

1 [Lease Agreement - Treasure Island Enterprises - Treasure Island Marina - \$90,000 Initial
2 Annual Base Rent]

3 **Resolution approving a lease agreement between the Treasure Island Development**
4 **Authority and Treasure Island Enterprises, LLC, a California limited liability company,**
5 **for the development and management of Treasure Island Marina for a term of 66 years**
6 **following Board approval for an initial annual base rent of \$90,000 with rent increases**
7 **adjusted annually by the Consumer Price Index, as defined herein; making findings**
8 **under the California Environmental Quality Act, adopting a Mitigation Monitoring and**
9 **Reporting Program for the marina project, and confirming the Planning Department’s**
10 **determination that no additional environmental impacts that were not previously**
11 **identified, would occur as a result of the proposed lease.**

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13 WHEREAS, Naval Station Treasure Island is a former military base located on
14 Treasure Island and Yerba Buena Island (together, the "Base"); and,

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

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

24 WHEREAS, Under the Treasure Island Conversion Act of 1997 (the “Act”), which
25 amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to

1 Chapter 1333 of the Statutes of 1968, the California Legislature (i) designated the Authority as
2 a redevelopment agency under California redevelopment law with authority over the Base
3 upon approval of the City's Board of Supervisors, and (ii) with respect to those portions of the
4 Base which are subject to the Tidelands Trust, vested in the Authority the authority to
5 administer the public trust for commerce, navigation and fisheries as to such property; and

6 WHEREAS, On February 6, 1998, the Board of Supervisors adopted Resolution No.
7 43-98 approving the designation of the Authority as a redevelopment agency for Treasure
8 Island and Yerba Buena Island; and

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

15 WHEREAS, The Authority, together with the San Francisco Planning Department, are
16 the Lead Agencies responsible for the implementation of the California Environmental Quality
17 Act ("CEQA") for this area and have undertaken a planning and environmental review process
18 for the development and expansion of the Treasure Island Marina (the "Project") and provided
19 for appropriate public hearings before the respective Commissions; and

20 WHEREAS, On June 22, 1999, the Authority Board of Directors approved the
21 Exclusive Negotiating Agreement ("ENA") with Treasure Island Enterprises, LLC, a California
22 limited liability company ("TIE"), pursuant to which the parties agreed, among other things, to
23 negotiate in good faith with each other to enter into a lease disposition and development
24 agreement and ground lease and any necessary transaction documents for the Project, as
25 well as a sublease for the interim operation of the Treasure Island Marina; and

1 WHEREAS, On August 23, 2003, the Planning Department and Authority released for
2 public review and comment the Draft Environmental Impact Report for the Transfer and
3 Reuse of Naval Station Treasure Island (Planning Department File No. 94.448E), which
4 includes both a program-level analysis of the transfer of the portions of the former base from
5 the United States Navy to the City and County of San Francisco and a project-level analysis
6 for the marina development; and

7 WHEREAS, The Planning Commission and the Authority Board of Directors held a joint
8 public hearing on October 2, 2003, on the Draft Environmental Impact Report and received
9 written public comments until October 21, 2003, for a total of 60 days of public review; and,

10 WHEREAS, The Planning Department and Authority prepared a Final Environmental
11 Impact Report ("2006 FEIR") for the Transfer and Reuse of Naval Station Treasure Island
12 consisting of the Draft Environmental Impact Report, the comments received during the
13 review period, any additional information that became available after the publication of the
14 Draft Environmental Impact Report, and the Comments and Responses, all as required by
15 law, a copy of which is on file with the Planning Department under Case No. 94.448E, which
16 is incorporated into this motion by this reference; and

17 WHEREAS, On May 5, 2005, the Planning Commission, by Motion No. 17020, and the
18 Authority Board of Directors, by Resolution No. 05-017-5105, as co-lead agencies, certified
19 the 2006 FEIR and made certain environmental findings under CEQA; and

20 WHEREAS, On July 12, 2010, the Planning Department and Authority released for
21 public review and comment the Draft Environmental Impact Report for the Treasure
22 Island/Yerba Buena Island Project (Planning Department Case No. 2007.0903E), which
23 analyzed the impacts of the proposed master development, including an analysis of the new
24 and upgraded landside and waterside facilities for the existing Treasure Island Sailing Center,
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1 located adjacent the marina at Clipper Cove, to the east, and landside services and
2 improvements for the proposed expanded marina; and

3 WHEREAS, The Planning Commission and the Authority Board of Directors held a joint
4 public hearing on August 12, 2010, on the Draft Environmental Impact Report and received
5 written public comments until August 26, 2010, for a total of 45 days of public review; and

6 WHEREAS, The Planning Department and Authority prepared a Final Environmental
7 Impact Report ("2011 FEIR") for the Treasure Island/Yerba Buena Island Project consisting of
8 the Draft Environmental Impact Report, the comments received during the review period, any
9 additional information that became available after the publication of the Draft Environmental
10 Impact Report, and the Draft Summary of Comments and Responses, all as required by law,
11 a copy of which is on file with the Planning Department under Case No. 2007.0903E, which is
12 incorporated into this motion by this reference; and

13 WHEREAS, On April 21, 2011, the Planning Commission by Motion No. 18325, and
14 the Authority Board of Directors, by Resolution No. 11-14-04/21, as co-lead agencies, certified
15 the completion of the 2011 FEIR, and unanimously approved a series of entitlement and
16 transactional documents, including certain environmental findings under CEQA and a
17 Mitigation Monitoring and Reporting Program ("MMRP"); and

18 WHEREAS, On June 7, 2011, in Motion No. M11-0092, the Board of Supervisors
19 unanimously affirmed certification of the 2011 FEIR, and on that same date, the Board of
20 Supervisors, in Resolution No. 246-11, adopted CEQA findings and the MMRP, and made
21 certain environmental findings under CEQA; and

22 WHEREAS, Subsequent to the certification of the 2006 FEIR and the 2011 FEIR, TIE
23 proposed several updates to the Project due to: (1) the evolution and modernization of marina
24 design, (2) the United States Navy requirements involving the hazardous materials clean-up
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1 efforts at Clipper Cove, and (3) conformance with the Division of Boating and Waterways
2 (DBW) Guidelines for Marina Berthing Facilities that receive state funding.; and

3 WHEREAS; The Planning Department prepared a Case File Memorandum on July 5,
4 2017 (the “2017 Memorandum”), which identified the proposed revisions to the Project and
5 concluded that the proposed revisions to the Project would result in no additional
6 environmental impacts, that the severity of impacts already-identified in the 2006 EIR and the
7 2011 EIR would not increase, and that no additional environmental analysis would be required
8 under CEQA; and

9 WHEREAS; Pursuant to California Public Resources Code, Section 21166 and CEQA
10 Guidelines, Section 15162, the Planning Department concluded that a subsequent or
11 supplemental environmental impact report is not required; and

12 WHEREAS, The Planning Department and Authority prepared proposed Findings, as
13 required by CEQA, regarding the alternatives, mitigation measures and significant
14 environmental impacts analyzed in the 2006 FEIR, 2011 FEIR, and overriding considerations
15 for approving the Project, attached as Attachment A-1, including a the MMRP, which was
16 made available to for Authority’s review and consideration (collectively, the “CEQA Findings”);
17 and

18 WHERAS, Following further consultation, TIE reduced the proposed footprint of the
19 Marina to 724 lineal feet by 718 lineal feet of dock area and approximately 220 proposed
20 slips, and the Board of Supervisors adopted Resolution No. 173-18, finding that the footprint
21 of the new marina is consistent with the vision of marina development in the Reuse Plan for
22 Treasure Island Naval Station approved by the Board of Supervisors and further finding this
23 footprint upholds the principle that marina redevelopment in Clipper Cove should not diminish
24 the character of existing public recreation and public education on Clipper Cove, including
25 most interim uses; and

1 WHEREAS, On October 30, 2017, the Authority Board of Directors (“Authority Board”),
2 approved Resolution No. 17-30-10/30 adopting CEQA Findings, adopting the MMRP, and
3 confirming the San Francisco Planning Department’s determination that no additional
4 environmental impacts would occur as a result of project implementation and no additional
5 environmental analysis other than the Planning Department’s July 5, 2017, Case File
6 memorandum is required under CEQA; and

7 WHEREAS, Authority Board Resolution No. 17-36-10/30 also approved and authorized
8 the execution of a 66-year lease agreement between the Authority and TIE for the
9 development and management of the Treasure Island Marina, subject to the approval of the
10 Board of Supervisors, and subject to all mitigation measures detailed in the MMRP relevant to
11 the Project; and

12 WHEREAS, Authority staff and TIE have negotiated a 66-year lease, (the “Lease”),
13 whereby TIE would develop and manage the Treasure Island Marina consisting of
14 approximately 724 lineal feet by 718 lineal feet of dock area and approximately 220 proposed
15 slips in Clipper Cove, and the Authority will also provide nonexclusive use / access to the
16 common water areas of Clipper Cove and to the adjacent landside areas; and

17 WHEREAS, Under the Lease, TIE would construct a new Treasure Island Marina in
18 three phases, at an estimated project cost of \$19,457,677; existing Marina slip holders would
19 have an opportunity to relocate into the new slips that are created in the first two phases; and
20 slip rental rates in the redeveloped Marina will be set at market-rate based on comparable
21 rents charged at other marinas within the greater San Francisco Bay Area; and

22 WHEREAS, Under the Lease, TIE will pay a minimum base rent of \$7,500.00 per
23 month or \$90,000 annually, with future Consumer Price Index adjustments, and an annual
24 percentage rent based upon gross receipts, if such amount is higher than the minimum base
25 rent under the formula set forth in the Lease; and

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

5 WHEREAS, On July 11, 2018, the Authority Board of Directors, having reviewed and
6 considered the 2006 FEIR, 2011 FEIR and the 2017 Memorandum, approved Resolution 18-
7 31-0711, adopting the CEQA Findings, confirming the San Francisco Planning Department's
8 determination that no additional environmental impacts would occur as a result of project
9 implementation and no additional environmental analysis other than the 2017 Memorandum
10 would be required and approving the Lease subject to the approval of the Board of
11 Supervisors, and subject to all mitigation measures detailed in the MMRP considered relevant
12 to the Project; and

13 WHEREAS, Because the cumulative term of the Lease exceeds ten years and
14 anticipated revenues exceed \$1,000,000, the Authority is requesting that the Board of
15 Supervisors approve the Lease between the Authority and Treasure Island Enterprises; now,
16 therefore, be it

17 RESOLVED, That the Board of Supervisors has reviewed and considered the 2006
18 FEIR, 2011 FEIR and the 2017 Memorandum, and hereby adopts the CEQA Findings; and,
19 be it

20 FURTHER RESOLVED, That the Board of Supervisors confirms the Planning
21 Department's determination that no additional environmental impacts would occur as a result
22 of the proposed Lease and no additional environmental analysis is required under CEQA at
23 this time; and, be it

24 FURTHER RESOLVED, That the Board of Supervisors hereby approves and
25 authorizes the Treasure Island Director or his designee to execute and enter into the Lease

1 with Treasure Island Enterprises LLC, a California limited liability company, in substantially the
2 form filed with the Clerk of the Board of Supervisors in File No. 181225, and any additions,
3 amendments or other modifications to such Lease (including, without limitation, its exhibits)
4 that the Treasure Island Director or his designee determines, in consultation with the City
5 Attorney, are in the best interests of the Authority, that do not materially increase the
6 obligations or liabilities of the Authority or materially reduce the rights of the Authority, and are
7 necessary or advisable to effectuate the purpose and intent of this resolution; and, be it

8 FURTHER RESOLVED, That within thirty (30) days of the Lease Agreement being fully
9 executed by all parties the Treasure Island Development Authority shall provide copies of the
10 Lease Agreement to the Clerk of the Board for inclusion into the official file.

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1 RECOMMENDED:

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4 Bob Beck, Director, Treasure Island Development Authority

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