelgrass (*Zostera marina*) meadows within developing and expanding marina. In: Ross, N.W. (ed.). 1991 Marina Research Reprint Series. International Marina Institute, Wickford, RI

ⁱⁱ Keith Merkel, Merkel and Associates, August 2017: email communication on file.

ⁱⁱⁱ See pages 3 and 12 of DBW report "Treasure Island Marina Feasibility Report," April 5, 2017.

^{iv} See page 3 of DBW report "Treasure Island Marina Feasibility Report," April 5, 2017.

San Francisco Sierra Club

Good afternoon Supervisor,

I am Becky Evans, Chair of the San Francisco Group of the Sierra Club.

The Sierra Club strongly supports the proposal before you today.

Clipper Cove at Treasure Island is the largest and most valuable protected open water in San Francisco.

The Cove is one of the most important natural resources in San Francisco.

The proposal by the developers to take one-third of the Cove for a private luxury marina is an unacceptable sacrifice of public access to the San Francisco Bay.

In addition to sacrificing public access, this plan also poses a significant threat to eelgrass beds in the Cove. As you know, eelgrass is a critically important keystone species in the ecosystem of the Bay.

Earlier this year, the California Division of Boating and Waterways issued a troubling report on this marina expansion proposal.

Among many disturbing findings, the state report revealed, for the first time, that proposed marina and wave attenuator wall may change siltation and sedimentation in the Cove, causing the Cove to fill in, necessitating annual dredging expenses running into the hundreds of thousands of dollars.

Because of this report, the Sierra Club notified TIDA on September 5th that the newly identified potential of a change in siltation as well as the potential necessity for annual maintenance dredging would both threaten the eelgrass beds in the Cove.

The Club also notified TIDA that this threat is not addressed by the 2006 project EIR.

The failure of TIDA staff to include and review this issue in the TIDA staff report is a major omission and major defect in the Findings of Fact for TIDA's Oct. 30 decision.

Since that time Keith Merkel, the leading biological expert on the eelgrass beds in Clipper Cove has conducted a preliminary assessment of the proposed marina expansion.

His assessment validates the DBW finding that the proposed marina may change siltation and sedimentation in the Cove. His assessment also validates the notice by the Sierra Club that changing siltation and annual maintenance dredging both pose a potential threat to the eelgrass in the beds, a threat that is substantial. Finally, his assessment establishes that the 2006 EIR does not address the potential of changing

San Francisco Sierra Club

siltation and sedimentation in the Cove. This is new, substantial, and important information relevant to the environmental impact of this project.

Today I submit correspondence from Keith Merkel documenting his assessment.

We urge San Francisco leaders to support this proposal to protect Clipper Cove.

The vision for marina redevelopment in Clipper Cove could and should be improved upon.

April 30, 2018



SAN FRANCISCO
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April 11, 2018

San Francisco Board of Supervisors
1 Dr. Carlton B. Goodlett Place
City Hall, Room 244
San Francisco, CA 94102-4689
Email: Board.of.Supervisors@sfgov.org

Re: Support of Clipper Cove Resolution

Dear San Francisco Board of Supervisors

I write on behalf of San Francisco Baykeeper (“Baykeeper”) in support of the resolution responding to the recent proposal to expand the private marina located in Clipper Cove at Treasure Island and reaffirming San Francisco’s commitment to public recreation, public education, environmental protection, preservation of public open space, and social equity, introduced by Supervisor Jane Kim introduced on April 3, 2018.

Baykeeper is a non-profit organization that works to protect and enhance the water quality and natural resources of San Francisco Bay, its tributaries, and other waters in the Bay Area, for the benefit of its ecosystems and communities. Baykeeper has over 5,000 members and supporters, many of whom use San Francisco Bay on a regular basis for recreation, including sailing, kite surfing, swimming, and kayaking. Our mission is not only to ensure that the Bay is safe and healthy to recreate in the Bay, but also to work to protect and promote public access.

On October 2, 2016, Baykeeper sent a letter to Hunter Cutting with Save Clipper Cove noting our opposition to and concern with the proposed marina expansion project at Clipper Cove on Treasure Island (“Project”). (*See Attachment*). On October 9, 2017, Baykeeper sent a follow-up letter to Treasure Island Development Authority (“TIDA”) Board of Directors reiterating and incorporating our earlier comments and expressing additional concerns relating to the Project. (*See Attachment, Exhibit A*). In the second letter, Baykeeper was primarily concerned with the Project’s adverse impacts to youth programs that take place at Clipper Cove and the outdated and inadequate environmental review for the Project.

We remain concerned about the same issues and believe that the San Francisco Board of Supervisors should act proactively to define what type of development at Clipper Cove is appropriate. The resolution proposed by Supervisor Kim outlines the principles for Clipper Cove development that will preserve access for beginning sailors and students, as well as protect important environmental resources. We urge the San Francisco Board of Supervisors to adopt the resolution.

One of our main concerns is preserving access for beginning sailors and those in the sailing STEM program. Clipper Cove houses San Francisco’s only community sailing center, the Treasure Island Sailing Center. This program provides access for thousands of youth to sailing opportunities, including a sailing STEM program, which serves over 1,500 elementary schoolers each year in San



Pollution hotline: 1 800 KEEP BAY
www.baykeeper.org

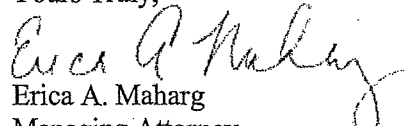
1736 Franklin Street, Suite 800
Oakland, CA 94612
(510) 735-9700

Francisco Unified School District. It is necessary that the Sailing Center activities not be displaced by development, in order to retain protected and calm water for beginning sailors.

Another main concern of ours is the protection of eelgrass beds. Eelgrass exists underwater in the southern portion of Clipper Cove. Native eelgrass provides habitat for wildlife in the San Francisco Bay and is one of the rarest habitats in California. The National Marine Fisheries California Eelgrass Mitigation Policy requires no net loss of eelgrass habitat in California. Changing siltation in Clipper Cove could impact existing eelgrass beds and wave attenuators, marina docks, and boats in the marinas have the potential to affect eelgrass adversely.

In conclusion, we support Supervisor Kim's proposed resolution. We believe the resolution sets out sound planning principles and criteria for marina redevelopment in Clipper Cove. We also that the resolution identifies where more study is required and calls for that study. The waters of Clipper Cove are held in trust for the public benefit of the people of California, and Baykeeper wishes to preserve public access to and environmental protection of Clipper Cove. If you have any questions, please contact me at erica@baykeeper.org.

Yours Truly,


Erica A. Maharg
Managing Attorney

cc: Hunter Cutting, Save Clipper Cove, huntercutting@gmail.com
Supervisor London Breed, London.Breed@sfgov.org
Supervisor Malia Cohen, Malia.Cohen@sfgov.org
Supervisor Catherine Stefani, Catherine.Stefani@sfgov.org
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Supervisor Katy Tang, Katy.Tang@sfgov.org
Supervisor Norman Yee, Norman.Yee@sfgov.org

ATTACHMENT



SAN FRANCISCO
BAYKEEPER®

October 9, 2017

Board of Directors
Treasure Island Development Authority
One Avenue of Palms, Suite 241
San Francisco, CA 94130
Email: Bob.Beck@sfgov.org

Re: Clipper Cove Marina Expansion

Dear TIDA Board of Directors:

On October 2, 2016, San Francisco Baykeeper ("Baykeeper") sent a letter to Hunter Cutting with Save Clipper Cove noting our opposition to and concern with the proposed marina expansion project at Clipper Cove on Treasure Island ("Project"). (See attached as Exhibit A). Baykeeper was primarily concerned about the impacts to the present users from the proposed development and the outdated and inadequate environmental review of the Project. Although the Project has changed, we remain concerned about the same issues. Thus, we reiterate and incorporate those earlier comments herein, and are writing to express the following additional concerns.

First, Baykeeper remains concerned that the Project will have adverse impacts on the important youth programs that take place at Clipper Cove. These programs allow youth (and adults) to interact with the Bay, cementing a knowledgeable and caring relationship with the Bay going forward. The Treasure Island Sailing Club has noted that the space available for their programs after the proposed Project is the *minimum* needed for their programs. However, the Project will certainly impact the sailing programs. The Project will take 32% of the area currently used by the Sailing Club and other recreationalists, significantly reducing the area available. In addition, as planned, the Project will cause changes in Clipper Cove that may not allow many beginners to sail there. Finally, with the proposed Project there is no room for these programs to grow, while the need for safe places to access the Bay will certainly grow.

Second, we are concerned that the EIR for this Project is now 11 years old. No supplemental EIR has been prepared, yet the baseline conditions and the Project have changed significantly since the EIR was prepared. In our original letter, Baykeeper noted that the EIR fails to analyze water quality impacts from increasing motorized boat use. Moreover, the EIR does not consider the impacts of this Project on the eelgrass beds in Clipper Cove. The dredging necessary for this Project could likely have a negative impact on the eelgrass beds, but that impact was not evaluated in the EIR. Before approving this Project, the California Environmental Quality Act requires TIDA analyze and mitigate for these impacts.

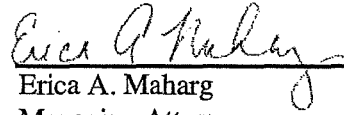
Third, we are concerned about the economic viability of the Project. The economic model relies on renting the live-aboard slips for over \$3,000 per month, which is over three times the rental fee for any other marina in the Bay. It is unclear that this business model is sustainable, and Baykeeper is concerned about the environmental and recreational impacts to Clipper Cove if the Project is unsuccessful or if it is unable to go beyond Phase 1. For example, will there be additional

Baykeeper
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October 9, 2017

environmental impacts or additional impacts to current recreational users if the Project is unsuccessful or only implements Phase 1? It is important that these potential impacts be analyzed before approving the Project.

In conclusion, while considering this Project, we urge you to ensure that access for current and potential recreational users, as well as the water quality and natural plant communities, are protected. The current plan for the Project does not appear to do so. If you have any questions, please contact me at erica@baykeeper.org.

Yours truly,



Erica A. Maharg
Managing Attorney

CC: Supervisor Jane Kim, Jane.Kim@sfgov.org

EXHIBIT A

October 2, 2016

Hunter Cutting
Save Clipper Cove
Email: huntercutting@gmail.com

Dear Mr. Cutting:

Thank you for informing me about the proposed expansion of Clipper Cove Marina (“Project”) located on Treasure Island. After reviewing the proposed Project and the environmental impact report (“EIR”) prepared for the Project, Baykeeper shares your concerns about the marina expansion. As described in greater detail below, Baykeeper is concerned about the impact the Project will have on present recreational users of Clipper Cove and whether the EIR prepared for the Project adequately evaluates and mitigates for the environmental impacts of the Project as currently proposed.

Baykeeper is a non-profit organization that works to protect and enhance the water quality and natural resources of San Francisco Bay, its tributaries, and other waters in the Bay Area, for the benefit of its ecosystems and communities. Baykeeper has over 5,000 members and supporters, many of whom use San Francisco Bay on a regular basis for recreation, including sailing, kite surfing, swimming, and kayaking. Our mission is not only to ensure that the Bay is safe and healthy to recreate in the Bay, but also to work to protect and promote public access.

1. The Marina Expansion Will Negatively Impact Present Users’ Access to and Enjoyment of Clipper Cove.

Baykeeper is concerned that the marina expansion will deprive present and future users of Clipper Cove of a safe and accessible place to access the Bay. Clipper Cove has become a community asset where many people access the Bay for recreation. The Treasure Island Sailing Center, through its many programs, gets thousands of people sailing out on the water every year. Most impressively, many low-income youth have a chance to learn how to sail, a chance that in all likelihood they would not have without the Center and Clipper Cove.

By teaching kids how to sail, the Treasure Island Sailing Center is creating a future generation of people who understand the value of the Bay and will work to protect this vital public resource. The San Francisco Bay Plan specifically recognizes the importance of recreation to conservation: “Participating in recreation activities on the Bay and along its shoreline can inspire an appreciation of the Bay and can motivate people to participate in the responsible management and protection of the Bay.” (San Francisco Bay Plan, reprinted March 2012, at p. 58.)

The current layout of Clipper Cove, with a smaller marina in the northwest corner, provides enough area for the Treasure Island Sailing Center to conduct sailing lessons in a safe way. Moreover, it provides a large area for non-motorized watercraft, such as kayaks and stand-up

paddleboards. The current proposal for the Project, by greatly expanding the footprint of the marina, will significantly reduce the area available for sailing instruction and non-motorized watercraft. Further, the increased boat traffic due to the expanded marina will likely increase the potential for accidents between new sailors and marina users. Any agency approving the Project should closely look to ensure that sailors and non-motorized watercraft users will not be threatened by increased traffic through Clipper Cove.

Baykeeper understands that there is a lack of sufficient marina space in San Francisco Bay, and we generally support efforts to increase public access, including marinas, in the Bay. However, Clipper Cove already has a thriving community of recreational users. Any expansion or modification of Clipper Cove must ensure that the present users can continue to recreate there in a safe and fun way. It appears that, in order to do that, the Project as currently proposed should decrease its footprint, either by reducing the number of berths or decreasing the size of the berths.

2. The 2006 EIR Should Likely Be Revised to Consider Changes at Clipper Cove and the Proposed Project.

An EIR for the Project was prepared in 2006, about ten years ago. The age of the EIR calls into question whether the analysis in the document is still accurate. Conditions at the site likely have changed, such as increased recreation use or changes in biological resources. Moreover, the Project evaluated in the EIR appears to have been modified in the latest proposal. Although the number of slips at the marina has remained the same, the marina's footprint has significantly expanded. These changes could cause increased impacts, such as impacts to water quality and public safety as a result of increased conflicts between motorized and non-motorized watercraft.

Where a project for which an EIR has been prepared is later modified or the circumstances under which it is to be carried out change, a subsequent or supplemental EIR may be required. (*See* Pub. Res. Code § 21166; *Save Our Neighborhood v. Lishman* (2006) 140 Cal.App.4th 1288, 1295 (*Save Our Neighborhood*)). Public Resources Code section 21166 provides that a subsequent or supplemental EIR shall be required if substantial changes are proposed in the project, or occur with respect to the circumstances under which the project will be undertaken, which require major revisions to the EIR, or if new and previously unknown information becomes available. (Pub. Res. Code § 21166; *see also* 14 Cal. Code Regs. §§ 15162-15164.)

Any agency approving the Project should evaluate the changes in the Project and the changes at the site since the EIR was certified to determine whether a subsequent EIR should be prepared. Preparing a supplemental EIR will ensure public participation in the Project and will provide decisionmakers with the information needed to make an informed decision, meeting the purposes of CEQA. (*See Woodward Park Homeowners Assn., Inc. v. City of Fresno* (2007) 150 Cal. App. 4th 683, 691 [The basic purposes of CEQA are “to inform the public and decision makers of the consequences of environmental decisions before those decisions are made,” and “to protect and maintain California’s environmental quality.”].)

Baykeeper is particularly concerned about the potential water quality impacts of increasing motorized boat traffic at Clipper Cove. Motorized boats can pollute the water with oil and gas; in addition, detergents, sewage, metals, and other pollutants can discharge depending on how the boat

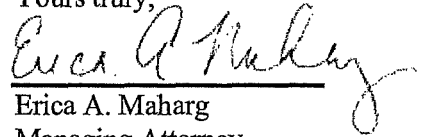
October 2, 2016

Page 3

is maintained. It does not appear that the 2006 EIR considered these impacts at all. (See EIR, Chapter 4.) The San Francisco Bay Plan prohibits any new marina or marina expansion “unless water quality and circulation will be adequately protected and, if possible, improved.” (San Francisco Bay Plan at 62.) The EIR does not provide sufficient analysis to make this finding, and any agency approving the Project must fill this information gap prior to approval.

In short, before finalizing approval of the Project, the responsible agencies should ensure that any proposal protects current users and the character of Clipper Cove marina as a community resource. Moreover, Baykeeper asks any agency to make sure that increased use will not impact the water quality of the area. If you have any questions, please contact me at erica@baykeeper.org.

Yours truly,


Erica A. Maharg
Managing Attorney

March 6, 2018



Honorable Jane Kim
San Francisco Board of Supervisors
1 Dr. Carlton B. Goodlett Place
City Hall, Room 244
San Francisco, CA 94102-4689
[Jane.Kim@sfgov.org]

1 Roger Williams
University Way
Bristol, RI 02809

P 401.342.7900
F 401.342.7940
info@ussailing.org
www.ussailing.org

Dear Supervisor Kim:

I write on behalf of US Sailing to share our opposition to the recent proposal forwarded by the Treasure Island Development Authority (TIDA) to expand the existing marina in Clipper Cove.

As the National Governing Body for the sport of sailing, US Sailing's mission is to provide leadership for the sport of sailing in the United States.

The proposal adopted by TIDA on October 30, 2017, would dramatically reduce public access to Clipper Cove and significantly diminish the public recreation and education programs operated by the Treasure Island Sailing Center, particularly the Center's youth programs. Clipper Cove, widely recognized as one of the best small boating venues on the West Coast, would be significantly and permanently diminished.


The Treasure Island Sailing Center in Clipper Cove is one of 35 Community Sailing Centers in the United States accredited by US Sailing. These Community Sailing Centers have proven to be engines for community development across the United States and represent the fastest growing segment in the sport of sailing.

We believe diversity is essential to the sport of sailing and Community Sailing Centers are at the forefront of bringing diversity to the sport. For us, diversity refers to the differences of culture, ethnicity, race, gender, age, beliefs, religion, socioeconomic status, sexual orientation, family status, physical ability, appearance and ideas. We are committed to achieving greater diversity throughout the sport and fostering an environment that is more inclusive. TISC has helped an unbelievable number of underserved kids in San Francisco who otherwise would have no access to the bay or to sailing's unique ability to develop their self-reliance, independence, citizenship, problem solving skills and overall self-image.

To help us achieve our mission, we seek to identify organizations that provide the highest quality of education and support access to sailing for all. These are organizations that align with the standards set forth by US Sailing and offer safety, fun and learning through their programming. The Treasure Island Sailing Center in Clipper Cove meets these standards and more.

We strongly urge you to work toward marina development that preserves public access to Clipper Cove and supports the Treasure Island Sailing Center that brings so much to San Francisco.

Thank you for your attention here.

Sincerely,

Jack Gierhart
CEO, US Sailing





April 17, 2018

San Francisco Board of Supervisors
1 Dr. Carlton B. Goodlett Place
City Hall, Room 244
San Francisco, CA 94102-4689
Email: Board.of.Supervisors@sfgov.org

1 Roger Williams
University Way
Bristol, RI 02809

P 401.342.7900
F 401.342.7940
info@ussailing.org
www.ussailing.org

Re: Support of Clipper Cove Resolution

Dear San Francisco Board of Supervisors:

I write on behalf of the United States Sailing Association in support of the resolution responding to the recent proposal to expand the private marina located in Clipper Cove at Treasure Island and reaffirming San Francisco's commitment to public recreation, public education, environmental protection, and preservation of public open space introduced by Supervisor Jane Kim introduced on April 3, 2018.

US Sailing is the National Governing Body (NGB) for the sport of sailing and supports a member base of over 46,000 sailors and boaters. We also provide services to over 2,500 local sailing and boating organizations by way of our education and safety programs. In fact, many of our members are tenants and proprietors of businesses on public lands, providing critical services to the boating public, and stewardship of our natural resources.

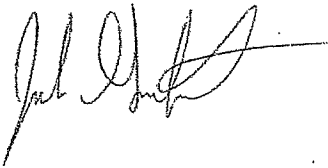
We remain concerned the scale of the marina as currently proposed is considerably greater than can be accommodated without significant negative impacts on public access and use of Clipper Cove, particularly through small boating such as youth and community sailing. The potential marina expansion would close off most of Clipper Cove to educational and recreational boating, leaving only a small portion of the cove for these uses. This closure would severely limit and diminish recreational and educational opportunities for the residents of San Francisco offered through the Treasure Island Sailing Center. Clipper Cove is one of San Francisco's most valuable open water resources. It is one of the only safe places for the community to engage in beginner/recreational small boating. One of our main concerns is preserving this access for beginning sailors and those in the sailing STEM program. This program provides access for thousands of youth to sailing opportunities, including a sailing STEM program, which serves over 1,500 elementary schoolers each year in San Francisco Unified



School District. It is necessary that the Sailing Center activities not be displaced by development, in order to retain protected and calm water for beginning sailors.

We believe that the San Francisco Board of Supervisors should act proactively to define what type of development at Clipper Cove is appropriate. The resolution proposed by Supervisor Kim outlines the principles for Clipper Cove development. It provides for sound planning regarding the commercial marina and calls for more study where needed to ensure that Clipper Cove, held in trust for the public, fulfills its destiny as a Mecca for introducing children and adults to boating on San Francisco Bay, as well as protects important environmental resources. We urge the San Francisco Board of Supervisors to adopt the resolution.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jack Gierhart', with a long horizontal flourish extending to the right.

Jack Gierhart
CEO, US Sailing



TREASURE ISLAND SAILING CENTER
Launching Point for New Horizons

October 29, 2017

Dear Madame Chair Tsen and Directors of the Treasure Island Development Authority:

Please find attached my letter written on October 24th and submitted to TIDA on Friday, October 27th, 2017 regarding the impact of the proposed marina on the scope and safety of TISC programs on Clipper Cove. Given that TIDA staff has already posted publication communication for review at Monday's meeting, I wanted to ensure that you have this information prior the meeting.

In addition, I have reviewed the October 26, 2017, letter from Jay Wallace, a representative of Treasure Island Enterprises, posted by TIDA staff as part of the public communication for review on Monday. On behalf of the TISC Board and staff, I find it necessary to correct and clarify several of the statements in that letter.

First, Mr. Wallace's statement that the marina takes up 13.4% of Clipper Cove is based upon a definition of the Cove that includes a large area outside of the Cove as well as smaller areas not appropriate or safe for sailing programs as they are effectively part of the footprint of the marina. When defining the Cove as the area within waters protected by the Cove, but outside of the footprint of the proposed marina, the footprint of the proposed marina is measured as 32% of the Cove. The definition of the Cove employed by Mr. Wallace totals 6,060,370 sq. ft (Figure 1) and includes various areas that cannot be used, as these areas are outside of the protected waters of the Cove or they are within the effective footprint of the proposed marina. Specifically, the calculation includes:

- a large area of water east of the mouth of Clipper Cove that extends 1,232 ft. all the way out to the eastern-most point of Pier 1, past even the most eastern part of Yerba Buena Island.
- the area of wind shadow created by the proposed marina and large yachts that will be tied up on the wave attenuator dock.
- the inaccessible area wedged between the causeway and the proposed marina (and area that will also have a wind shadow)

Including inaccessible and unprotected water in the definition of Clipper Cove reflects a perspective unable or unwilling to understand how the proposed marina expansion will restrict and reduce the programs of the Treasure Island Sailing Center. The actual impact of the proposed marina on Clipper Cove should include only the area that is protected and usable within the Cove, up to the mouth of the Cove which is the only safe and suitable space for beginners to learn sail (see Beginner Boundary Line, Figure 2). Thus, as we have stated in

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multiple statements in the past, the relevant figure is the ratio of the marina footprint on the usable, protected area of the Cove is 32% (Figure 2). I should note that even this 32% figure under-reports the footprint and impact of the proposed marina since our definition of the protected waters of the Cove includes the restricted areas over the Cove's eelgrass beds that are not available for public use. Our definition of the Cove also includes the marina entrance channel that would often be heavily trafficked and should more properly be considered part of the marina footprint. Would those areas be properly accounted for in calculating the footprint of the marina, the proposed marina footprint would measure greater than 32% of the Cove.

As we noted in our April statement shared with TIDA: *"the majority of our sailors are beginners and rely on the protection of the current-free waters inside the Cove."* Thus, the October 26th, 2017 statement by Jay Wallace regarding our SFUSD STEM program (Set, Sail, Learn) fails to note that the proposed marina expansion will reduce and restrict many of our youth programs, including the STEM program, serving nearly 2,000 kids each year. Beginner programs such as Set Sail Learn would lose one-third of the space in which it operates. For more detail regarding the reductions and restrictions this marina expansion would impose on the programs of the Treasure Island Sailing Center, please see our April 17, 2017, statement shared earlier with TIDA and published here: <https://tisailing.org/resources/news-and-press-releases>. Also, please see our letter to TIDA dated October 24, 2017, attached here.

The Wallace statement in the October 26th, 2017 letter also includes excerpts of TISC communications regarding how *"happy"* or *"pleased"* we are about the proposed marina expansion. To clarify these excerpts, I will quote further from our statement of April, 17, 2017.

"TISC is not pleased about losing 25% of the protected cove to the marina expansion." The current plan would remove *"the threat of a much larger marina expansion that would effectively take over almost the entire Cove and eliminate many of TISC's programs"*. We support the current marina proposal because it allows our organization to continue to exist, and it *ensures that at least a good part of the Cove would be preserved for public use*.

The "larger marina expansion" refers to the 2015 TIE plan presented and promoted by TIDA staff to the TIDA Board of Directors in April 2015 for over 18 months, a plan that would have taken over 57% of the cove. Of the various alternatives to the 2015 plan discussed with TIE, the current marina proposal is the largest and has the maximal negative impact. Given our consistent clarification of this in writing since November 2016, creating the illusion that we are pleased with this marina proposal is either disingenuous or negligent and it needs to stop.

Being a small non-profit organization that has depended on very active volunteer Board Members with no political experience to navigate this agreement has been one of the more trying challenges our organization has faced. I will continue to publicly support and not fight the current marina proposal per our agreement made on November 5, 2016, but will do so ensuring that San Francisco leaders understand the impacts that such a proposal will have on the community programs at TISC. Ultimately, it is up to San Francisco leaders to decide what is best for the community and it is important that you and other leaders are informed in making that decision.

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Thank you for your time.

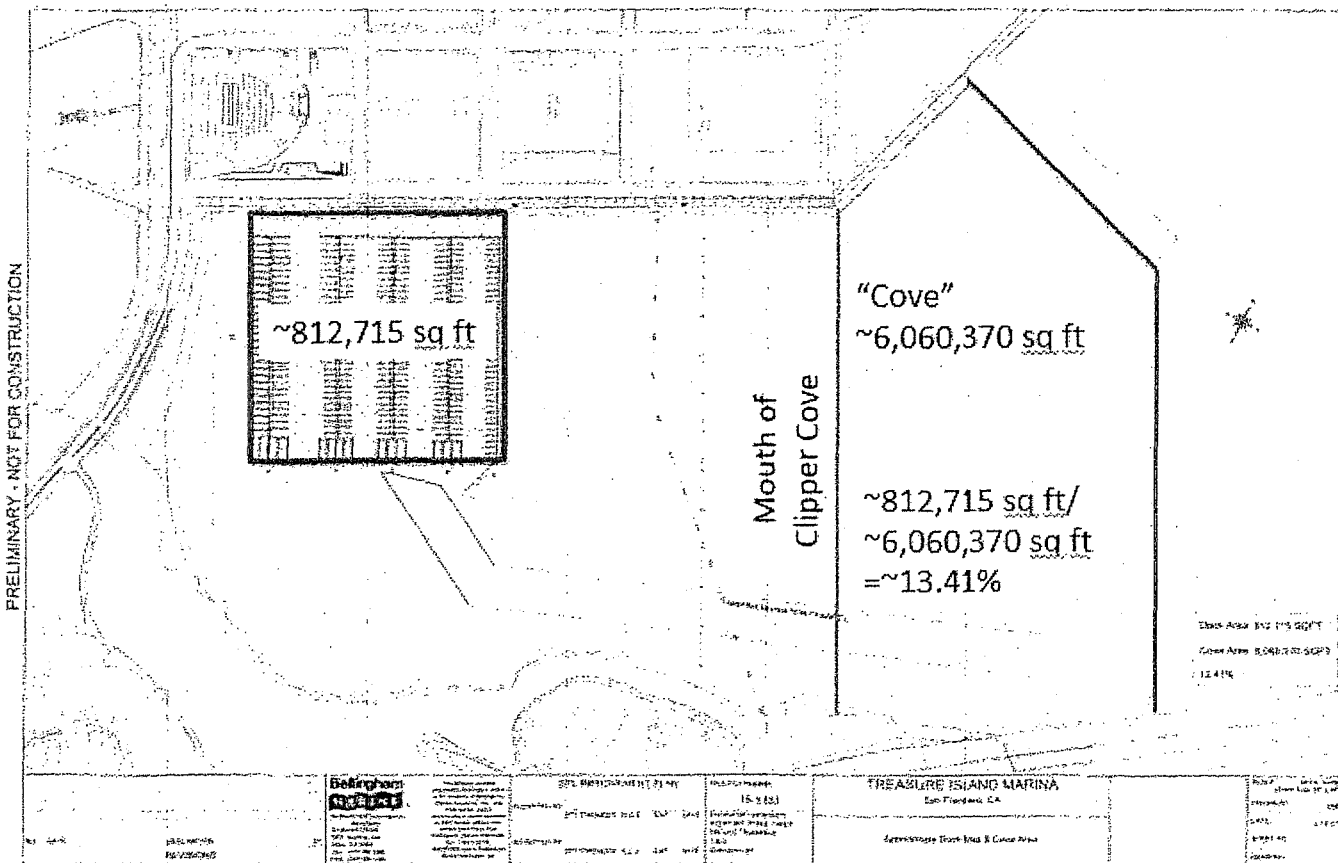
Best Regards,



Carisa Harris Adamson, PhD
Treasure Island Sailing Center
Board of Directors, Chair
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Figure 1: TIE Marina Proposal as a percent of cove based on a letter from Mr. Jay Wallace of Treasure Island Enterprise including inaccessible or unprotected waters as part of the Cove.

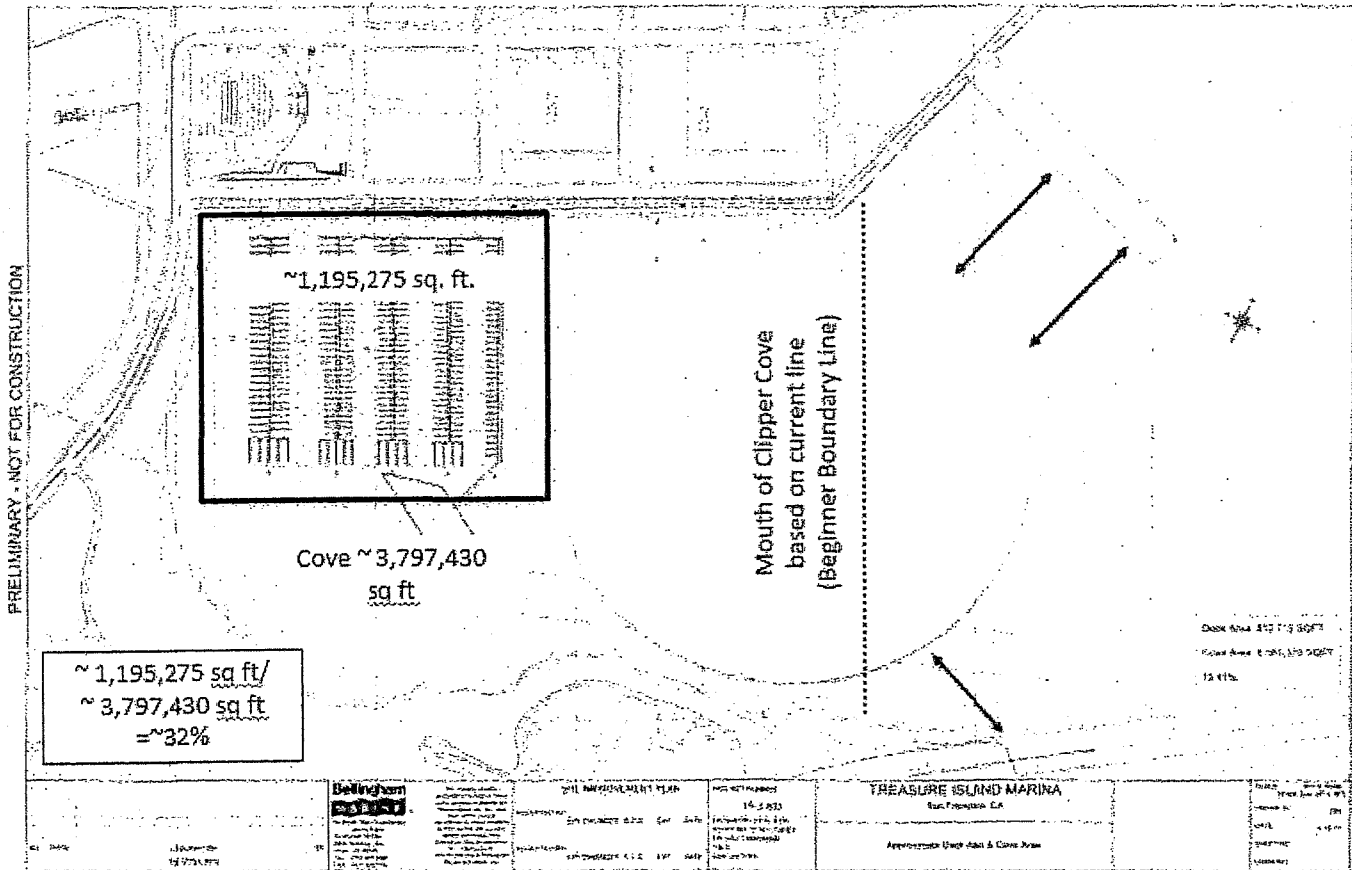


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Exhibit 1

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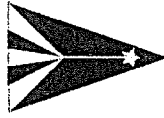
Figure 2. TIE Marina Proposal as a percent of cove based on protected waters.



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Exhibit 1

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TREASURE ISLAND SAILING CENTER

Launching Point for New Horizons

October 24, 2017

Dear Madame Chair Tsen and Directors of the Treasure Island Development Authority,

Thank you for taking the time last meeting to hear about the Treasure Island Sailing Center, both what we have accomplished to date and what our vision is for the future. I hope you received my email regarding my disappointment in not being able to attend in person due to being out of town for a business conference. I did, however, watch the meeting online and was happy to see our Executive Director, Travis Lund, deliver our presentation so effectively. I hope you are all as excited as we are about the future of TISC in our community.

In watching and listening to the meeting, it became clear there is some confusion around how the proposed marina expansion will impact the programs of TISC. During the meeting Travis indicated that we would be able to keep our sailors safe with the new proposed marina but he did not have a chance to specify the changes needed to do so. Therefore, in response to concerns from our community to provide clarifying information about this matter, we are writing to detail the modifications required to keep our participants safe if the proposed marina is constructed according to its current plan. TISC posted an assessment of these impacts on our website on April 17, 2017 and shared this assessment with TIDA staff. Our assessment has not changed but has been summarized below.

Figure 1 below depicts the current usage of the cove overlaid on the November 2016 plan – which is virtually identical to the current marina expansion proposal before you now. The shaded areas indicate the following:

- The yellow area is the area for Youth Sail Training.
- The yellow area west of the red dashed line is the area for beginner sailors including Set Sail Learn Programs.
- The green area indicates the space that we use for safety training and recreational classes, including kayaking, SUPs and windsurfers. Most importantly, this green area is the first location that to which beginning youth navigate their dinghies, and this area is the place where they typically perform the capsized test to learn how to right a capsized boat.
- The blue dashed oval outlines the space used for racing and advanced sail training. This includes High School Sailing (14-18yr olds), College Sailing (18-23yr olds) and Fleet racing in Vanguard 15s (mixed youth and adults), lasers (adults) and optimists (young sailors). Regattas require a defined race course length which is achieved in the blue oval area indicated.
- The red safety/no go zone is a restricted area due to side currents pushing boats into the pier or the eastern tip of YBI. This is a particularly dangerous area in times of strong currents with either too little wind or too much wind, both compromising boat control.

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Figure 1. Current TISC Use of Clipper Cove

Current TISC Use Overlayed

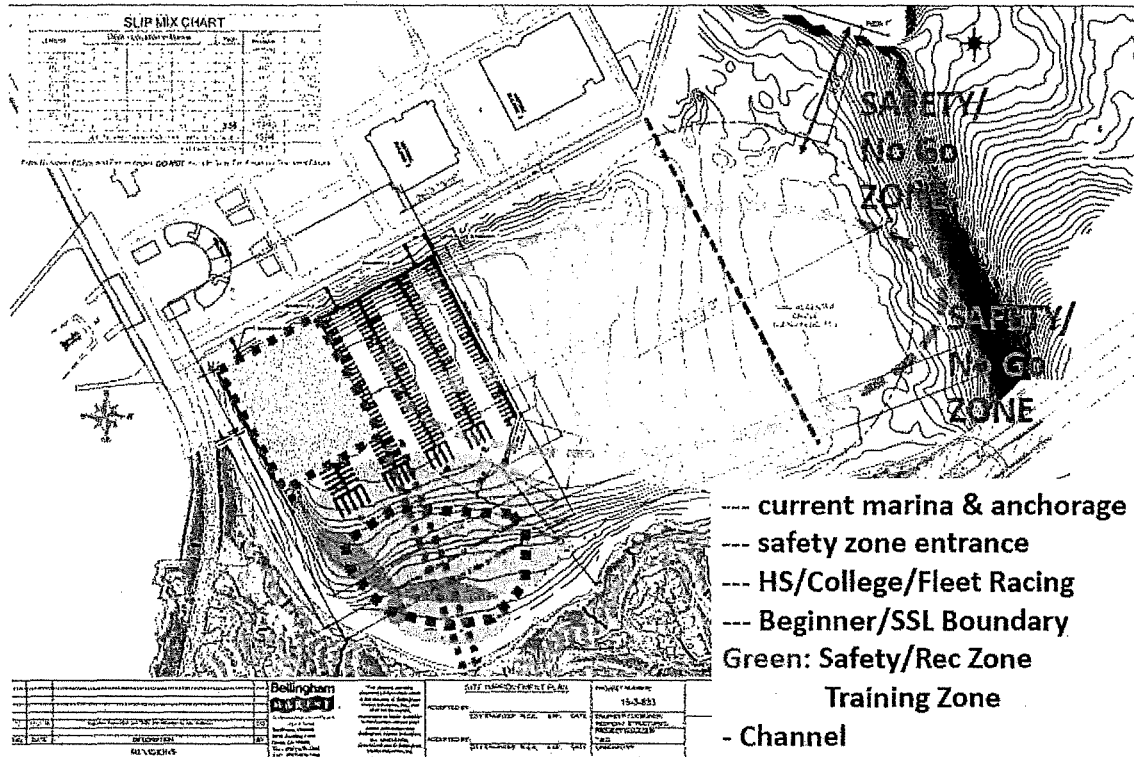


Figure 2 shows the future usage of the cove by TISC Community Programs based on the November 2016 plan. Since the current expansion plan increases the footprint from covering 7% of the Cove to covering 32% of the Cove, the training space for beginners and Set Sail Learn STEM participants is reduced by just over a third (yellow region west of the red dotted lines). This change will reduce the depth and range of both of these program, in part because there are only so many boats that can safely occupy an area at one time, a number that goes down as the skill level becomes more novice.

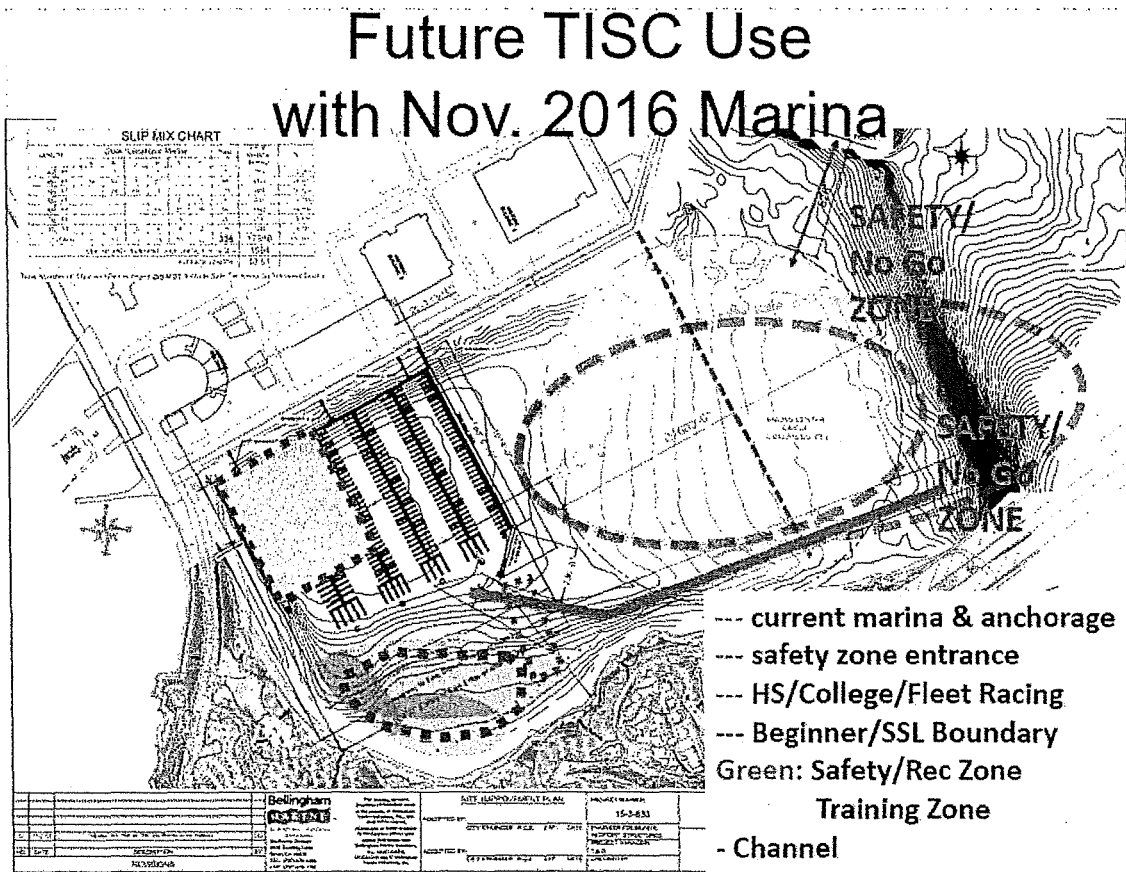
The recreational and safety training area (green region) is also reduced in size, as is the entrance (green dotted box) to access the heart of Cove where recreational and safety area is located. This will change how beginners get to the beach at the west end of the Cove – currently an important milestone in their progression. In particular, some beginning youth sailors will be blocked from directly accessing the west end of the Cove and the beach. Learning to sail upwind is a critical sailing skill. The prevailing winds in Clipper Cove come from west, thus youth sailors need significant leeway to the north and south as they travel to the west end of the Cove. Instead of sailing to the beach as they currently do in the very early stages of sail training, they will need to be taken there in a motorboat that can tow the small sailboats through the entrance. As the sailors gain skill, they will be more likely to be able to sail to the beach,

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however doing so will be highly dependent on marina channel traffic. The larger the yacht, the less maneuverable it is so when a large yacht is entering or leaving the marina, we will need to evacuate the channel, the south side of our training circle and parts of the recreational/safety training zone. All of these factors will require us to increase the number of safety boats per sailor in our future programs, increasing staff and equipment needs.

Another significant change will be on High School, College and Fleet racing. These sailors practice or race 1-4 times per week for 7 months of the year. Although these boats will be able to practice in the cove, you can see that their practice area is decreased by over a third as well. If they were to extend their course to the length specified for racing, it would extend well into the channel and increasing currents. In moderate winds and minimal side current, this may be allowable with extra safety boats, but we are doubtful that large regattas will be able to be held in the cove as they are now. To date, we have had regional and national regattas for High School, College, Vanguard 15s and Optimists. This area will no longer be a viable venue for these events.

Figure 2. Use based on November 2016 Marina Plan




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As you heard from our Executive Director, Safety is our utmost priority at TISC; thus programs will have to be modified in scope (numbers of sailors), space (sailable areas), and depth (access for advanced youth sail training) to accommodate the current expansion plan. We made these concessions knowingly to the dismay of many members of the Treasure Island Sailing Center community, sailors, and current cove users/enthusiasts, so that an agreement could be reached between TIE & TISC to ensure that at least two-thirds of the Cove would be preserved for public use through TISC programs. Prior marina proposals would have consumed almost all of Clipper Cove, effectively eliminating all small boat sailing options for our youngest and newest sailors.

As you heard through public comment, only TISC and TIE entered this compromise agreement; no other entities are party to this proposed compromise. The agreed-upon marina footprint has been accepted by TISC Board of Directors and staff but we have no authority to require others in the sailing community to support it.

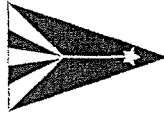
We truly appreciate the support from the Treasure Island Development Authority over the last 18 years, and look forward to executing the 66-year lease as soon as possible so we can begin fund raising for the new facility. If you have further questions, or would like additional details on how we would need to modify our programs to accommodate the November 2016 Marina Plan, please let me know.

Best Regards,



Carisa Harris Adamson, PhD
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TREASURE ISLAND SAILING CENTER
Launching Point for New Horizons

October 30, 2017

Dear Madame Chair Tsen and Directors of the Treasure Island Development Authority:

Thank you for your time today. As you know, I am Carisa Harris Adamson, Chair of the Board of Directors of the Treasure Island Sailing Center Foundation. On behalf of our Board and staff, I accept the proposed marina expansion plan.

Because this acceptance has been misrepresented numerous times, I need to clarify some items.

As we have detailed repeatedly, this proposed marina expansion would have significant negative impacts on our programs. The proposed expansion will take-over one-third of the Cove, not the 13% that TIE has represented. TIE is including inaccessible and unprotected waters well east of the mouth of the cove in their calculation that cannot be used for our programs. As a result of taking up a third of the Cove, all of our beginner youth sailing programs will be affected, including Set Sail Learn our STEM program for San Francisco public schools which will lose one-third of the area it currently sails in. Additionally, access to the beach, an important destination of our young sailors will be blocked for many new sailors who will not be able to sail through the narrow space between the wave attenuator and YBI. Finally, our High School, College and Adult Sailors, the latter which have been sailing in the Cove since we began in 1999, will no longer be able to hold regattas in the Cove because of the lack of space.

We accepted this Marina Proposal because we were otherwise facing a staff-approved proposal that would have essentially shut us out of the Cove altogether, forcing us to shut down most of our current programs, especially our youth programs. The current Marina Proposal will not force us to shut down. It will allow us to continue to exist and to provide our programs, albeit with a large number of reductions, modifications and restrictions. So to be clear, TISC is only pleased that we will not have to shut down and that we will be able to continue our services to the community.

Clearly, many people in the sailing and education community oppose this concession because they understand, on a professional and personal level, the damage that will be done. Though they believe we saved what we could, they also understand what will be given up with this particular marina plan.

Whatever decision you make today, please make them fully informed. I am formally submitting this statement and two letters, one of which explains the technical aspects of the changes that will be made if the proposed marina gets built, the other of which responds to some of the comments made by Mr. Jay Wallace in his letter to the TIDA Board dated October 26th.

I will continue to accept and not fight the current marina proposal per our agreement made on November 5, 2016. However, I will also continue to correct misrepresentations whenever they are made so that decision makers understand the impact this proposal will have on public access and community programs at TISC so an informed decision can be made.

Ultimately, it is up to San Francisco leaders to decide what is best for the entire community, not TIE or TISC.

Thank you for your time.

Carisa Harris Adamson

Clipper Cove Development and Planning Timeline Summary and Highlights (1996-2018)

The modern era of City development in Clipper Cove extends back to the closure of the Treasure Island Naval Station in the late 90's and the subsequent opening of the Cove to the public. The 1996 Treasure Island Reuse Plan was established by the City to guide development as ownership of Yerba Buena and Treasure Islands passed from the Navy to the City.

The Reuse Plan envisioned marina redevelopment that would triple the footprint of the marina from 7% of the Cove to 22% of the Cove. Later, in 2005, the Treasure Island Development Authority (TIDA) would approve a TIE/developer proposal to expand the footprint further to 41% of the Cove. The Treasure Island Sailing Center (TISC) objected to the proposal but the Center's appeal was overruled by TIDA. The decision to expand the marina footprint to 41% was questioned by many including BCDC (see comments on 2005 DEIR published in 2006 FEIR). Later, in 2015, TIDA staff approved a TIE/developer proposal to expand the marina footprint to 57% of the Cove.

Over the intervening years public use of Clipper Cove explodes, with several thousand families and youth now boating and sailing on the Cove annually. San Francisco Dragon Boat Festival is established at Clipper Cove in 2005 (and later evicted by TIDA staff in 2015).

In 2016, the Sailing Center evaluated the existing use of the Cove and established that the maximum expansion of the marina that can be accommodated with minimal impact on existing uses covers 18% of the Cove, close to the 22% footprint envisioned in the original Treasure Island Reuse Plan. The Center published a marina design based on that footprint, along with a financial analysis establishing feasibility of the minimum impact design.

In November of 2017 the TIDA board approved a new marina plan that would expand the footprint of the marina by 357%, from 7% of the Cove to 32% of the Cove, a plan 50% larger than the plan envisioned in the original Treasure Island Reuse Plan.

In April 2018, Supervisor Jane Kim introduced to the Board of Supervisors a resolution (#180331) to preserve public access to Clipper Cove, protect the Cove's biological resources, and reduce financial risk to the City.

Time Line Highlights of Clipper Cove Development

1996 – Treasure Island Reuse Plan is established, including a plan to expand the marina.

The Reuse plan calls for marina redevelopment, expanding the size of the marina footprint from 7% of the Cove to 22% of the Cove.

April 28, 2018

Footprint of the present day marina still covers 7% of the Cove. 90% of berths dedicated to boats running from 16 feet to 36 feet in length.

1997 (Sept 30) – Naval Station Treasure Island closes.

1998 – Clipper Cove is opened to public use

During the Navy's tenure the Cove was closed to the public, and the Navy used the Cove as a skeet range (the clean up of which was a significant effort) and operates a marina for private use of military personnel.

During operation of Naval Station, Clipper Cove is designated as a restricted area, federal code of regulations 33 CFR 334.1070 : *"No person and no vessel or other craft, except vessels owned and operated by the U.S. Government or vessels duly authorized by the Commanding Officer, Naval Station, Treasure Island, shall enter the restricted area."* Skeet shooting range over Clipper Cove closed 1989.

1998 – Treasure Island Sailing Center (TISC) is founded.

The Center's first program starts with 10 girls from the Life Learning Academy—a charter High School on Treasure Island and an affiliated program of the Delancey Street Foundation.

ISC's youth program grew to include over 230 kids through summer, after school, and weekend programs. Over 80% of the children now participate on full scholarships and come to TISC from a variety of youth outreach programs from the city of San Francisco and the Bay Area. Within four years of TISC's inception the summer program included over 400 children, and fall and spring orientations and classes included 250 more.

In 2002, TISC starts an adaptive sailing outreach program offering introductory classes for disabled kids and adults, and advanced training for teams attempting to qualify for the 2004 Paralympic Sailing Team. These programs strive to offer physically disabled individuals the chance to compete as equals, demonstrate their independence, and free them of their wheel chairs. This program has been incredibly inspiring to all who are a part of it.

In 2003 TISC began to offer sailing orientations to adults who had never sailed before, and in 2004 TISC organized adult sailing clinics. The adult clinics include small keelboat certifications and dinghy sailing instruction and are offered in conjunction with the San Francisco Sea Scouts.

1998 (Jan 21) – TIDA issues an RFP for operation, development and expansion of marina

April 28, 2018

1998 (Sept 2) – TIDA leases current marina to TIE/developers

TIDA enters into the initial two-year sublease with Treasure Island Enterprises (TIE) for interim operation of the existing marina facilities.

[NB: At this point TIDA leases Treasure Island from the US government through the Navy].

1999 (Feb 10) – TIDA enters negotiations with TIE to redevelop marina.

TIDA Boards authorizes staff to prepare an Exclusive Negotiation Agreement (ENA) with TIE to govern negotiation of an agreement for long-term operation and development of marina (based upon the responses to RFP).

1999 (June 22) – TIDA Board of Directors approves an ENA with Treasure Island Enterprises ("TIE") to negotiate a long-term lease to develop and operate the Treasure Island Marina.

NB: The ENA is renewed several times. However, negotiations do not deliver an agreement. ENA expires in 2012.

1999 (March 1) – TIDA issues permit to Treasure Island Sailing Center

TIDA issues 6-month operations permit to Treasure Island Sailing Center (TISC). TIDA approves several contract extensions allowing TISC to continue operating its programs.

TISC currently operates under a short-term lease. On Oct. 30, 2017, TIDA Board of directors approved a draft long-term lease for TISC. Approval by the San Francisco Board of Supervisors is required and is currently outstanding.

2000 – U.S. Olympic Sailing Trials in Clipper Cove

2000 Vanguard 15 North American Championship races, the 2002 Vanguard 15 Nationals, the 2003 Vanguard 15 National Team Race Championship, the 2002 High School National Championships, the 2001 Collegiate PCC s in 2001, and the 2003 Hinman U.S. Team Racing Championships. Several more championship events are held in the Cove over the following year including the 2015 Vanguard Nationals. The Pacific Coast Interscholastic Sailing Association Golden Bear regatta for California high schools becomes and an annual event.

2003 – Navy publishes FEIS (NEPA/CEQA) for Re-Use of Treasure Island including marina expansion.

NB: To date that NEPA analysis has not been updated.

2002-2107 – TISC program participation increases dramatically

The annual number of participant grows from several hundred in 2002 to over 5,000 in 2017.

2003 – TIDA convenes public stakeholder meeting on Clipper Cove

This Oct 2003 meeting is the last public stakeholder meeting on Clipper Cove convened by TIDA.

2004 – Developers put forward new marina plan, footprint expands to 41%

The developers propose to increase the size of footprint of the proposed marina from 22% of the Cove (as per the Treasure Island Reuse Plan) to 41% of the Cove.

2004 – Treasure Island Sailing Center objects to size and scope.

The Sailing Center objects to the size of the new marina. Sailing Center Board Chair Carisa Harris-Adamson conveys objections directly to TIDA staff and TIE representatives

2004 – TIDA staff rejects Center's appeal

TIDA moves forward with developers 41% footprint plan. TIDA forwards this marina configuration as part of the preferred development alternative put forward in the 2005 draft EIR.

2004 – TIDA staff bundles together marina expansion and sailing center projects

TIDA staff joins the Sailing Center project to the marina expansion project and creates one project for EIR/CEQA analysis.

April 28, 2018

2005 – City and TIDA certify a CEQA/EIR for Treasure Island Development

The EIR covers both landside development and Cove development

The marina expansion project and Sailing Center project are analyzed as one project. The public use benefits of the Sailing Center project are attributed to the joint marina/sailing center project.

The landside analysis is conducted at program level. The joint marina/sailing center project is analyzed at the project level.

Impacts of wave attenuation by the proposed marina (e.g. increased siltation) are not identified nor analyzed in the EIR.

The forthcoming eastern span of the Bay Bridge (designed after the date of this report) is not identified by this EIR as an important visual resource, and impacts of the proposed marina expansion on the view of the new eastern span are not assessed.

2005 – San Francisco Dragon Boat Festival moves to Clipper Cove

Over the next ten years the crowd of spectators for this annual events grows to 60,000. TIDA staff evicts the Festival in 2015 to make way for the proposed marina expansion.

2006 – SF Board of Supervisors approve final EIR in 2006.

2010/11 – Sailing Center and marina project are severed for new CEQA Analysis

TIDA staff severe the sailing center from the marina expansion. The sailing center, including the waterside elements of the sailing center, is assessed in the 2011 EIR.

The marina project is explicitly excluded from the 2011 EIR analysis.

2011 – City and TIDA certify new 2011 EIR, excludes marina project

The City/TIDA certify a new, project-level, EIR for landside development at Treasure Island and for waterside development at the Sailing Center only.

Scope of 2011 EIR analysis explicitly excludes marina development

Comments on draft EIR treatment of marina expansion rejected on that basis. Description of marina expansion is included as an exhibit. 2011 EIR specifies that all marina-related landside development will proceed whether or not the marina expansion occurs. EIR approved by SF Board of Supervisors.

April 28, 2018

2011 – Entitlement and Transaction Documents established for landside development

Entitlement and Transaction Documents established and anticipate potential marina expansion and continued operation of TISC. E&T documents commit landside developers Treasure Island Community Development (TICD) to coordinate with the landside programs of both projects. The scope of landside planning remains unchanged, i.e. all marina-related land side development to proceed whether or not the marina expansion occurs

2012 – Exclusive Negotiation Agreement (ENA) for marina redevelopment expires

In 2012 the last extension of the marina development ENA expires and is not renewed. No development and disposition agreement is ever reached.

Marina project informally recedes. TIDA staff informs Sailing Center that the Center will be notified if/when project moves forward again.

2012 – Set, Sail, Learn STEM program for 4th graders begins on the Cove

The Sailing Center starts a sailing and science STEM program to serve SFUSD elementary schools. By 2017 the program is serving over 1,500 4th and 4th graders each year. For most of these youth these classes are their first experience being on the water in close contact with the San Francisco Bay.

2011-2014 – Litigation over 2011 EIR. 2011 EIR upheld July 2014.

2015 – Developers/TIDA Staff put forward new proposal, covering 57% of Cove

Developers (TIE) and TIDA staff make a joint presentation to the TIDA board in April 2015 with a new proposal. This footprint of this new plan cover 57% of the Cove and includes a sea wall extending across nearly the entire mouth of the Cove, virtually closing off the Cove entirely.

TIDA does not inform the Sailing Center about this new plan.

2015 – Sailing Center and stakeholders object to 57% plan

At August 2015 meeting of TIDA Board the Sailing Center objects to new 57% plan.

San Francisco Bay Keeper, Sierra Club, and U.S. Sailing Association oppose new 57% plan.

Dragon Boat Festival President writes to TIDA board expressing concern and requesting assessment of how this new plan would affect existing uses.

April 28, 2018

2015 – TIDA staff informs Dragon Boat Festival that it is not welcome back for 2016

Developers announce that marina construction should begin in 2016. TIDA staff informs the Festival that it cannot have a permit for the planned fall 2016 festival.

2015/Oct – TIDA staff acknowledge departure of Festival was a “TIDA decision”

After questioning by the Treasure Island Citizens Advisory Board, TIDA staff Director Bob Beck admits that the departure of the Festival was a “TIDA decision,” but defended the eviction by saying that the Festival “was a temporary/interim use that was able to be accommodated for a number of years, but it’s a TIDA decision about what programs go on there.”

2015-2016 – TIDA staff convenes discussion between developers and TISC.

TISC requests participation of other stakeholders. TIDA staff rejects the request.

2016 (May) – State of California rejects loan application by TIE

California Division of Boating and Waterways (DBW) Commission holds hearing on a 2015 loan application by TIE to finance the proposed project. Commission fails to endorse loan application (endorsement motion fails on 2-2 vote). The two Northern California members of the Commission vote against.

At this time DBW staff publish first of two feasibility reports. “Treasure Island Marina Feasibility Report May 11, 2016.” The 2nd report is published April 5, 2017.

NB: Final approval on DBW loans is by DBW staff. In the event DBW never issue approval of 2015 loan application. TIE submits another loan application in 2017, but to date that staff has not approved application.

2016/Summer – TISC establishes minimum impact plan for marina expansion

TISC evaluates the existing use of the Cove and establishes that the maximum expansion of the marina that could be accommodated with minimal impact on existing uses covers 18% of the Cove, a footprint close to the 22% footprint envisioned in the original Treasure Island Reuse Plan. The Center publishes a marina design based on that footprint, along with a financial analysis establishing feasibility of minimum impact design.

April 28, 2018

Fall 2016 – TIDA Staff informs TISC that the 57% plan is the default plan

Staff Director Bob Beck informs TISC that TIDA will move forward with the staff approved 57% plan if no compromise is reached.

Fall 2016 – TISC agrees to marina footprint covering 34% of the Cove.

TISC agrees to a plan giving up 34% of the Cove to the marina expansion.

This compromise excludes the U.S. Sailing Association, Sierra Club, SF Bay Keeper, and Save Clipper Cove coalition, all of which formally oppose the compromise.

Nov 2016 – TIDA board informally accepts/welcomes 34% plan

TIE/developers submit blueprint that covers 34% of the Cove, with a slip mix chart that specifies the new marina will be dedicated exclusively to boats running 40-80 in length. No slips smaller than 40 feet are included in proposed project. Proposed project would demolish the existing marina, 90% of which is dedicated to boats running 16 feet to 36 feet in length.

Save Clipper Cove coalition objects.

2016 (Dec) – TISC community opposes Nov-2016 compromise

A new group forms, Friends of the Center. Founding members of Friends include former TISC board members, former TISC executive directors, former TISC program directors and former TISC sailing instructors. This group immediately appeals via letter to BCDC.

Marina tenants also organize a group, Marina Tenants for Balanced Expansion, to oppose Nov 2016 plan. Their concern is that there will be no berths for boats smaller than 40' in the new marina. The existing marina is currently fully occupied. This group immediately appeals via letter to BCDC.

Anchor-out/raft-up community similarly organizes a new group in opposition to Nov 2016 plan. This group immediately appeals via letter to BCDC.

2017 (Jan) – BCDC staff identifies potential conflicts with San Francisco Bay Plan

TIDA, TIE and TISC meet with BCDC to discuss the proposed compromise. BCDC staff identifies several potential conflicts with San Francisco Bay Plan. BCDC staff follow-up with a letter to TIE highlighting the policies of the San Francisco Bay Plan in question. These conflicts mirror the conflicts identified by BCDC in response to the 2005 DEIR (see BCDC comments published in 2006 FEIR)

April 28, 2018

2017/February – TIDA Board hears details of new plan

Developers present more details about the new plan and along with a minor adjustment of the plan. TISC measures this February blueprint and verifies this is virtually the same plan as presented to TIDA in Nov. 2016. TISC measure the new footprint as covering 32% of the cove, and notes that the plan is arguably worse for public access – as some of the docks in this new layout are extended further south, blocking off access to more of the beach next to the marina. TISC notes new layout fits within envelope agreed upon by TISC and TIE in the Nov 2016 compromise.

2017 (April 5) – DBW Staff release damning financial feasibility report

DBW finds that the project is at significant risk of default. [“Treasure Island Marina Feasibility Report April 5, 2017.”]

DBW projects that significant siltation will arise from wave attenuation by the proposed project.

DBW staff project that wave attenuation will drive siltation that will necessitate significant annual dredging to maintain the marina.

“Treasure Island Marina Feasibility Report April 5, 2017” is the 2nd of two DBW feasibility reports. The first report was published May 11, 2016.

The DBW staff report is accompanied by a DBW staff presentation, “Treasure Island Marina,” presented April 5, 2017 at a hearing of the DBW Commission.

In these two documents, DBW staff project that wave attenuation will drive siltation that will necessitate significant annual dredging to maintain the marina. DBW notes that San Francisco currently spends \$500,000/year to address unanticipated siltation in the wake of recent redevelopment of the San Francisco Public Marina. DBW recommends budgeting at least \$150,000 in annual dredging expenses to maintain the marina and entrance channel to the marina. Developers budget \$25,000.

DBW does not estimate dredging expenses to maintain those portions of the Cove outside of the marina and entrance channel to the marina.

The 2017 DBW report also reveals, for the first time, that the developers are proposing to rent out luxury live-aboard berths (exclusively) at \$3,350/month, a rate so high that state staff note it may be illegal under state law.

April 28, 2018

9/12

2017 (April 5) – DBW imposes special conditions on proposed state financing

DBW Commission holds hearing on a new loan application by TIE. DBW Commission endorses loan application on a split 3-2 vote held in Los Angeles. The two northern California Commissioners vote against the loan.

Commission also endorses a list of special financing conditions to prevent default, conditions to be met by TIE before staff approves loan application.

As of April 2018, TIE has not met the financing conditions, and DBW staff has not approved a loan.

2017 (April 17) – The Sailing Center details loss of public access

TISC publishes on-line statement detailing the significant negative impact the proposed project will inflict on the Center's programs. The statement also corrects several miss-representations made by TIE at DBW hearing.

TISC statement explains that the Center agreed to compromise in order to avoid the default plan established by TIDA staff that would have shut down Center operations almost entirely.

2017 (May) – SFUSD objects to TIE/TIDA proposal

The Science Department of the San Francisco Unified School District appeals to BCDC, in a letter, opposing the project on the grounds it will hurt sailing/science STEM classes conducted for over 2,000 SFUSD 4th graders each year.

2017 (Sept) – Sierra Club notifies TIDA of threat to eelgrass

The Sierra Club submits letter notifying TIDA that increased siltation and annual maintenance dredging would both threaten eelgrass beds in Clipper Cove and notifies TIDA this is not addressed by the 2006 EIR.

2017 (Oct 6) - TIDA staff proposes formal adoption of 32% plan

TIDA staff posts a proposed resolution approving a 66-year lease for marina expansion in Clipper Cove and making CEQA findings, for consideration by TIDA Board on Oct. 11, 2017.

The Oct. 6 TIDA staff report for the draft resolution relies upon a City Planning Memo dated July 5, 2017, stating:

April 28, 2018

“...there have not been any substantial changes with respect to the circumstances under which development of Treasure Island, including the reduced project, would be undertaken, nor has new information of substantial importance come to light that would alter the impact findings in or require major revisions to the 2006 and/or 2011 EIRs.”

The 2017 DBW report is not identified by the 2017 City Planning memo, nor is it identified by the October 6 TIDA staff report.

Regarding changes in the wave attenuation feature of the proposed project, the City Planning memo notes only that the “Change to Impact Analysis” is “None. No impacts to wave attenuation were identified” – apparently a reference to the 2006 EIR. [See table 1, page 7].

Neither the City Planning Memo nor the TIDA staff report identify or analyze any change in use of the Clipper Cove, originally analyzed in section 4.1 of the 2006 EIR [see Chapter 4, page 4-7].

Neither the City Planning Memo nor the TIDA staff report identify the new eastern span of the Bay Bridge as an important visual resource nor does either document analyze how the proposed project would block views of the new Bay Bridge.

2017/Oct. – Sierra Club submits expert biological letter on threat to eelgrass

Sierra Club submits to TIDA an expert biological letter drafted by Keith Merkel, a biologist expert on the Clipper Cove eelgrass beds, finding that that increased siltation and annual maintenance dredging may both threaten eelgrass beds in Clipper Cove and that this impact is not acknowledged or assessed by the 2006 EIR.

2017 (Oct. 11) – TIDA Board of Directors convenes to consider the draft staff resolution.

At beginning of meeting, TIDA Chair Tsen announces the cancellation of scheduled vote on draft resolution. Hearing on draft resolution proceeds.

2017/Oct. 30 – TIDA approves 32% plan.

TISC Director Carisa Harris-Adamson testifies and details the significant negative impact this plan would inflict upon the Center’s programs. Harris-Adamson also corrects several miss-representations by TIE.

2018/April – Supervisor Kim introduces Clipper Cove planning resolution

Supervisor Jan Kim introduces to the San Francisco Board of Supervisors a resolution to preserve public access to Clipper Cove, protect Cove’s biological resources, and reduce financial risk to the City.

April 28, 2018

As of this date, April 28, 2018, TIDA has not announced any further action.

For more information contact:

Hunter Cutting
parent-volunteer coordinator
Save Clipper cove
415-420-7498
huntercutting@gmail.com

Subject: Save CLIPPER COVE so ALL San Franciscans can enjoy it!
Date: Sunday, April 29, 2018 at 10:09:27 AM Pacific Daylight Time
From: Zeke Weiner
To: ahsha.safai@sfgov.org, katy.tang@sfgov.org
BCC: huntercutting@gmail.com
Category: Save Clipper Cove

Dear Supervisors -

As a San Francisco citizen and voter, I want you to know how important it is for Clipper Cove on Treasure Island to remain accessible to all San Franciscans, and not be gobbled up by an oversized large-yacht marina. Please take a strong stand to protect the cove at the upcoming planning vote. This is a critical issue for my family and thousands of other San Franciscans, and we are counting on you.

My son benefits from TISC (Treasure Island Sailing Center), where he has been sailing for years and is now a junior instructor, teaching other young San Franciscans to feel safe and enjoy our bay as competent sailors. Many of the kids are from low-income households. Without TISC and the support it provides, they would never have the opportunity to explore the bay by sailboat. THEY DESERVE THIS OPPORTUNITY.

TISC also benefits people with disabilities in gigantic ways, as well as SF and East Bay households of modest financial means. TISC is for all San Franciscans, not just those who can afford to belong to yacht clubs. TISC will lose much of its ability to serve all San Franciscans if it is forced out further into the Bay through the proposed development.

Beyond TISC, Clipper Cove marina is low-key and inviting. My wife, friends and I paddle board out there all the time. "Mexico" (the beach on Clipper Cove) is probably SF's best beach, and is enjoyed by so many families and friends getting together.

A gigantic marina at this location will impose on these activities and create extensive large boat traffic, thereby ruining one of SF and East Bay's best places for local families.

Please, stand with San Franciscans, and minimize the development on Clipper Cove.

Thank you very much.

David "Zeke" Weiner
1659 Funston Avenue, SF CA 94122

Treasure Island Enterprises, LLC
Treasure Island Marina

April 27, 2018

Via Email

Katy.tang@sfgov.org

Jane.kim@sfgov.org

Ahsha.safai@sfgov.org

Erica.major@sfgov.org

Chairwomen Katy Tang and Supervisors

Jane Kim and Ahsha Safai

1 Dr. Carlton B. Goodlett Place

City Hall

San Francisco, CA

RE: Matter No. 180331/Treasure Island Resolution
Request for Continuance

Dear Chair Tang and Committee Members:

On behalf of Treasure Island Enterprises, LLC ("TIE"), I am writing to request that you continue the above referenced matter at your April 30, 2018 Committee meeting.

As you know, TIE's Treasure Island marina was first approved by the Board of Supervisors as a 400-slip marina in 2006 by a unanimous 11-0 vote. The modern 400-slip marina was again analyzed by the Board of Supervisors as part of its 11-0 approval of the Treasure Island master plan in 2011. Between 2011 and the end of 2015, the TI marina remained at 400-slips without any complaints as to its size or location. The 400-slip marina plan approved by the Board of Supervisors has been in place for more than a decade.

Beginning in December 2015, TIE was asked by the Treasure Island Sailing Center ("TISC") to reduce the size of the approved 400-slip marina in order to better accommodate TISC's successful youth STEM sailing programs. Over the course of 2016, TIE agreed to reduce the size of the marina from the approved 400-slip marina down to what is now a 313-slip marina, all done in order to better accommodate TISC's youth STEM sailing program. The final compromise that was reached between TIE and TISC was made in November 2016 with the active assistance of members of the Board of Supervisors. (See **Exhibit 1**, Treasure Island Sailing Center email dated November 5, 2016). A copy of the 313-slip marina that was the product of the compromise is attached as **Exhibit 2**.

Beginning in 2017, and with the agreed upon compromise in hand, TIE, moved the lease for the new 313-slip marina through the Treasure Island Development Authority, who approved the marina lease unanimously in 2017.

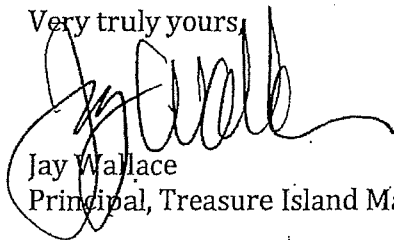
Based on those facts, it came as a surprise that the Board has been asked to consider the Resolution that, while very appropriate in many respects, also contains certain language that is very damaging to the prospects of completing the 313-slip, which was reached in compromise with TISC.

On a macro level, our two biggest concerns with the Resolution involve the following: (1) The Resolution language that would affirm "all existing uses" far exceeds, in our estimation, the promises of the approved master development program. Many of the "existing uses" that operate in Clipper Cove today, are not supporting TISC's youth sailing program but are instead directed at promoting adult racing in Clipper Cove and other non STEM programs; and (2) At no time in the 20-year process of marina planning has there ever been a hint that TIE would be required to dredge the entire cove, but that is now apparently a point of contention. TIE has shared these, and other, concerns with the TIDA staff as well.

Accordingly, we and our many supporters (See **Exhibit 3**, copies of letters of support obtained during the TIDA Board's approval of the marina lease) would like to respectfully request that the Resolution be continued to allow the interested parties time to seek modifications to the Resolution so that the previously approved 313-slip marina can continue as an integral part of the overall Treasure Island master development.

We want to thank you in advance for your consideration of this request.

Very truly yours,



Jay Wallace
Principal, Treasure Island Marina

CC: Chief Administrative Officer
Treasure Island Development Authority Executive Director

EXHIBIT 1

Begin forwarded message:

From: Carisa Harris-Adamson <carisa.harris-adamson@tisailing.org>
Subject: Thank you for your support
Date: November 5, 2016 at 4:39:51 PM PDT
To: "Avalos, John (BOS)" <john.avalos@sfgov.org>, "Kim, Jane (BOS)" <Jane.Kim@sfgov.org>
Cc: Dave Guinther <oldvillage@yahoo.com>, "Rubenstein, Beth (BOS)" <beth.rubenstein@sfgov.org>, "Lopez, Barbara (BOS)" <barbara.lopez@sfgov.org>, Jay Wallace <jwallace@jaywallaceassociates.com>, "Darius Anderson (dwa@platinumadvisors.com)" <dwa@platinumadvisors.com>, ivy.lee@sfgov.org

Dear Supervisor Avalos and Supervisor Kim,

I am happy to share that TISC and TIE have come to an agreement on the footprint and location of the marina at Clipper Cove. Following our meeting on Wednesday October 19th, where we submitted 2 plans to TIE for review, TIE committed to moving forward with the A25C footprint that we presented.

This week, TIE provided the attached plan ("OVERALL SITE PLAN - MARINA - Adjusted Slip Configuration dated 11-2-16" http://tisailing.org/images/02_News_Press/ti_dock_site_plan-1.4.3-161102-color.pdf) which respects the critical dimensions we had outlined; the wave attenuator location of 1144' east from the mean low water line at the causeway, at a length of 789' with a 236' dog leg angled at 45 degrees. While this footprint will reduce the range and depth of some of our programs, it does provide the minimum space that we need to access the beach and continue all of our current programs in the cove. We are happy that we have reached an agreement and appreciate the meaningful changes that TIE has made that will allow our programs to continue.

Although we understand this layout is not a final engineering drawing and that locations of gangways, docks and slips may change, we agreed that the eastern limits on the transient/attenuator dock and the southern limits on the transient

dock extension are maximum dimensions. In return, TISC has agreed to publicly support this plan at upcoming meetings including meetings at the Division of Boating and Waterways, TIDA meetings, Board of Supervisor and BCDC.

I really want to thank you all for your support these last few months which enabled us to come to this compromise. Your involvement truly made the difference.

Sharing sailing with kids from all backgrounds, including all of the opportunities that come with it, has been a passion of mine for some time because I personally know how influential it can be in ones life. Thank you for making sure we will continue to help kids grow and thrive. Please know that you have an open invitation to visit us and our programs so you can personally see the benefits of your support. And, feel free to contact me anytime if you or your staff would like a sail on the Bay.

Best Regards,
Carisa

--

Carisa Harris- Adamson
Chair, Board of Directors
carisa.harris-adamson@tisailing.org
415-640-0563

From: Darius Anderson dwa@platinumadvisors.com
Subject: FW: Thank you for your support
Date: January 31, 2018 at 2:24 PM
To: Jay Wallace jwallace@jaywallaceassociates.com

DARIUS ANDERSON, CEO

PLATINUM ADVISORS, LLC

From: Avalos, John (BOS) [john.avalos@sfgov.org]
Sent: Saturday, November 05, 2016 8:12 PM
To: Carisa Harris-Adamson
Cc: Kim, Jane (BOS); Dave Guinther; Rubenstein, Beth (BOS); Lopez, Barbara (BOS); Jay Wallace; Darius Anderson; Ivy Lee (ivy.lee@sfgov.org)
Subject: Re: Thank you for your support

I'm glad it worked out. TISC is a great and unique program.

Congrats,

John

Supervisor John Avalos

Sent from an electronic mobile communication device

On Nov 5, 2016, at 4:39 PM, Carisa Harris-Adamson <carisa.harris-adamson@tisailing.org> wrote:

Dear Supervisor Avalos and Supervisor Kim,

I am happy to share that TISC and TIE have come to an agreement on the footprint and location of the marina at Clipper Cove. Following our meeting on Wednesday October 19th, where we submitted 2 plans to TIE for review, TIE committed to moving forward with the A25C footprint that we presented.

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Please know that you have an open invitation to visit us and our programs so you can personally see the benefits of your support. And, feel free to contact me anytime if you or your staff would like a sail on the Bay.

Best Regards,
Carisa

--

Carisa Harris- Adamson
Chair, Board of Directors
carisa.harris-adamson@tisailing.org
415-640-0563

EXHIBIT 2

SLIP MIX CHART								
LENGTH	Dock / Location In Marina					Total	L.A. of Rammable Berthing	%
	A	B	C	D	E			
40 FT	3	3		1	7	200	2.24%	
45 FT	34	32	3	27	96	4228	30.87%	
50 FT		34	85	19		118	6900	37.70%
55 FT					3	2	185	0.96%
60 FT			19	27	49	2780	14.70%	
70 FT					28	28	2050	9.27%
80 FT		3	3	4	4	14	1120	4.47%
TOTALS	37	72	71	70	83	313	16575	100.00%
SIDE TIE AND TRANSIENT DOCK LINEAL FOOTAGE =						887		
AVERAGE LENGTH =						52.96		

Total Number of Slips and Percentages DO NOT Include Side Tie Areas on Transient Docks



COVE AREA SHOWN IS
2,705,932 S.F.
DOCK AREA SHOWN IS
30.0% OF COVE

		Bellingham MARINA The Marina and Development Marine Harbor Southwest Division 8819 Spaulding Lane Dixon, CA 95628 TEL: (707) 818-2325 FAX: (707) 878-1760	This drawing contains proprietary information which is the property of Bellingham Marina Industries, Inc. and shall not be copied, reproduced or made available to third parties without prior written permission from Bellingham Marina Industries, Inc. UNPLOCATED. UNDESIGNED and © Bellingham Marina Industries, Inc.		SITE IMPROVEMENT PLAN	PROJECT NUMBER: 15-3-833	TREASURE ISLAND MARINA San Francisco, CA	SCALE: See Graphic Scale (Sheet Size 24" x 36")
ACCEPTED BY: CITY ENGINEER R.C.E. EXP. DATE	ACCEPTED BY: CITY ENGINEER R.C.E. EXP. DATE		ENGINEER / DESIGNER: REDPOINT STRUCTURES PROJECT MANAGER: T.B.D. CHECKED BY:	OVERALL SITE PLAN- MARINA Adjusted Slip Configuration 2-1-17 Cove Area with Marina @ 30% of total Cove Area		DRAWN BY: DD DATE: 10-27-17 SHEET NO: 01 DRAWING: SP1.4.4x		
NO. DATE DESCRIPTION BY	REVISIONS							

EXHIBIT 3



September 27, 2017

V. Fei Tsen
Chair, TIDA Board of Directors
One Avenue of the Palms, Suite 241
San Francisco, CA 94130

Via Email to Board Chair V. Fei Tsen and Members
C/O Bob.beck@sfgov.org

**RE: SUPPORT FOR TREASURE ISLAND MARINA PROJECT
APPROVE LEASE AND CEQA CERTIFICATION RESOLUTIONS
WEDNESDAY, October 11, 2017**

Dear President Tsen and Fellow Commissioners:

As you know, the Treasure Island Homeless Development Initiative (TIHDI) and its members have participated in the development planning for Treasure Island for more than two decades. The development plan has always included a new marina as the existing marina was not deemed to be viable over time.

We are writing you now to urge you to support the Treasure Island Enterprises' (TIE) new marina project, consisting of 313-slips and other waterside improvements.

Now, some 11 years after the new marina was first approved by TIDA as part of the 2006 Final Environmental Impact Report, the new marina is ready for its final approvals. We urge you to support the lease and CEQA certification when it comes before the TIDA board next month.

TIE has proven to be a supporter for an inclusive Treasure Island and for the Treasure Island community in general, making their lease compatible with the long term vision for the island.

We sincerely hope you will support the new marina.

Very truly yours,

A handwritten signature in black ink, appearing to read "Sherry Williams", is written over a horizontal line.

Sherry Williams
Executive Director

San Francisco Building and

1188 FRANKLIN STREET • SUITE 203
SAN FRANCISCO, CA 94109
EMAIL: mike@sfbctc.org



Construction Trades Council

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9 October 2017

V. Fei Tsen, President
Mark Dunlop, Secretary
Linda Fadeke Richardson
Jena-Paul Samaha
Sam Moss
Sharon Lai
Paul Giusti
Supervisor Jane Kim
Board of Directors, Treasure Island Development Authority
One Avenue of the Palms, Suite 241
San Francisco, California 94130

C/O bob.beck@sfgov.org

RE: TREASURE ISLAND MARINA LEASE AND CEQA CERTIFICATION RESOLUTIONS

Dear President Tsen, Secretary Dunlop, and Commissioners:

The San Francisco Building and Construction Trades Council asks you to approve the lease and the California Environmental Quality Act (CEQA) certification for the Treasure Island Enterprises' new marina project.

Construction of the 313-slip modern marina will continue the progress we have recently begun on a project that will bring new housing and economic vitality to Treasure and Yerba Buena Islands and to the City. The construction will be performed under a project labor agreement between our Council and the developer.

A modern marina has always been a part of the project. It was first approved by the Treasure Island Development Authority in the 2006 Final Environmental Impact Report. It now awaits your final approvals.

We hope and trust that you will grant them.

Respectfully yours,

Michael Thériault
Secretary-Treasurer

cc: Affiliates
Treasure Island Enterprises

Becky Hogue
1227 D Northpoint Dr
San Francisco CA 94130
9/26/17

Fei Tsen
Chair, TIDA Board of Directors
One Avenue of the Palms, Suite 241
San Francisco, CA 94130

Via Email to Board Chair V. Fei Tsen and Members
C/O Bob.beck@sfgov.org

**RE: SUPPORT FOR TREASURE ISLAND MARINA PROJECT
APPROVE LEASE AND CEQA CERTIFICATION RESOLUTIONS
WEDNESDAY, October 11, 2017**

Dear President Tsen and Fellow Commissioners:

I am writing as a long time resident of Treasure Island, one of the Citizens Advisory Board's longest serving members, and an active participant in Treasure Island. I am writing to urge you to support the lease between TIDA and Treasure Island Enterprises, LLC (TIE) and the CEQA certification when those matters come before you.

I have watched TIE reduce the size and scope of its marina plan many times over the last two years as they have tried in good faith to find a solution that worked for TIE and the Treasure Island Sailing Center (TISC), and am very glad that TIE and TISC have reached a compromise that works for both organizations. I would also like to add that the principals of TIE have earned my support for their active involvement over many, many years as part of the redevelopment of TI. Accordingly, I am writing to urge you to support the TIE' new marina project, consisting of 313-slips and other waterside improvements.

Since the promise of Treasure Island was conceived more than two decades ago, a new, state of the art marina has always been a part of the project. The time has come to complete the new marina, and I urge you to support the lease and CEQA certification when it comes before the TIDA board.

Thank you for your anticipated support for the marina project, which is an important piece of the overall Treasure Island plan.

Very truly yours,

Becky Hogue



TREASURE ISLAND YACHT CLUB

300 Clipper Cove Way,
Treasure Island San Francisco, CA 94130-1701
T (415) 434-4475 * E-mail: office@tiyc.org
<http://www.tiyc.org>

October 8th, 2017

V. Fei Tsen
Chair, TIDA Board of Directors
One Avenue of the Palms, Suite 241
San Francisco, CA 94130

Via Email to Board Chair V. Fei Tsen and Members
C/O Bob.beck@sfgov.org

**RE: SUPPORT FOR TREASURE ISLAND MARINA PROJECT
WEDNESDAY, OCTOBER 11, 2017**

Dear President Tsen and Fellow Commissioners:

I am the Commodore of the Treasure Island Yacht Club, the local yacht club at Treasure Island with approx. 98 members, and over 50 years of operation on Treasure Island. I am writing to inform you that the TI Yacht Club has followed the development and the planning for a new marina at Treasure Island and express our support of Treasure Island Enterprises' new marina project, which we understand will consist of 313-slips and many other marina improvements.

We are aware that the promise of a revitalized Treasure Island was conceived more than two decades ago, with a proposed new, state of the art marina as part of the project. As a club that has its roots in the rich naval history of the island, we hope to grow our club along with the new marina, integrating the old with the new.

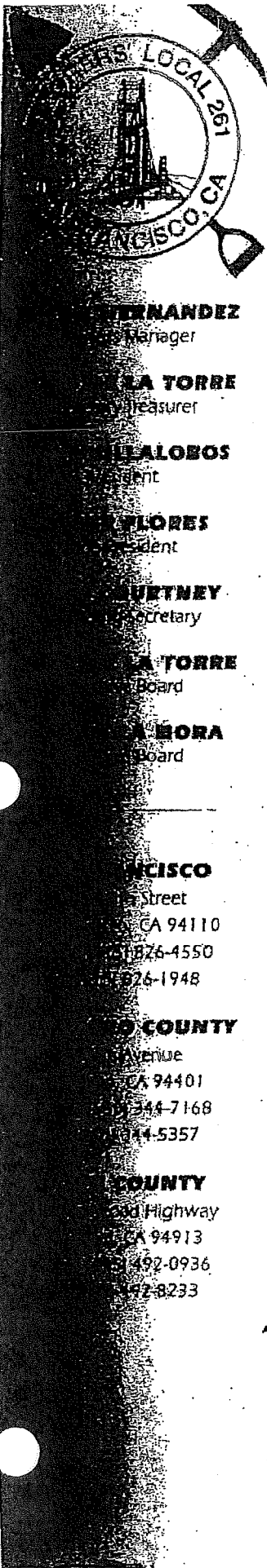
The current state of the marina is in dire need of improvement and repair, and its current poor conditions have deterred many other yacht clubs from sailing (cruising) to Treasure Island and TIYC. This has negatively impacted our club and our opportunity for growth. Therefore, we urge you to support the lease and CEQA certification when it comes before the TIDA board this Wednesday. With the new marina, our club can better welcome visitors throughout the boating community affiliates: PICYA, US Sailing, USNSA, YRA of SF Bay, BOAT-US, Yachting Club of America and individual watercraft enthusiasts.

Thank you for your anticipated support for the new marina project.

Very truly yours,

MeeSun Boice
TIYC Commodore 2017

Member of: PICYA, US Sailing, USNSA, YRA of SF Bay, BOAT-US, Yachting Club of America



LABORERS' INTERNATIONAL UNION OF NORTH AMERICA

LOCAL UNION NO. 261

September 5, 2017

V. Fei Tsen
Chair, TIDA Board of Directors
One Avenue of the Palms, Suite 241
San Francisco, CA 94130

Via Email: Board Chair V. Fei Tsen and Members
C/O Bob.beck@sfgov.org

**RE: SUPPORT FOR TREASURE ISLAND MARINA PROJECT
APPROVE LEASE AND CEQA CERTIFICATION RESOLUTIONS
WEDNESDAY, SEPTEMBER 13, 2017**

Dear President Tsen and Fellow Commissioners:

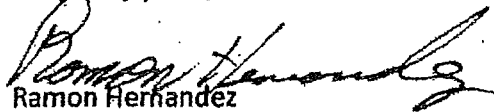
We are writing on behalf of the more than five thousand members of the Laborers' International Union Local #261, who have participated in the development of Treasure Island for more than a decade.

We are writing to you now to urge you to support the Treasure Island Enterprises' new marina project, consisting of 313-slips and other waterside improvements.

Since the promise of Treasure Island was conceived more than two decades ago, a new, state of the art marina has always been a part of the project. Today, some 11 years after the new marina was first approved by TIDA as part of the 2006 Final Environmental Impact Report, the new marina is ready for its final approvals. The time has come to complete the promise of the new marina, and we urge you to support the lease and CEQA certification when it comes before the TIDA board next week.

Thank you for your anticipated support for the marina project, which is an important piece of the overall Treasure Island plan.

Very truly yours,


Ramon Hernandez
Business Manager

RH:cbOpe29iu/afi-cio



United Brotherhood of Carpenters
and Joiners of America

UNION LOCAL NO. 22

September 6, 2017

Mr. Bob Beck
Director, TIDA Board of Directors
One Avenue of the Palms, Suite 241
San Francisco, CA 94130

**RE: SUPPORT FOR TREASURE ISLAND MARINA PROJECT
APPROVE LEASE AND CEQA CERTIFICATION RESOLUTIONS
WEDNESDAY, SEPTEMBER 13, 2017**

Dear Director Beck:

We are writing on behalf of the more than 2,750 members of the Carpenters Local Union #22 who have participated in the development of Treasure Island for more than a decade.

We are writing to you now to urge you to support the Treasure Island Enterprises' new marina project, consisting of 313-slips and other waterside improvements.

Since the promise of Treasure Island was conceived more than two decades ago, a new, state of the art marina has always been a part of the project. Today, some 11 years after the new marina was first approved by TIDA as part of the 2006 Final Environmental Impact Report, the new marina is ready for its final approvals. The time has come to complete the promise of the new marina, and we urge you to support the lease and CEQA certification when it comes before the TIDA board next week.

Thank you for your anticipated support for the marina project, which is an important piece of the overall Treasure Island plan.

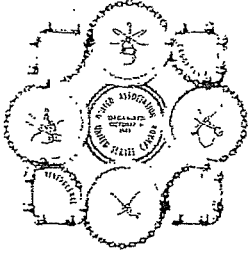
Sincerely,

Todd Williams
Senior Field Representative

2085 3RD STREET • SAN FRANCISCO, CA 94107
TELEPHONE: (415) 355-1322 • FAX: (415) 355-1422

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UNION LOCAL NO. 22

878



UNITED ASSOCIATION OF JOURNEYMEN AND APPRENTICES
OF THE PLUMBING AND PIPE FITTING INDUSTRY

LOCAL UNION NO. 38

1621 MARKET STREET • SAN FRANCISCO, CA 94103

September 5, 2017

V. Fei Tsen
Chair, TIDA Board of Directors
One Avenue of the Palms, Suite 241
San Francisco, CA 94130

Via Email to Board Chair V. Fei Tsen and Members
C/O Bob.beck@sfgov.org

**RE: SUPPORT FOR TREASURE ISLAND MARINA PROJECT
APPROVE LEASE AND CEQA CERTIFICATION RESOLUTIONS
WEDNESDAY, SEPTEMBER 13, 2017**

Dear President Tsen and Fellow Commissioners:

We are writing on behalf of the more than 2400 members of Plumbers & Pipefitters Local Union 38 who have participated in the development of Treasure Island for more than a decade.

We are writing to you now to urge you to support the Treasure Island Enterprises' new marina project, consisting of 313-slips and other waterside improvements.

Since the promise of Treasure Island was conceived more than two decades ago, a new, state of the art marina has always been a part of the project. Today, some 11 years after the new marina was first approved by TIDA as part of the 2006 Final Environmental Impact Report, the new marina is ready for its final approvals. The time has come to complete the promise of the new marina, and we urge you to support the lease and CEQA certification when it comes before the TIDA board next week.

Thank you for your anticipated support for the marina project, which is an important piece of the overall Treasure Island plan.

Very truly yours,

LARRY MAZZOLA, JR
Bus.Mgr. & Fin.Secty-Treas.



September 25, 2017

V. Fei Tsen
Chair, TIDA Board of Directors
One Avenue of the Palms, Suite 241
San Francisco, CA 94130

Via Email to: Board Chair V. Fei Tsen and Members
c/o Bob.beck@sfgov.org

RE: SUPPORT FOR TREASURE ISLAND MARINA PROJECT
APPROVE LEASE AND CEQA CERTIFICATION RESOLUTIONS

Dear President Tsen and Fellow Commissioners:

The San Francisco Electrical Construction Industry, a labor management partnership of our city's 32 leading electrical contractors and 3,000 skilled electrical workers, is pleased to offer its support of Treasure Island Enterprises' new marina project, consisting of 313-slips and other waterside improvements.

A state of the art marina has been an integral part of this project since its inception more than two decades ago. Today, the new marina is on the cusp of its final approvals some 11 years after TIDA first approved it as part of the 2006 Final Environmental Impact Report. Now the time has come to complete the promise and realize the vision of the new marina. We urge you to support the lease and CEQA certification when it comes before the TIDA board.

Thank you for your anticipated support for the marina project.

Sincerely,

Alex Lantsberg
Director, Research & Advocacy

720 Market St., Suite 700
San Francisco, CA 94102
WWW.SFECL.ORG (415) 431-4068



OPERATING ENGINEERS LOCAL UNION No. 3

828 MAHLER ROAD, STE. B, BURLINGAME, CA 94010 • (650) 652-7969 • FAX (650) 652-9725
Jurisdiction: Northern California, Northern Nevada, Utah, Hawaii, and the Mid-Pacific Islands

October 10, 2017

V. Fei Tsen
Chair, TIDA Board of Directors
One Avenue of the Palms, Suite 241
San Francisco, CA 94130

Via Email to Board Chair V. Fei Tsen and Members
C/O Bob.beck@sfgov.org

**RE: SUPPORT FOR TREASURE ISLAND MARINA PROJECT
APPROVE LEASE AND CEQA CERTIFICATION RESOLUTIONS
WEDNESDAY, October 11, 2017**

Dear President Tsen and Fellow Commissioners:

I am writing on behalf of the Operating Engineers Local Union 3, representing more than 10,000 workers in San Francisco and the Bay Area, who have participated in the development of Treasure Island for more than a decade.

We are writing to you now to urge you to support the Treasure Island Enterprises' new marina project, consisting of 313-slips and other waterside improvements.

Since the promise of Treasure Island was conceived more than two decades ago, a new, state of the art marina has always been a part of the project. Today, some 11 years after the new marina was first approved by TIDA as part of the 2006 Final Environmental Impact Report, the new marina is ready for its final approvals. The time has come to complete the promise of the new marina, and we urge you to support the lease and CEQA certification when it comes before the TIDA board next week.

Thank you for your anticipated support for the marina project, which is an important piece of the overall Treasure Island plan.

Sincerely,

Charley Lavery
District Representative/Auditor





OMc Design Group

201 Jackson Street San Francisco California 94111

Tel: 415 554 1906 Fax: 415 554 1907

www.omcdesigngroup.com

Date: 09.02.2017.

To: TIDA

Regarding: Marina Development on Treasure Island

Dear Jay,

Please feel free to circulate and forward this letter which is written in response to the marina development currently under consideration on Treasure Island.

Not only as a long-time resident of both Yerba Buena Island and more recently Treasure Island, I highly welcome the plans to completely rebuild and enlarge the marina on TI. As an avid boater and SF resident alike, I welcome the prospect to have a sizable marina in place here on TI where you can embark on a day on the Bay starting literally in the middle of it. The current marina, although acceptable and inviting as well as quite well run, unfortunately is not up to modern standards at all, with outdated power, water and other supplies, rotten docks and an outdated marina building, and it simply is not large enough to meet the rising demand for boat slips.

This letter of endorsement comes with the expectation and request that boats of all sizes will be welcome and will be permitted monthly and/or visitor slips, and not just large yachts 30 feet and longer. A fair amount of slips need to be provided for boats no larger than 20 feet as well, or my support will turn into opposition as not everything ought to be reserved for only the very wealthy residents of San Francisco. Slip costs need to remain reasonable and competitive rather than targeted at luxury property owners only.

The marina on TI needs to be rebuilt with all people in mind, sailing or motor boats, large and small, old and new. This project needs to move forward in harmony with the neighboring Sailing School and in expectance of the development of the two islands in the years to come. This is a wonderful opportunity to do the right thing for boating on the Bay and I support the project 100%.

Please do not hesitate to contact me with any questions,

Sincerely,

Christoph Oppermann

BAY CROSSINGS

“The Voice of the Waterfront”

September 27, 2017

V. Fei Tsen
Chair, TIDA Board of Directors
One Avenue of the Palms, Suite 241
San Francisco, CA 94130

Via Email to Board Chair V. Fei Tsen and Members
C/O Bob.beck@sfgov.org

**RE: SUPPORT FOR TREASURE ISLAND MARINA PROJECT
APPROVE LEASE AND CEQA CERTIFICATION RESOLUTIONS
WEDNESDAY, October 11, 2017**

Dear President Tsen and Fellow Commissioners:

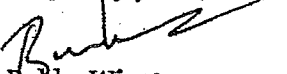
I write to you now to urge you to support the Treasure Island Enterprises' new marina project, consisting of 313-slips and other waterside improvements.

With my partners at Bay Ship, I have been pleased to work alongside the developers of this project for almost a decade; your approval will mark an important milestone in the exciting transformation of the Island. In my capacity as proprietor of *Bay Crossings*, the ferry rider's newspaper, I celebrate the coming marina as an important addition to San Francisco Bay quality of life. As a co-founder of WETA and evangelizer for comprehensive regional ferry service, I know many riders on the Treasure Island ferry service we helped advocate for will enjoy this amenity.

Since the promise of Treasure Island was conceived more than two decades ago, a new, state of the art marina has always been a part of the project. Today, some 11 years after the new marina was first approved by TIDA as part of the 2006 Final Environmental Impact Report, the new marina is ready for its final approvals. The time has come to complete the promise of the new marina, and we urge you to support the lease and CEQA certification when it comes before the TIDA board next week.

Thank you for your anticipated support for the marina project, which is an important piece of the overall Treasure Island plan.

Very truly yours,


Bobby Winston
Proprietor

101 The Embarcadero, Ste 126, San Francisco, CA 94105

180331

From: Board of Supervisors, (BOS)
Sent: Monday, April 30, 2018 8:38 AM
To: BOS-Supervisors; Major, Erica (BOS)
Subject: FW: Clipper Cove Planning Resolution #180331

From: Steve [mailto:stevenbayles@gmail.com]
Sent: Saturday, April 28, 2018 8:38 AM
To: Board of Supervisors, (BOS) <board.of.supervisors@sfgov.org>
Subject: Clipper Cove Planning Resolution #180331

April 28, 2018

San Francisco Board of Supervisors
1 Dr. Carlton B. Goodlett Place, City Hall, Room 244
San Francisco, CA 94102-4689
Email: Board.of.Supervisors@sfgov.org

Re: Clipper Cove Planning Resolution #180331

Dear Supervisors:

I write on behalf of BlindSail SF Bay to urge you to approve the Clipper Cove planning resolution (#180331) introduced to help protect Clipper Cove, a critically important venue for sailing by the blind and visually impaired.

BlindSail SF Bay was founded in 2007 and provides persons who are blind and visually impaired the opportunity to learn the fundamental skills of sailing and the basic principles of seamanship. The students learn to sail through the use of creative and adaptive methods in a hands-on, mainstream teaching environment. The objective is the same as for sighted sailors: to harness the wind and to experience all the challenges and rewards of sailing.

BlindSail SF Bay is a proud partner of Treasure Island Sailing Center. And we join Friends of the Sailing center, the U.S. Sailing Association, Save the Bay, San Francisco Bay Keeper, and many others in endorsing the Clipper Cove planning resolution to establish sound principles and criteria for guiding development in the Cove. Clipper Cove is invaluable public resource for all of San Francisco and the visually impaired community.

The Treasure Island Sailing Center has detailed the significant negative impact of the proposed marina expansion stating *“As we have detailed repeatedly, this proposed marina expansion would have significant negative impacts on our programs.”*

The vision for development in Clipper Cove should be improved. We urge you approve the Clipper Cove planning resolution to get development planning back on the right track.

Thank you for your attention here.

Sincerely,

Steven Bayles
CFO BlindSail SF Bay

Sent from my iPhone

180331

From: Aaron Goodman <amgodman@yahoo.com>
Sent: Sunday, April 29, 2018 11:34 PM
To: Major, Erica (BOS)
Cc: Board of Supervisors, (BOS)
Subject: SFBOS - Land Use /
Attachments: 45_lisbon_parking_goodman.pdf

SFBOS

As I am unable to attend the Monday SFBOS Land Use meeting please accept this memo as public comment on the following item(s).

1) **180331** - I would like to submit my support on the protection and importance of the Clipper Cove for recreational use for youth, and the concerns of environmental impacts on the area by the development proposals on treasure island.

2) **180089** - I would request that the importance of this be stipulated to allow individuals to appeal SFMTA Traffic Engineering Decisions, especially larger parking and major projects that change street-scapes be allowed to be appealed by any resident (1 person) or more on the street as individuals or home-owners directly impacted by the proposed changes. The current legislation notes 50 people which is too many on many streets. This is too many as many blocks do not have a majority even at 25 units. The issue also directly needs to address appeals of SFMTA Traffic Engineer decisions, when there are issues raised during the Traffic Engineer Hearings, where SFMTA outreach is required, and the project did not address raised concerns by the public and it is forwarded to the FULL SFMTA Board for approval, without re-notification to those parties impacted so they can attend and appeal, or respond directly to the SFMTA on the hearing item. I had specifically such an issue that was duly noticed on Nov. 3, 2017, but was not re-noticed to residents in timely fashion or inclusive of requested changes and noted non-approval of the project at the Nov. 3, 2017 traffic engineer meeting. My issue currently resides at the SOTF and thus I am concerned that members of the public are being "steam-rolled" by decisions of the SFMTA such as changed lanes, parking areas, and impactful projects without due and adequate ability to respond or contest the issues. At the Nov. 3 2017 hearing it was clear that the project was NOT in support (45 Degree Parking Lisbon St) yet the project had a follow up meeting that was not public, with the site sponsor the JHSF representative, D11 Supervisors Aide, and the SFFD and SFDPW where both agencies were not supportive due to concerns raised. The project went forward to the full SFMTA board on Dec. 5th 2017, and was approved even with concerns raised, and safety issues and other physical and visual impacts not addressed, and without ability to appeal. My concerns are that the SF Planning Commission must review and notice projects duly, and have follow up or secondary meetings. The SFMTA is not being held to the same level of scrutiny, or ability to challenge. This takes away the publics, and residents right to contest an issue when proof is submitted or concerns raised. I attach the images of the project issues I had raised prior at the Nov. 3rd meeting.

It is VERY important to have checks and balances on agencies that have grown too big, and do not have proper and adequate oversight in relation to projects that are impactfull, and were requested prior to be coordinated and improved to address environmental and safety issues.

Thank you for considering my issues on these two items.

Sincerely

Aaron Goodman D11

180331

From: Board of Supervisors, (BOS)
Sent: Wednesday, April 18, 2018 9:43 AM
To: BOS-Supervisors; Major, Erica (BOS)
Subject: FW: Clipper Cove Resolution
Attachments: SFBoS041718.pdf

From: Jack Gierhart [mailto:JackGierhart@USSAILING.ORG]
Sent: Tuesday, April 17, 2018 7:13 PM
To: Board of Supervisors, (BOS) <board.of.supervisors@sfgov.org>
Subject: Clipper Cove Resolution

This message was sent securely using Zix®

Dear San Francisco Board of Supervisors,

Please find attached a letter supporting the resolution addressing the Clipper Cove marina development proposal.

Thank you for your consideration.

Best regards,

Jack Gierhart
CEO
US Sailing
Tel: (401) 342-7924
Mobile: (617) 413-6187
Email: JackGierhart@USSAILING.ORG
Web: www.ussailing.org
1 Roger Williams University Way
Bristol, RI 02809



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File No. 180331
Received via email
4/17/18



April 17, 2018

San Francisco Board of Supervisors
1 Dr. Carlton B. Goodlett Place
City Hall, Room 244
San Francisco, CA 94102-4689
Email: Board.of.Supervisors@sfgov.org

1 Roger Williams
University Way
Bristol, RI 02809

P 401.342.7900
F 401.342.7940
info@ussailing.org
www.ussailing.org

Re: Support of Clipper Cove Resolution

Dear San Francisco Board of Supervisors:

I write on behalf of the United States Sailing Association in support of the resolution responding to the recent proposal to expand the private marina located in Clipper Cove at Treasure Island and reaffirming San Francisco's commitment to public recreation, public education, environmental protection, and preservation of public open space introduced by Supervisor Jane Kim introduced on April 3, 2018.

US Sailing is the National Governing Body (NGB) for the sport of sailing and supports a member base of over 46,000 sailors and boaters. We also provide services to over 2,500 local sailing and boating organizations by way of our education and safety programs. In fact, many of our members are tenants and proprietors of businesses on public lands, providing critical services to the boating public, and stewardship of our natural resources.

We remain concerned the scale of the marina as currently proposed is considerably greater than can be accommodated without significant negative impacts on public access and use of Clipper Cove, particularly through small boating such as youth and community sailing. The potential marina expansion would close off most of Clipper Cove to educational and recreational boating, leaving only a small portion of the cove for these uses. This closure would severely limit and diminish recreational and educational opportunities for the residents of San Francisco offered through the Treasure Island Sailing Center. Clipper Cove is one of San Francisco's most valuable open water resources. It is one of the only safe places for the community to engage in beginner/recreational small boating. One of our main concerns is preserving this access for beginning sailors and those in the sailing STEM program. This program provides access for thousands of youth to sailing opportunities, including a sailing STEM program, which serves over 1,500 elementary schoolers each year in San Francisco Unified



School District. It is necessary that the Sailing Center activities not be displaced by development, in order to retain protected and calm water for beginning sailors.

We believe that the San Francisco Board of Supervisors should act proactively to define what type of development at Clipper Cove is appropriate. The resolution proposed by Supervisor Kim outlines the principles for Clipper Cove development. It provides for sound planning regarding the commercial marina and calls for more study where needed to ensure that Clipper Cove, held in trust for the public, fulfills its destiny as a Mecca for introducing children and adults to boating on San Francisco Bay, as well as protects important environmental resources. We urge the San Francisco Board of Supervisors to adopt the resolution.

Sincerely,

A handwritten signature in black ink, appearing to read "Jack Gierhart", with a long horizontal flourish extending to the right.

Jack Gierhart
CEO, US Sailing

CLIPPER COVE RESOLUTION TALKING POINTS

With the transfer of Treasure Island to the City of San Francisco we have begun to even more deeply appreciate all that the Island offers.

One location in particular where public activity has skyrocketed over the last 10 years is Clipper Cove. Lying next to the Bay Bridge, Clipper Cove is cradled between the arms of Treasure Island and Yerba Buena. Formally closed to the public during the Navy era, the Cove is now open and has recently been recognized as one of the most well protected and scenic small boat harbors on the West Coast.

The unique geography of the Cove offers flat water with moderate wind while providing shelter from the notorious tidal currents and winds of the Central Bay.

At 81 acres, 10 times the size of McCovey Cove, Clipper Cove is the largest and most well-protected open-water cove in San Francisco. Since opening to the public, Clipper Cove has found fans ranging from dragon boaters to Olympic racers.

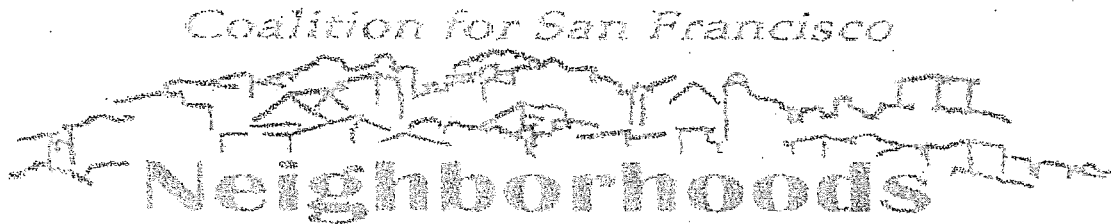
Clipper Cove is home to TISC – the Treasure Island Sailing Center - the only community sailing center in San Francisco. **The Sailing Center provides educational and recreational boating and sailing programs on Clipper Cove to over 4,000 youth and adults each year.**

A sailing and science STEM program hosted by TISC serves over 1,500 students each year from San Francisco public schools. For many of youth these classes are their first experience being on the water and their first close-up experience of the San Francisco Bay. **Over the last five years the program has brought onto the Bay over 5,000 4th and 5th graders from 41 public elementary schools across San Francisco.**

Clipper Cove is also a critically important ecological site, hosting beds of eelgrass, a critically important keystone species in the San Francisco Bay and one of the rarest habitats in California.

In sum, Clipper Cove is a San Francisco gem, serving the entire city and providing critically important bio-diversity.

Recently a long-dormant proposal has re-surfaced to develop Clipper Cove through the development of a large private marina. Given the irreplaceable value of Clipper Cove it is critically important that such development be guided by sound planning. After hearing from many stakeholders I have drafted a board resolution to help establish principles and criteria to encourage sound and efficient planning in the development of Clipper Cove. I ask for your support in helping to steward a resource that serves all of San Francisco.



www.csfn.net • PO Box 320098 • San Francisco CA 94132-0098 • Est 1972

February 20, 2018

Page 1 of 2

TO: Treasure Island Development Authority, San Francisco Planning Department, San Francisco Planning Commission, San Francisco Board of Supervisors

FROM: George Wooding, President, Coalition for San Francisco Neighborhoods (CSFN)

CSFN RESOLUTION SUPPORTING ALTERNATIVE OPTION FOR CLIPPER COVE

WHEREAS, Treasure Island's Clipper Cove is a unique harbor that is San Francisco's largest and most valuable protected open water cove;

WHEREAS, a new development proposed by Treasure Island Enterprises, to demolish the existing small boat marina in Clipper Cove and construct a new luxury marina dedicated exclusively for very large yachts running 40'-80' in length, would damage existing recreational, educational, and cultural activities in Clipper Cove and would pose a significant unidentified threat to the ecology of the Cove;

WHEREAS, presently Clipper Cove is the home to San Francisco's only community sailing center, the Treasure Island Sailing Center (TISC), which provides sailing for several thousand youth each year, including a sailing STEM program for over 1,500 San Francisco Unified School District (SFUSD) 4th graders, most of whom have their first experience on the Bay through this program;

WHEREAS, the proposed development would increase the footprint of the marina from 7% of the Cove to 32% of the Cove, displacing Sailing Center activities, entirely blocking some beginning sailors from the inner Cove where the water is most protected and reducing the area available for recreational boaters to anchor overnight in the calm waters found in Clipper Cove;

WHEREAS, found underwater in the southern portion of Clipper Cove is valuable native eelgrass which provides important habitat for wildlife in San Francisco Bay;

WHEREAS, according to the State of California, the wave attenuator wall proposed as part of the new luxury marina is likely to generate new siltation in the Cove requiring regular maintenance dredging, factors that could likely negatively impact the eelgrass without proper mitigation;

WHEREAS, in a feasibility study on the proposed project, the State of California noted that similar development at the San Francisco Marina by the Marina Green resulted in unanticipated siltation, the dredging of which currently runs to \$500,000 a year and recommended budgeting \$150,000 a year in maintenance dredging for the proposed Clipper Cove project, a recommendation the developers have declined to accept;

WHEREAS, the State's estimate of dredging costs documents that the project sponsor, Treasure Island Enterprises, has not studied nor identified the potential threat of changing siltation and has not identified mitigation measures to protect the eelgrass;

THEREFORE, BE IT RESOLVED, that the Coalition for San Francisco Neighborhoods (CSFN) opposes the proposed marina development and endorses the Treasure Island Sailing Center (TISC) minimum impact alternative option for Clipper Cove. Under the alternative option, the number of berths in the marina would double and the average berth would increase in length from 31ft. to a maximum of 42ft. This compromise would allow for a dramatic increase in the development of Clipper Cove but still have minimum impact on public access to Clipper Cove and minimum impact on the health of the Bay.

THEREFORE, BE IT FURTHER RESOLVED, that the City of San Francisco should evaluate how any proposed marina development would impact sedimentation in Clipper Cove before approving said proposal.

Sincerely,



George Wooding
President CSFN

March 6, 2018



Honorable Jane Kim
San Francisco Board of Supervisors
1 Dr. Carlton B. Goodlett Place
City Hall, Room 244
San Francisco, CA 94102-4689
[Jane.Kim@sfgov.org]

1 Roger Williams
University Way
Bristol, RI 02809

P 401.342.7900
F 401.342.7940
info@ussailing.org
www.ussailing.org

Dear Supervisor Kim:

I write on behalf of US Sailing to share our opposition to the recent proposal forwarded by the Treasure Island Development Authority (TIDA) to expand the existing marina in Clipper Cove.

As the National Governing Body for the sport of sailing, US Sailing's mission is to provide leadership for the sport of sailing in the United States.

The proposal adopted by TIDA on October 30, 2017, would dramatically reduce public access to Clipper Cove and significantly diminish the public recreation and education programs operated by the Treasure Island Sailing Center, particularly the Center's youth programs. Clipper Cove, widely recognized as one of the best small boating venues on the West Coast, would be significantly and permanently diminished.


The Treasure Island Sailing Center in Clipper Cove is one of 35 Community Sailing Centers in the United States accredited by US Sailing. These Community Sailing Centers have proven to be engines for community development across the United States and represent the fastest growing segment in the sport of sailing.

We believe diversity is essential to the sport of sailing and Community Sailing Centers are at the forefront of bringing diversity to the sport. For us, diversity refers to the differences of culture, ethnicity, race, gender, age, beliefs, religion, socioeconomic status, sexual orientation, family status, physical ability, appearance and ideas. We are committed to achieving greater diversity throughout the sport and fostering an environment that is more inclusive. TISC has helped an unbelievable number of underserved kids in San Francisco who otherwise would have no access to the bay or to sailing's unique ability to develop their self-reliance, independence, citizenship, problem solving skills and overall self-image.

To help us achieve our mission, we seek to identify organizations that provide the highest quality of education and support access to sailing for all. These are organizations that align with the standards set forth by US Sailing and offer safety, fun and learning through their programming. The Treasure Island Sailing Center in Clipper Cove meets these standards and more.

We strongly urge you to work toward marina development that preserves public access to Clipper Cove and supports the Treasure Island Sailing Center that brings so much to San Francisco.

Thank you for your attention here.

Sincerely,

Jack Gierhart
CEO, US Sailing





SFUSD SAN FRANCISCO
PUBLIC SCHOOLS

DIVISION OF CURRICULUM & INSTRUCTION, STEM – SCIENCE DEPARTMENT
750 25th Avenue, San Francisco, CA 94121
T 415.508-7378
F 415.750-8575
WWW.SFUSD.EDU

May 19, 2017

R. Zachary Wasserman, Chair
Bay Conservation and Development Commission
455 Golden Gate Avenue, Suite 10600
San Francisco, CA 94102-7019
via email: brad.mccrea@bccdc.ca.gov

Dear Mr. Wasserman:

On behalf of the Science Department of the San Francisco Unified Public School District, I write to encourage the Bay Conservation and Development Commission to protect Clipper Cove at Treasure Island. This ask echoes the US Sailing Association and the Sierra Club in urging you to reject the recent marina expansion proposal forwarded by Treasure Island Enterprises.

Over the past three years over thirty-five SFUSD elementary schools have participated in the sailing STEM classes taught on Clipper Cove by the Treasure Island Sailing Center (TISC). The classes are full STEM (*science, technology, engineering, and mathematics*) curricula that meet 4th grade Next Generation Science Standards (NGSS). They include: Ecology of the Bay, Maritime History, and Power of the Wind. As part of the Science Enrichment Pathway, I have been able to fund dozens of students in the past semester to attend, all with glowing reviews of their experiences.

These classes are making a vital contribution to our work in the classroom, and more importantly they are making a significant contribution in the development of our students. For many of the students these classes are their first on-the-water experience of San Francisco Bay.

However, the Treasure Island Sailing Center has been explicit that the proposed marina expansion would significantly harm their programs and would significantly reduce public access (especially for beginning sailors), including a 25% reduction of the sailing area used by the STEM program. For full detail and documentation, see the April 17, 2017 note posted on the Sailing Center's website here: <https://tisailing.org/resources/news-and-press-releases>

Clipper Cove is an extremely valuable public resource. Due to unique geography it provides the extremely rare combination of good wind, flat water, and no currents. It is recognized as one of the best small boat venues on the west coast and is ideal for teaching youth sailing. About 10 times the size of McCovey Cove, Clipper cove is by far and away San Francisco's most important protected open water.

As proposed, the marina expansion would have a dramatic negative impact on public education and public recreation on the San Francisco Bay.

Under this proposal, the marina would expand from covering 7% of the Cove to covering 31% of the Cove, an

expansion of 342%, permanently eliminating public access to 1/3rd of the Cove. In addition, the configuration of the marina footprint would leave only a narrow and challenging entrance to the Cove, effectively blocking beginning sailors from the Cove. High school and collegiate racing will be pushed part way out of the Cove, mandating the expense of additional safety boats as well as prompting additional racing limitations and cancellations when conditions outside the Cove become dangerous. [For documentation see at link above.]

The Treasure Island Sailing Center, through its many programs, gets thousands of people sailing out on the water every year. Most impressively, many low-income youth have a chance to learn how to sail, a chance that in all likelihood they would not have without the Center and Clipper Cove. The Sailing Center is a very special institution - no one is ever turned away. Full and partial scholarships are always available for its summer and after-school programs. The US Sailing Association recently awarded the Treasure Island Sailing Center the Kilroy award given annually each year to a program that has made "*notable contributions in promoting public access sailing by identifying and actively including people who would normally have no access to sailing.*"

By teaching youth how to sail on Clipper Cove, the Treasure Island Sailing Center is fostering a generation of Bay Area residents who understand the value of the Bay and will work to protect this vital public resource. The San Francisco Bay Plan specifically recognizes the importance of recreation to conservation: "Participating in recreation activities on the Bay and along its shoreline can inspire an appreciation of the Bay and can motivate people to participate in the responsible management and protection of the Bay." (San Francisco Bay Plan, reprinted March 2012, at p. 58.)

The STEM classes offered on Clipper Cove through the Sailing Center are making an invaluable contribution to our students. These classes are also providing our students with an important introduction of the San Francisco Bay. Protecting the Cove is vital to maintaining the integrity of these classes.

We urge to protect Clipper Cove and reject the proposed marina expansion.

Sincerely,

Vanessa Carter

Vanessa Carter
Environmental Literacy Content Specialist

October 4, 2017

Hon. V. Fei Tsen - Chair
TIDA Board of Directors
One Avenue of the Palms, Suite 241
San Francisco, California 94130
Via Bob Beck <bob.beck@sfgov.org>

cc: San Francisco Supervisor Jane Kim

Dear Chair Tsen:

We write as San Francisco elementary school teachers to encourage the Treasure Island Development Authority to protect Clipper Cove at Treasure Island. And we join the US Sailing Association and the Sierra Club in urging you to reject the recent marina expansion proposal forwarded by Treasure Island Enterprises.

Over the past three years over thirty-five SFUSD elementary schools as well as several private elementary schools have participated in the sailing STEM classes taught on Clipper Cove by the Treasure Island Sailing Center (TISC). The classes are full STEM (science, technology, engineering, and mathematics) curricula that meet 4th grade Next Generation Science Standards (NGSS). They include: Ecology of the Bay, Maritime History, and Power of the Wind.

These classes are making a vital contribution to our work in the classroom, and more importantly they are making a significant contribution in the development of our students. For many of the students these classes are their first on-the-water experience of San Francisco Bay.

However, the Treasure Island Sailing Center has been explicit that the proposed marina expansion would significantly harm their programs and would significantly reduce public access (especially for beginning sailors), including a 25% reduction of the sailing area used by the STEM program. For full detail and documentation, see the April 17, 2017 note posted on the Sailing Center's website here: <https://tisailing.org/resources/news-and-press-releases>

Clipper Cove is an extremely valuable public resource. Due to unique geography it provides the extremely rare combination of good wind, flat water, and no currents. It is recognized as one of the best small boat venues on the west coast and is ideal for teaching youth sailing. About 10 times the size of McCovey Cove, Clipper cove is by far and away San Francisco's most important protected open water.

As proposed, the marina expansion would have a dramatic negative impact on public education and public recreation on the San Francisco Bay.

Under this proposal, the marina would expand from covering 7% of the Cove to covering 32% of the Cove, an expansion of 357%, permanently eliminating public access to 1/3rd of the Cove. In addition, the configuration of the marina footprint would leave only a narrow and challenging entrance to the Cove, effectively blocking beginning sailors from the Cove. High school and collegiate racing will be pushed part way out of the Cove, mandating the expense of additional safety boats as well as prompting additional racing limitations and cancellations when conditions outside the Cove become dangerous. [For documentation see at link above.]

The Treasure Island Sailing Center, through its many programs, gets thousands of people sailing out on the water every year. Most impressively, many low-income youth have a chance to learn how to sail, a chance that in all likelihood they would not have without the Center and Clipper Cove. The Sailing Center is a very special institution - no one is ever turned away. Full and partial scholarships are always available for it's summer and after-school programs. The US Sailing Association recently awarded the Treasure Island Sailing Center the Kilroy award given annually each year to a program that has made *"notable contributions in promoting public access sailing by identifying and actively including people who would normally have no access to sailing."*

By teaching youth how to sail on Clipper Cove, the Treasure Island Sailing Center is fostering a generation of Bay Area residents who understand the value of the Bay and will work to protect this vital public resource. The San Francisco Bay Plan specifically recognizes the importance of recreation to conservation: "Participating in recreation activities on the Bay and along its shoreline can inspire an appreciation of the Bay and can motivate people to participate in the responsible management and protection of the Bay." (San Francisco Bay Plan, reprinted March 2012, at p. 58.)

The STEM classes offered on Clipper Cove through the Sailing Center are making an invaluable contribution to our students. These classes are also providing our students with an important introduction of the San Francisco Bay. Protecting the Cove is vital to maintaining the integrity of these classes.

We urge you to protect Clipper Cove and reject the proposed marina expansion.

Sincerely,

Christine Armstrong
Alvarado Elementary

Amy Lee
Jefferson Elementary

Victoria Bautista
Jefferson Elementary

Christine Linder
Miraloma Elementary

Annie Roach
McKinley Elementary

William Warrant
Bessie Carmichael

Chris Weiss
Sunnyside Elementary

Liz Zarr
Glen Park Elementary

Jill Radwanski
Jefferson Elementary

Liana Kholer
Gordon J. Lau Elementary

Vivian Mak
Gordon J. Lau Elementary

Jennifer Partika
Argonne Elementary

Kim Towlsey
Argonne Elementary

William Nadel
Argonne Elementary

William Warrant
Bessie Carmichael

El Walden
Ulloa Elementary

Kathy Angus
Argonne Elementary

Marta Alvarez
Paul Revere Elementary

Mei Wong
Alice Fong Yu Elementary

Jessica Thompson
Daniel Webster Elementary

Patricia Juri
Argonne Elementary

Brenda Douville
Gordon J. Lau Elementary

Krisi Luo
Gordon J. Lau Elementary

Zoe Wadkins
Former Program Director and
STEM Coordinator, Treasure
Island Sailing Center



SAN FRANCISCO
BAYKEEPER®

October 9, 2017

Board of Directors
Treasure Island Development Authority
One Avenue of Palms, Suite 241
San Francisco, CA 94130
Email: Bob.Beck@sfgov.org

Re: Clipper Cove Marina Expansion

Dear TIDA Board of Directors:

On October 2, 2016, San Francisco Baykeeper (“Baykeeper”) sent a letter to Hunter Cutting with Save Clipper Cove noting our opposition to and concern with the proposed marina expansion project at Clipper Cove on Treasure Island (“Project”). (See attached as Exhibit A). Baykeeper was primarily concerned about the impacts to the present users from the proposed development and the outdated and inadequate environmental review of the Project. Although the Project has changed, we remain concerned about the same issues. Thus, we reiterate and incorporate those earlier comments herein, and are writing to express the following additional concerns.

First, Baykeeper remains concerned that the Project will have adverse impacts on the important youth programs that take place at Clipper Cove. These programs allow youth (and adults) to interact with the Bay, cementing a knowledgeable and caring relationship with the Bay going forward. The Treasure Island Sailing Club has noted that the space available for their programs after the proposed Project is the *minimum* needed for their programs. However, the Project will certainly impact the sailing programs. The Project will take 32% of the area currently used by the Sailing Club and other recreationalists, significantly reducing the area available. In addition, as planned, the Project will cause changes in Clipper Cove that may not allow many beginners to sail there. Finally, with the proposed Project there is no room for these programs to grow, while the need for safe places to access the Bay will certainly grow.

Second, we are concerned that the EIR for this Project is now 11 years old. No supplemental EIR has been prepared, yet the baseline conditions and the Project have changed significantly since the EIR was prepared. In our original letter, Baykeeper noted that the EIR fails to analyze water quality impacts from increasing motorized boat use. Moreover, the EIR does not consider the impacts of this Project on the eelgrass beds in Clipper Cove. The dredging necessary for this Project could likely have a negative impact on the eelgrass beds, but that impact was not evaluated in the EIR. Before approving this Project, the California Environmental Quality Act requires TIDA analyze and mitigate for these impacts.

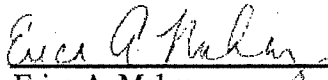
Third, we are concerned about the economic viability of the Project. The economic model relies on renting the live-aboard slips for over \$3,000 per month, which is over three times the rental fee for any other marina in the Bay. It is unclear that this business model is sustainable, and Baykeeper is concerned about the environmental and recreational impacts to Clipper Cove if the Project is unsuccessful or if it is unable to go beyond Phase 1. For example, will there be additional

Baykeeper
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October 9, 2017

environmental impacts or additional impacts to current recreational users if the Project is unsuccessful or only implements Phase 1? It is important that these potential impacts be analyzed before approving the Project.

In conclusion, while considering this Project, we urge you to ensure that access for current and potential recreational users, as well as the water quality and natural plant communities, are protected. The current plan for the Project does not appear to do so. If you have any questions, please contact me at erica@baykeeper.org.

Yours truly,


Erica A. Maharg
Managing Attorney

CC: Supervisor Jane Kim, Jane.Kim@sfgov.org

EXHIBIT A

October 2, 2016

Hunter Cutting
Save Clipper Cove
Email: huntercutting@gmail.com

Dear Mr. Cutting:

Thank you for informing me about the proposed expansion of Clipper Cove Marina (“Project”) located on Treasure Island. After reviewing the proposed Project and the environmental impact report (“EIR”) prepared for the Project, Baykeeper shares your concerns about the marina expansion. As described in greater detail below, Baykeeper is concerned about the impact the Project will have on present recreational users of Clipper Cove and whether the EIR prepared for the Project adequately evaluates and mitigates for the environmental impacts of the Project as currently proposed.

Baykeeper is a non-profit organization that works to protect and enhance the water quality and natural resources of San Francisco Bay, its tributaries, and other waters in the Bay Area, for the benefit of its ecosystems and communities. Baykeeper has over 5,000 members and supporters, many of whom use San Francisco Bay on a regular basis for recreation, including sailing, kite surfing, swimming, and kayaking. Our mission is not only to ensure that the Bay is safe and healthy to recreate in the Bay, but also to work to protect and promote public access.

1. The Marina Expansion Will Negatively Impact Present Users’ Access to and Enjoyment of Clipper Cove.

Baykeeper is concerned that the marina expansion will deprive present and future users of Clipper Cove of a safe and accessible place to access the Bay. Clipper Cove has become a community asset where many people access the Bay for recreation. The Treasure Island Sailing Center, through its many programs, gets thousands of people sailing out on the water every year. Most impressively, many low-income youth have a chance to learn how to sail, a chance that in all likelihood they would not have without the Center and Clipper Cove.

By teaching kids how to sail, the Treasure Island Sailing Center is creating a future generation of people who understand the value of the Bay and will work to protect this vital public resource. The San Francisco Bay Plan specifically recognizes the importance of recreation to conservation: “Participating in recreation activities on the Bay and along its shoreline can inspire an appreciation of the Bay and can motivate people to participate in the responsible management and protection of the Bay.” (San Francisco Bay Plan, reprinted March 2012, at p. 58.)

The current layout of Clipper Cove, with a smaller marina in the northwest corner, provides enough area for the Treasure Island Sailing Center to conduct sailing lessons in a safe way. Moreover, it provides a large area for non-motorized watercraft, such as kayaks and stand-up



paddleboards. The current proposal for the Project, by greatly expanding the footprint of the marina, will significantly reduce the area available for sailing instruction and non-motorized watercraft. Further, the increased boat traffic due to the expanded marina will likely increase the potential for accidents between new sailors and marina users. Any agency approving the Project should closely look to ensure that sailors and non-motorized watercraft users will not be threatened by increased traffic through Clipper Cove.

Baykeeper understands that there is a lack of sufficient marina space in San Francisco Bay, and we generally support efforts to increase public access, including marinas, in the Bay. However, Clipper Cove already has a thriving community of recreational users. Any expansion or modification of Clipper Cove must ensure that the present users can continue to recreate there in a safe and fun way. It appears that, in order to do that, the Project as currently proposed should decrease its footprint, either by reducing the number of berths or decreasing the size of the berths.

2. The 2006 EIR Should Likely Be Revised to Consider Changes at Clipper Cove and the Proposed Project.

An EIR for the Project was prepared in 2006, about ten years ago. The age of the EIR calls into question whether the analysis in the document is still accurate. Conditions at the site likely have changed, such as increased recreation use or changes in biological resources. Moreover, the Project evaluated in the EIR appears to have been modified in the latest proposal. Although the number of slips at the marina has remained the same, the marina's footprint has significantly expanded. These changes could cause increased impacts, such as impacts to water quality and public safety as a result of increased conflicts between motorized and non-motorized watercraft.

Where a project for which an EIR has been prepared is later modified or the circumstances under which it is to be carried out change, a subsequent or supplemental EIR may be required. (*See* Pub. Res. Code § 21166; *Save Our Neighborhood v. Lishman* (2006) 140 Cal.App.4th 1288, 1295 (*Save Our Neighborhood*)).) Public Resources Code section 21166 provides that a subsequent or supplemental EIR shall be required if substantial changes are proposed in the project, or occur with respect to the circumstances under which the project will be undertaken, which require major revisions to the EIR, or if new and previously unknown information becomes available. (Pub. Res. Code § 21166; *see also* 14 Cal. Code Regs. §§ 15162-15164.)

Any agency approving the Project should evaluate the changes in the Project and the changes at the site since the EIR was certified to determine whether a subsequent EIR should be prepared. Preparing a supplemental EIR will ensure public participation in the Project and will provide decisionmakers with the information needed to make an informed decision, meeting the purposes of CEQA. (*See Woodward Park Homeowners Assn., Inc. v. City of Fresno* (2007) 150 Cal. App. 4th 683, 691 [The basic purposes of CEQA are “to inform the public and decision makers of the consequences of environmental decisions before those decisions are made,” and “to protect and maintain California’s environmental quality.”].)

Baykeeper is particularly concerned about the potential water quality impacts of increasing motorized boat traffic at Clipper Cove. Motorized boats can pollute the water with oil and gas; in addition, detergents, sewage, metals, and other pollutants can discharge depending on how the boat

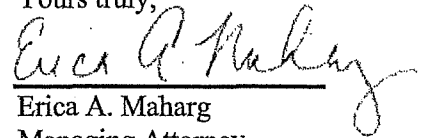
October 2, 2016

Page 3

is maintained. It does not appear that the 2006 EIR considered these impacts at all. (See EIR, Chapter 4.) The San Francisco Bay Plan prohibits any new marina or marina expansion “unless water quality and circulation will be adequately protected and, if possible, improved.” (San Francisco Bay Plan at 62.) The EIR does not provide sufficient analysis to make this finding, and any agency approving the Project must fill this information gap prior to approval.

In short, before finalizing approval of the Project, the responsible agencies should ensure that any proposal protects current users and the character of Clipper Cove marina as a community resource. Moreover, Baykeeper asks any agency to make sure that increased use will not impact the water quality of the area. If you have any questions, please contact me at erica@baykeeper.org.

Yours truly,



Erica A. Maharg
Managing Attorney

BOARD of SUPERVISORS



City Hall
1 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: Deborah Raphael, Director, Department of the Environment
Phil Ginsburg, General Manager, Recreation and Parks Department
Robert P. Beck, Treasure Island Director, Treasure Island Development Authority

FROM: Erica Major, Assistant Clerk
Land Use and Transportation Committee

DATE: April 11, 2018

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Land Use and Transportation Committee has received the following proposed legislation, introduced by Supervisor Kim on April 3, 2018:

File No. 180331

Resolution responding to the recent proposal to expand the private marina located in Clipper Cove at Treasure Island; and reaffirming San Francisco's commitment to public recreation, public education, environmental protection, preservation of public open space, and social equity.

If you have 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 or by email at: Erica.Major@sfgov.org.

c: Peter Gallotta, Department of the Environment
Anthony Valdez, Department of the Environment
Sarah Madland, Recreation and Parks Department
Kate Austin, Treasure Island Development Authority
Nikki Ivey, Treasure Island Development Authority

Introduction Form

By a Member of the Board of Supervisors or the Mayor

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO

2018 APR - 26 10:18
Timestamp
or meeting date

I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee. (An Ordinance, Resolution, Motion, or Charter Amendment)
- 2. Request for next printed agenda Without Reference to Committee.
- 3. Request for hearing on a subject matter at Committee.
- 4. Request for letter beginning "Supervisor [] inquires"
- 5. City Attorney request.
- 6. Call File No. [] from Committee.
- 7. Budget Analyst request (attach written motion).
- 8. Substitute Legislation File No. []
- 9. Reactivate File No. []
- 10. Question(s) submitted for Mayoral Appearance before the BOS on []

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- Small Business Commission
- Youth Commission
- Ethics Commission
- Planning Commission
- Building Inspection Commission

Note: For the Imperative Agenda (a resolution not on the printed agenda), use a Imperative Form.

Sponsor(s):

Supervisor Kim, Peskin, Fewer

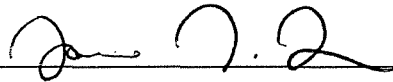
Subject:

[Affirming the Board of Supervisors commitment tot the environmental protection, public recreation, and youth education in Clipper Cove]

The text is listed below or attached:

Resolution responding to the recent proposal to expand the private marina located in Clipper Cove at Treasure Island and reaffirming San Francisco's commitment to public recreation, public education, environmental protection,

Signature of Sponsoring Supervisor: _____



For Clerk's Use Only: