

1 [Deposit and Reimbursement Agreement - Treasure Island Development Authority - Treasure  
2 Island Community Development, LLC - Naval Station Treasure Island - \$100,000 Initial  
3 Deposit]

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4 **Resolution approving a Deposit and Reimbursement Agreement relating to Naval**  
5 **Station Treasure Island between the City, the Treasure Island Development Authority,**  
6 **and Treasure Island Community Development, LLC, in the amount of an initial deposit**  
7 **of \$100,000 for reimbursement of certain eligible expenses incurred by the City in the**  
8 **formation of Community Facilities Districts and Infrastructure Financing Districts on**  
9 **Treasure Island and Yerba Buena Island over an indefinite term up to 20 years.**

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11 WHEREAS, Naval Station Treasure Island (“NSTI”) is a former United States Navy  
12 base located in the City and County of San Francisco (the “City”) consisting of approximately  
13 550 acres on Treasure Island and Yerba Buena Island; 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 TIDA as a  
17 redevelopment agency under California redevelopment law with authority over NSTI upon  
18 approval of the City’s Board of Supervisors, and (ii) with respect to those portions of NSTI  
19 which are subject to Tidelands Trust, vested in TIDA the authority to administer the public  
20 trust for commerce, navigation and fisheries as to such property; and

21 WHEREAS, The Board of Supervisors approved the designation of TIDA as a  
22 redevelopment agency for NSTI in 1997; and

23 WHEREAS, On January 24, 2012, the Board of Supervisors rescinded designation of  
24 TIDA as the redevelopment agency for Treasure Island under California Community  
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1 Redevelopment Law in Resolution No. 11-12; and that such rescission does not affect TIDA's  
2 status as the Local Reuse Authority for NSTI or the Tidelands Trust trustee for the portions of  
3 NSTI subject to the Tidelands Trust, or any of the other powers or authority; and

4 WHEREAS, The United States of America, acting by and through the Department of  
5 the Navy ("Navy"), and the Treasure Island Development Authority ("TIDA") entered into an  
6 Economic Conveyance Memorandum of Agreement (as amended and supplemented from  
7 time to time, the "Conveyance Agreement") that governs the terms and conditions for the  
8 transfer of NSTI from the Navy to TIDA; under the Conveyance Agreement, the Navy will  
9 convey NSTI to TIDA in phases after the Navy has completed environmental remediation and  
10 issued a Finding of Suitability to Transfer (as defined in the Conveyance Agreement) for  
11 specified parcels of NSTI or portions thereof; and

12 WHEREAS, On May 29, 2015, TIDA accepted title to the first conveyance of 290 acres  
13 on Treasure Island and Yerba Buena Island transferred by the Navy under the terms of the  
14 Conveyance Agreement; and

15 WHEREAS, Treasure Island Community Development, LLC (the "Developer") and  
16 TIDA previously entered into a Disposition and Development Agreement (Treasure  
17 Island/Yerba Buena Island) (the "DDA"), including a Financing Plan (Treasure Island/Yerba  
18 Buena Island) (the "Financing Plan"), which governs the disposition and development of a  
19 portion of NSTI (the "Project Site") after the Navy's transfer of NSTI to TIDA in accordance  
20 with the Conveyance Agreement; and

21 WHEREAS, The DDA contemplates a project (the "Project") under which TIDA  
22 acquires the Project Site from the Navy and conveys portions of the Project Site to Developer  
23 for the purposes of (i) alleviating blight in the Project Site through development of certain  
24 improvements, (ii) geotechnically stabilizing the Project Site, (iii) constructing public  
25 infrastructure to support the Project and other proposed uses on NSTI, (iv) constructing and

1 improving certain public parks and open spaces, (v) remediating certain existing hazardous  
2 substances, and (vi) selling and ground leasing lots to vertical developers who will construct  
3 residential units and commercial and public facilities; and

4 WHEREAS, The Developer and the City previously entered into a Development  
5 Agreement related to the Project Site to eliminate uncertainty in the City’s land use planning  
6 for the Project Site and secure orderly development of the Project consistent with the DDA  
7 and other applicable requirements, and the Financing Plan is also an exhibit to the  
8 Development Agreement; and

9 WHEREAS, The Financing Plan identifies certain financial goals for the Project and the  
10 contractual framework for cooperation between TIDA, the City, and Developer in achieving  
11 those goals and implementing the Project; and

12 WHEREAS, The Financing Plan, among other things, obligates TIDA and the City to  
13 take all actions reasonably necessary, and obligates Developer to cooperate reasonably with  
14 the efforts of (i) the City to form requested community facilities districts (each, a “CFD”;  
15 together, the “CFDs”) and take related actions under the Mello-Roos Community Facilities Act  
16 of 1982 (the “Mello-Roos Act”) to pay for Qualified Project Costs, Ongoing Park Maintenance  
17 and Additional Community Facilities (as those terms are defined in the Financing Plan), (ii) the  
18 City to form requested infrastructure financing districts (each, an “IFD”; together the “IFDs”)  
19 and take related actions under applicable provisions of the Government Code of the State of  
20 California (the “IFD Law”) to pay for Qualified Project Costs and (iii) the City to issue bonds  
21 and other debt for the CFDs and the IFDs and other public financing instruments described in  
22 the Financing Plan (defined in the Financing Plan as “Public Financing”); and

23 WHEREAS, Developer and the City have agreed that the City will concurrently  
24 undertake proceedings to establish a future annexation area for one or more CFDs (each, a  
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1 “Future Annexation Area”), and Developer has informed the City that it anticipates applying to  
2 the City for annexation of territory in the Future Annexation Area(s) into the CFD(s); and

3 WHEREAS, Section 1.5(a) of the Financing Plan provides that the City and TIDA,  
4 following consultation with Developer, will select any consultants necessary to implement their  
5 respective portions of the Financing Plan, including the formation of any IFD and CFD and the  
6 completion of any Public Financing, and that the City and TIDA’s reasonable out-of-pocket  
7 costs that are not contingent upon the completion of a Public Financing will be advanced by  
8 Developer pursuant to a deposit agreement to be entered into among the City, TIDA, and  
9 Developer, and Developer shall be entitled to reimbursement of such advances from the  
10 proceeds of the Public Financing if authorized by applicable law; and

11 WHEREAS, The City, TIDA and Developer now wish to enter into a deposit agreement  
12 as described in Section 1.5(a) of the Financing Plan to specify the terms of the advances of  
13 funds and reimbursement; and

14 WHEREAS, The form of a Deposit and Reimbursement Agreement (Treasure  
15 Island/Yerba Buena Island) (the “Deposit Agreement”) is on file with the Clerk of the Board of  
16 Supervisors in File No. \_\_\_\_, which is hereby declared to be a part of this motion as if set forth  
17 fully herein; and

18 WHEREAS, On May 13, 2015, the TIDA Board approved TIDA Board Resolution  
19 Number 15-11-05/13, recommending approval of the Deposit Agreement and authorizing the  
20 Treasure Island Director to execute the Deposit Agreement upon Board of Supervisors  
21 approval; now, therefore, be it

22 RESOLVED, The Board of Supervisors hereby approves the form of the Deposit  
23 Agreement, in substantially the form on file with the Clerk of the Board of Supervisors; and, be  
24 it

1           FURTHER RESOLVED, The Mayor, the Controller, the Director of the Office of Public  
2 Finance, and the Treasure Island Director, or such other official of the City as may be  
3 designated by such officials (each, an “Authorized Officer”), is hereby authorized and directed  
4 to execute and deliver, and the Clerk of the Board of Supervisors is hereby authorized and  
5 directed to attest to, the Deposit Agreement in substantially the form on file with the Clerk of  
6 the Board of Supervisors, together with such additions or changes as are approved by such  
7 Authorized Officer upon consultation with the City Attorney and the City’s bond counsel; the  
8 approval of such additions or

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1 changes shall be conclusively evidenced by the execution and delivery by an Authorized  
2 Officer of the Deposit Agreement; and, be it

3 FURTHER RESOLVED, That this resolution shall take effect upon its adoption.  
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5 APPROVED AS TO FORM:  
6 DENNIS J. HERRERA, City Attorney

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8 By: \_\_\_\_\_

9 Mark D. Blake  
10 Deputy City Attorney  
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