

1 [Memoranda of Understanding Between the Treasure Island Development Authority and the  
2 San Francisco Public Utilities Commission regarding provision of utilities services on Treasure  
Island and Yerba Buena Island]

3 **RESOLUTION APPROVING A MEMORANDUM OF UNDERSTANDING BETWEEN THE**  
4 **TREASURE ISLAND DEVELOPMENT AUTHORITY AND THE SAN FRANCISCO PUBLIC**  
5 **UTILITIES COMMISSION FOR THE PROVISION OF UTILITIES SERVICES INCLUDING**  
6 **THE MAINTENANCE AND OPERATION OF UTILITY INFRASTRUCTURE ON TREASURE**  
7 **ISLAND AND YERBA BUENA ISLAND.**

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

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

14 WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended  
15 Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter  
16 1333 of the Statutes of 1968 (the "Act"), the California Legislature (i) designated the Treasure  
17 Island Development Authority ("TIDA") as a redevelopment agency under California  
18 redevelopment law with authority over the Base upon approval of the City's Board of  
19 Supervisors, and (ii) with respect to those portions of the Base which are subject to Tidelands  
20 Trust, vested in TIDA the authority to administer the public trust for commerce, navigation and  
21 fisheries as to such property; and,

22 WHEREAS, On March 12, 1997, the City and the Navy executed the Base Caretaker  
23 Cooperative Agreement in which the City agreed to assume certain caretaker responsibilities  
24 for the interim management and operation of the Base during the disposition process; and,  
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1           WHEREAS, The Board of Supervisors approved the designation of TIDA as a  
2 redevelopment agency for Treasure Island in 1997; and,

3           WHEREAS, In 1998 TIDA assumed the caretaker responsibilities outlined in the  
4 Cooperative Agreement; and,

5           WHEREAS, Under the Cooperative Agreement the City, and later TIDA, agreed to  
6 assume, in addition to other responsibilities, certain responsibilities for operation and  
7 maintenance of the water, waste water, storm water, electric and gas utility systems on the  
8 Base; and,

9           WHEREAS, The SFPUC has been performing utility services for the Base on behalf of  
10 TIDA without benefit of a written agreement for such services; and,

11           WHEREAS, After a competitive bid process, the TIDA Board selected Treasure Island  
12 Community Development, LLC ("TICD") as the proposed master developer of the Base; and,

13           WHEREAS, In June 2011 the TIDA Board and the Board of Supervisors approved  
14 numerous transactions and entitlement documents related to the proposed development of  
15 the Base, including a Disposition and Development Agreement with TICD (the "DDA") and an  
16 attached Infrastructure Plan describing certain infrastructure to be built on the Base by TICD;  
17 and,

18           WHEREAS, Under the transaction documents, the development is anticipated to  
19 include (1) up to 8,000 new residential units, at least 25 percent of which (2,000 units) will be  
20 made affordable, (2) adaptive reuse of approximately 311,000 square feet of historic  
21 structures, (3) up to approximately 140,000 square feet of new retail uses and 100,000 square  
22 feet of commercial office space, (4) approximately 300 acres of parks and open space, (5)  
23 new and/or upgraded public facilities, including a joint police/fire station, a school, facilities for  
24 the Treasure Island Sailing Center and other community facilities, (6) a 400-500 room hotel,  
25 and (7) landside improvements for a new 400 slip marina (the "Project"); and,

1           WHEREAS, The SFPUC reviewed and consented to the DDA and the Infrastructure  
2 Plan, and was a party to an Interagency Cooperation Agreement under which various City  
3 agencies agreed to work with TIDA in connection with the Project; and,

4           WHEREAS, On April 21, 2011, the Planning Commission by Motion No. 18325, and  
5 the TIDA Board of Directors by Resolution No. 11-14, as co-lead agencies, certified the  
6 completion of the Final Environmental Impact Report for the Project (the "EIR"). In consenting  
7 to the DDA, the SFPUC (as well as the Board of Supervisors and other City departments)  
8 made certain findings under the California Environmental Quality Act ("CEQA"), including a  
9 mitigation monitoring and reporting program and a statement of overriding considerations;  
10 and,

11           WHEREAS, The Project contemplated and the EIR considered the ongoing use,  
12 maintenance and repair of the utility infrastructure to the date of replacement by TICD. Since  
13 the EIR was finalized, there have been no substantial project changes and no substantial  
14 changes in project circumstances that would require revisions to the EIR due to the  
15 involvement of new significant environmental effects or an increase in the severity of  
16 previously identified significant impacts, and there is no new information that would change  
17 the conclusions set forth in the EIR; and,

18           WHEREAS, On January 24, 2012, the Board of Supervisors rescinded designation of  
19 TIDA as the redevelopment agency for Treasure Island under California Community  
20 Redevelopment Law in Resolution No. 11-12, and such rescission does not affect TIDA's  
21 status as the Local Reuse Authority for Treasure Island or the Tidelands Trust trustee for the  
22 portions of Treasure Island subject to the Tidelands Trust, or any of the other powers of TIDA,  
23 including the power to implement and complete the Project; and,

24           WHEREAS, TIDA and SFPUC staff have negotiated a Memorandum of Understanding,  
25 a copy of which is on file with the Board Secretary (the "Memoranda of Agreement"), to

1 memorialize the terms and conditions of continued performance by the SFPUC of certain  
2 defined utility services consistent with the Cooperative Agreement and past practice; now,  
3 therefore, be it

4         RESOLVED, That the Authority Board of Directors approves the Memorandum of  
5 Understanding between the TIDA and the SFPUC in substantially the form on file with the  
6 Board Secretary, and authorizes the Treasure Island Director to execute and deliver the  
7 Memorandum of Understanding, subject to the approval by the Board of Supervisors; and, be it  
8 it

9         FURTHER RESOLVED, That the Authority Board of Directors authorizes the Treasure  
10 Island Director to enter into any additions, amendments or other modifications to the  
11 Memorandum of Understanding that the Treasure Island Director determines, following  
12 consultation with the City Attorney, are in the best interests of the City, that do not materially  
13 increase the obligations or liabilities of the TIDA, that do not materially reduce the rights of the  
14 TIDA, and are necessary or advisable to complete the transactions contemplated by the  
15 Memorandum of Understanding, such determination to be conclusively evidenced by the  
16 execution and delivery by the Treasure Island Director of the documents; and, be it

17         FURTHER RESOLVED, The Treasure Island Director shall return to the Authority  
18 Board each year, in connection with any extension of the Cooperative Agreement with the  
19 Navy, to review and possibly extend the term of the Memorandum of Understanding.

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**CERTIFICATE OF SECRETARY**

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24         I hereby certify that I am the duly elected Secretary of the Treasure Island  
25 Development Authority, a California nonprofit public benefit corporation, and that the

1 above Resolution was duly adopted and approved by the Board of Directors of the  
2 Authority at a properly noticed meeting on September 11, 2013.

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6 Larry Del Carlo, Secretary

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