

File No. 150784

Committee Item No. 12

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Committee

Date September 9, 2015

Board of Supervisors Meeting

Date _____

Cmte Board

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| <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 type="checkbox"/> | <input type="checkbox"/> | Introduction Form |
| <input checked="" 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 |
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| <input checked="" 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 |
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Completed by: Linda Wong Date September 4, 2015

Completed by: Linda Wong Date _____

1 [Cooperative Agreement Modification - United States Navy - Treasure Island Development
2 Authority]

3 **Resolution approving and authorizing the Treasure Island Development Authority to**
4 **enter into a modification of the Cooperative Agreement with the United States Navy to**
5 **extend the term from October 1, 2015, until the earlier of the termination of the**
6 **Conveyance Agreement executed between the Navy and Authority, or the date that all**
7 **parcels at the former Naval Station Treasure Island are conveyed.**

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

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

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

21 WHEREAS, On September 3, 1997, the Board of Supervisors passed Resolution
22 No. 806-97, authorizing the City to enter into a Cooperative Agreement with the Navy under
23 which the City (initially) and the Authority (subsequently) agreed to assume certain
24 responsibilities for (i) operation and maintenance for the water, waste water, storm water,
25 electric and gas utility systems on the Base, (ii) security and public health and safety services,

1 (iii) grounds and street maintenance and repair, and (iv) property management and caretaker
2 services; and

3 WHEREAS, The Cooperative Agreement has been amended numerous times and the
4 current term of the Cooperative Agreement expires on September 30, 2015; and

5 WHEREAS, On July 2, 2014, the Authority and the Navy executed the Economic
6 Development Conveyance Memorandum of Agreement (the "Conveyance Agreement"),
7 approved by the Board of Supervisors in Board of Supervisors Resolution No. 212-14 adopted
8 June 24, 2014, setting the terms and conditions for the transfer of the property from the Navy
9 to the Authority, including the conveyance schedule for the on-Island Transfer Parcels; and

10 WHEREAS, The initial transfer of property from the Authority and the Navy occurred
11 effective May 29, 2015, and remaining parcels of property still subject to the Cooperative
12 Agreement will also be transferred to the Authority over the next several years consistent with
13 the terms and conditions of the Economic Development Conveyance Memorandum of
14 Agreement (the "Conveyance Agreement") between the Authority and the Navy; and

15 WHEREAS, The Navy proposes modifying the Cooperative Agreement to extend the
16 term from October 1, 2015, until the earlier of (i) the termination of the Conveyance
17 Agreement executed between the Navy and Authority, or (ii) the date that all parcels at the
18 former Naval Station Treasure Island are conveyed under the same terms and conditions as
19 existed prior to the expiration of the current term of the Cooperative Agreement; and

20 WHEREAS, The Authority Board of Directors approved this Modification at its July 8,
21 2015, meeting; and

22 WHEREAS, The Board of Supervisors Resolution establishing the Authority, AB 699
23 and TIDA's Bylaws require that the Authority obtain Board of Supervisors approval of any
24 agreements having a term in excess of ten (10) years or anticipated revenues of \$1,000,000
25 or more; and

1 WHEREAS, The Cooperative Agreement, as amended, is a contract with a term in
2 excess of 10 years; now, therefore, be it

3 RESOLVED, That the Board of Supervisors hereby approves the Modification and
4 authorizes the Treasure Island Director or his designee to execute and enter into the
5 Modification in substantially the form of the Cooperative Agreement Modification filed with the
6 Clerk of the Board of Supervisors in File No. 150784 and any additions, amendments or other
7 modifications to such Modification (including, without limitation, its exhibits) that the Director of
8 Island Operations of the Authority or her designee determines, in consultation with the City
9 Attorney, are in the best interests of the Authority and do not otherwise materially increase the
10 obligations or liabilities of the Authority, and are necessary or advisable to effectuate the
11 purpose and intent of this resolution; and, be it

12 FURTHER RESOLVED, That within thirty (30) days of the Cooperative Agreement
13 Modification being fully executed by all parties, the Treasure Island Development Authority
14 shall provide the final Cooperative Agreement Modification to the Clerk of the Board for
15 inclusion into the official file.

CITY & COUNTY OF SAN FRANCISCO

TREASURE ISLAND DEVELOPMENT AUTHORITY
ONE AVENUE OF THE PALMS,
2ND FLOOR, TREASURE ISLAND
SAN FRANCISCO, CA 94130
(415) 274-0660 FAX (415) 274-0299
WWW.SFTREASUREISLAND.ORG



MIRIAN SAEZ
DIRECTOR OF ISLAND OPERATIONS

RECEIVED
BOARD OF SUPERVISORS
SAN FRANCISCO
2015 JUL 17 AM 10:00
MS

July 17, 2015

Ms. Angela Calvillo
Clerk of the Board
San Francisco Board of Supervisors
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102

Dear Ms. Calvillo

The Treasure Island Development Authority ("TIDA") requests formal introduction and assignment of the following five pieces of legislation at the Board of Supervisor's earliest convenience:

- Extension of the term of the Treasure Island South Waterfront Master Lease between TIDA and the United States Navy ("Navy")
- Extension of the term of the Treasure Island Land and Structures Master Lease between TIDA and the Navy
- Extension of the term of the Treasure Island Marina Master Lease between TIDA and the Navy
- Extension of the term of the Treasure Island Childcare Center Master Lease between TIDA and the Navy
- Extension of the term of the Cooperative Agreement between TIDA and the United States Navy.

Please find enclosed one original and four copies of the materials for each item. Thank you for your attention to this matter. Should your office have any questions, please contact me at 415-274-0665.

Sincerely,

A handwritten signature in black ink, appearing to read "Peter Summerville".

Peter Summerville

Cc: file

Enclosures

**Treasure Island Development Authority
City and County of San Francisco**

Resolution approving and authorizing the Treasure Island Development Authority to enter into a modification of the Cooperative Agreement with the United States Navy to extend the Term from October 1, 2015 until the earlier of (i) the termination of the Conveyance Agreement executed between the Navy and Authority, or (ii) the date that all parcels at the former Naval Station Treasure Island are conveyed.

SUMMARY OF PROPOSED ACTION:

This item seeks approval and authorization to extend the Cooperative Agreement between the Treasure Island Development Authority (the "Authority") and the U.S. Navy (the "Navy") from October 1, 2015 until the earlier of (i) the termination of the Conveyance Agreement executed between the Navy and Authority, or (ii) the date that all parcels at the former Naval Station Treasure Island are conveyed.

BACKGROUND:

With the approval of the Board of Supervisors, the City and the Authority entered into a Cooperative Agreement with the United States Navy, and numerous modifications to the Cooperative Agreement, under which the City (initially) and the Authority (subsequently) agreed to assume certain responsibilities for (i) operation and maintenance for the water, waste water, storm water, electric and gas utility systems on former Naval Station Treasure Island, (ii) security and public health and safety services, (iii) grounds and street maintenance and repair, and (iv) property management and caretaker services. The Cooperative Agreement is renewed yearly.

On July 2, 2014 the Authority and the Navy executed the Economic Development Conveyance Memorandum of Agreement (the "Conveyance Agreement"), approved by the Board of Supervisors in Board of Supervisors Resolution 212-14 adopted June 24, 2014. The Conveyance Agreement sets the terms and conditions for the transfer of the property from the Navy to the Authority, including the conveyance schedule for the on-Island Transfer Parcels.

On May 29, 2015 property comprising the first Transfer Parcel on former Naval Station Treasure Island was accepted by the Authority from the Navy. In consideration of the eventual future transfer to the Authority of the remaining parcels still governed by the Cooperative Agreement, the Navy proposes to modify the current year-to-year term of the Cooperative Agreement to instead now extend the term of the Cooperative Agreement from October 1, 2015 until the earlier of (i) the termination of the Conveyance Agreement executed between the Navy and Caretaker, or (ii) the date that all parcels at the former Naval Station Treasure Island are conveyed.

The Authority's Board of Directors approved this Cooperative Agreement Modification at its July 8th, 2015 meeting. Pursuant to the Board of Supervisors Resolution establishing the Authority, AB 699 and TIDA's Bylaws, Board of Supervisors approval is required of

any contract or agreement entered into by the Authority with a term longer than ten years. Because the term of the Cooperative Agreement has exceeded ten years, the Director of Island Operations requests approval of the Cooperative Agreement modification from the Board of Supervisors to extend the term from October 1, 2015 until the earlier of (i) the termination of the Conveyance Agreement executed between the Navy and Authority, or (ii) the date that all parcels at the former Naval Station Treasure Island are conveyed.

RECOMMENDATION:

Approve the modification to the Cooperative Agreement between the Authority and the United States Navy to extend the term from October 1, 2015 until the earlier of (i) the termination of the Conveyance Agreement executed between the Navy and Authority, or (ii) the date that all parcels at the former Naval Station Treasure Island are conveyed.

Robert Beck, Treasure Island Director

UNITED STATES NAVY
NAVAL FACILITIES ENGINEERING COMMAND
WASHINGTON NAVY YARD
1322 PATTERSON AVENUE SE, SUITE 1000
WASHINGTON, DC 20374-5065

COOPERATIVE AGREEMENT
NO. N62474-97-2-0003
MODIFICATION P00030

COOPERATIVE AGREEMENT

GRANTEE: CITY AND COUNTY OF SAN FRANCISCO
TREASURE ISLAND DEVELOPMENT AUTHORITY
ONE AVENUE OF THE PALMS, BUILDING 1, ROOM 237
TREASURE ISLAND, SAN FRANCISCO, CA 94130

AUTHORITY: 31 U.S.C. Section 6305 & 10 U.S.C. Section 2687 note, section 204 (a) (2) of
Defense Base Closure Act of 1988 (P. L. 100-526), Section 2905(b)(8) of the Defense Base
Closure Act of 1990

COOPERATIVE AGREEMENT MODIFICATION

The purpose of this modification is to update Section 701, as written below, to be
consistent with BRAC law.

Section 701. Term of Agreement

Unless sooner terminated in accordance with the provisions set forth in Article X of the
Agreement, this Agreement will not terminate until the earlier of (i) the termination of the
Conveyance Agreement executed between the Navy and Caretaker, or (ii) the date that all
parcels at the former Naval Station Treasure Island are conveyed.

As mutually agreed to herein by both parties, the costs of extended caretaker services
shall be borne exclusively of and by the Caretaker as an offset of existing revenue
generating sources, present and future, through the extended period of the Agreement.
The Caretaker shall not be obligated under this Agreement to perform caretaker services
when the cost of such services exceeds the amount of income received from subleasing
activities on the property. In no event shall the Government be liable for providing
funding or reimbursing the Caretaker for such caretaker services.

The general provisions, terms and conditions of the basic Agreement, and all previous
modifications, remain the same as previously adopted.

As a result of this Modification, the total funded amount of the Agreement remains the
same at \$12,848,213.00.

UNITED STATES NAVY
NAVAL FACILITIES ENGINEERING COMMAND
WASHINGTON NAVY YARD
1322 PATTERSON AVENUE SE, SUITE 1000
WASHINGTON, DC 20374-5065

COOPERATIVE AGREEMENT
NO. N62474-97-2-0003
MODIFICATION P00030

IN WITNESS WHEREOF, The parties to this Agreement by their authorized representatives hereby cause this Agreement to be executed.

For the CITY AND COUNTY
OF SAN FRANCISCO
TREASURE ISLAND DEVELOPMENT
AUTHORITY as Caretaker:

For the United States Navy:

By: _____
Mr. Robert Beck
Treasure Island Development Authority

By: _____
Ms. Cindy Readal
Grants Officer

Date: _____

Date: _____

APPROVED AS TO FORM:

DENNIS J. HERRARA, City Attorney

Charles Sullivan, Deputy City Attorney