[Disposition and Development Agreement]

Resolution approving a Disposition and Development Agreement between the Treasure Island Development Authority and Treasure Island Community Development, LLC, for certain real property located on Treasure Island and Yerba Buena Island.

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

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

WHEREAS, Under the Treasure Island Conversion Act of 1997 (AB 699), which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968, the State Legislature (i) granted to the Board of Supervisors the authority to designate the Treasure Island Development Authority ("TIDA") as a redevelopment agency under California Community Redevelopment Law with authority over the Base; and (ii) with respect to those portions of the Base that are subject to the public trust for commerce, navigation and fisheries (the "Public Trust"), vested in TIDA the authority to administer the Public Trust as to such property; and,

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

WHEREAS, In 1994, the Treasure Island/Yerba Buena Island Citizens Advisory Board ("CAB") was formed to (1) review reuse planning efforts for Treasure Island by the San

Francisco Planning Department and the San Francisco Redevelopment Agency, and (2) make recommendations to the City's Planning Commission and Board of Supervisors; and,

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

WHEREAS, The ENA and its subsequent amendments set forth the terms and conditions under which TIDA and the Developer have been negotiating a Disposition and Development Agreement and other transaction documents for the conveyance, management and reuse and redevelopment of portions of the Base described as the "Project Site" in the Disposition and Development Agreement, including a schedule of performance for major milestones; and,

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

WHEREAS, In 2006, the Board of Supervisors by Resolution No. 699-06 endorsed a Development Plan and Term Sheet for the Project that set forth the proposed terms of the Project; and,

WHEREAS, In May of 2010, the Board of Supervisors endorsed a package of legislation that included an update to the Development Plan and Term Sheet, terms of an Economic Development Conveyance Memorandum of Agreement for the conveyance of the site from the Navy to the TIDA, and a Term Sheet between TIDA and the Treasure Island

Homeless Development Initiative ("TIHDI") in Resolution Nos. 242-10, 243-10 and 249-10; and,

WHEREAS, The Navy and TIDA have negotiated an Economic Development Conveyance Memorandum of Agreement (the "Conveyance Agreement") that governs the terms and conditions for the transfer of the Base from the Navy to TIDA, which is concurrently being considered by the TIDA Board; and,

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

WHEREAS, Under the Disposition and Development Agreement and other transaction documents, the Project is anticipated to include (1) up to 8,000 new residential units, at least 25 percent of which (2,000 units) will be made affordable to a broad range of very-low to moderate income households, including 435 units to be developed by TIHDI and its member organizations, (2) adaptive reuse of approximately 311,000 square feet of historic structures, (3) up to 140,000 square feet of new retail uses and 100,000 square feet of commercial office space, (4) approximately 300 acres of parks and open space, (5) new and/or upgraded public facilities, including a joint police/fire station, a school, facilities for the Treasure Island Sailing Center and other community facilities, (6) a 400-500 room hotel, (7) a new 400 slip marina, and (8) transportation infrastructure, including a ferry quay/intermodal transit center; and,

WHEREAS, The Disposition and Development Agreement governs the Developer's right to develop the Project in a series of Major Phases and Sub-Phases and to sell or ground

lease developable lots to vertical developers for development, all in accordance with the applicable governing land use and entitlement documents; and,

WHEREAS, The Disposition and Development Agreement also governs the Developer's obligations with respect to the Project and requires the Developer to invest hundreds of millions of dollars of private capital in the initial construction of public infrastructure, affordable housing and community benefits and payment of the Navy payments under the Conveyance Agreement; and,

WHEREAS, The Financing Plan attached to the Disposition and Development Agreement provides that TIDA and the City will incur financial obligations to finance certain costs of the Project, including the formation of one or more infrastructure financing districts ("IFDs") under applicable provisions of the California Government Code (the "IFD Act") to finance acquisition and construction of certain public infrastructure facilities described in the Financing Plan and replacement housing to the extent required by the IFD Act; and,

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

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

WHEREAS, The Disposition and Development Agreement was presented to the CAB at a duly noticed public meeting on March 8, 2011, and on April 19, 2011 the CAB voted to recommend the Disposition and Development Agreement; and,

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

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

RESOLVED, That the TIDA Board determines that the Project proposed under the Disposition and Development Agreement is in the best interests of TIDA, the City, and the health, safety, morals and welfare of its residents, and is in accordance with the public purposes and provisions of applicable federal, state an local laws and requirements; and, be it

FURTHER RESOLVED, That the TIDA Board hereby approves and authorizes the Treasure Island Project Director ("Director") to execute, subject to obtaining Board of Supervisors approval, the Disposition and Development Agreement between TIDA and the Developer; and, be it

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

FURTHER RESOLVED, That all actions heretofore taken by TIDA and its officers, employees, and agents with respect to the Disposition and Development Agreement are hereby approved, confirmed and ratified; and, be it

FURTHER RESOLVED, That the TIDA Board authorizes and urges all officers, employees, and agents of TIDA and the City to take any and all steps as they deem necessary or appropriate, to the extent permitted by applicable law, in order to consummate the Disposition and Development Agreement in accordance with this Resolution, including execution of subsequent documents, or to otherwise effectuate the purpose and intent of this Resolution and TIDA's performance under the Disposition and Development Agreement; and, be it

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

CERTIFICATE OF SECRETARY

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

Jean-Paul Samaha, Secretary