

10/2/13

FILE NO. 130886

RESOLUTION NO. 355-13

1 [Memorandum of Understanding - Treasure Island Development Authority and the Public
2 Utilities Commission - Provision of Utilities Services - Treasure Island and Yerba Buena
3 Island]

4 **Resolution retroactively approving a Memorandum of Understanding between the**
5 **Treasure Island Development Authority and the Public Utilities Commission for the**
6 **provision of utilities services including the maintenance and operation of utility**
7 **infrastructure on Treasure Island and Yerba Buena Island for the period of October 1,**
8 **2013, through September 30, 2014.**

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

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

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

1 WHEREAS, On March 12, 1997, the City and the Navy executed the Base Caretaker
2 Cooperative Agreement in which the City agreed to assume certain caretaker responsibilities
3 for the interim management and operation of the Base during the disposition process; and

4 WHEREAS, The Board of Supervisors approved the designation of TIDA as a
5 redevelopment agency for Treasure Island in 1997; and

6 WHEREAS, In 1998 TIDA assumed the caretaker responsibilities outlined in the
7 Cooperative Agreement; and

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

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

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

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

21 WHEREAS, Under the transaction documents, the development is anticipated to
22 include (1) up to 8,000 new residential units, at least 25 percent of which (2,000 units) will be
23 made affordable, (2) adaptive reuse of approximately 311,000 square feet of historic
24 structures, (3) up to approximately 140,000 square feet of new retail uses and 100,000 square
25 feet of commercial office space, (4) approximately 300 acres of parks and open space, (5)

1 new and/or upgraded public facilities, including a joint police/fire station, a school, facilities for
2 the Treasure Island Sailing Center and other community facilities, (6) a 400-500 room hotel,
3 and (7) landside improvements for a new 400 slip marina (collectively, the "Project"); and

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

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

13 WHEREAS, TIDA and SFPUC staff have negotiated a Memorandum of Understanding,
14 a copy of which is on file with the Clerk of the Board (the "MOU"), to memorialize the terms
15 and conditions of continued performance by the TIDA and the SFPUC of certain defined utility
16 services consistent with the Cooperative Agreement and past practice; and

17 WHEREAS, The proposed MOU memorializes the informal arrangement between TIDA
18 and the SFPUC whereby SFPUC has provided certain utility services on Treasure Island.
19 Because the MOU does not contemplate any change in the existing operation, maintenance,
20 and supply of utility services, authorizing execution of the MOU is not a "Project" subject to the
21 California Environmental Quality Act ("CEQA") under the definition set forth in CEQA Public
22 Resources Code Section 21065 and the CEQA Guidelines Section 15378; and

23 WHEREAS, TIDA's organizational documents require TIDA to obtain approval from the
24 Board of Supervisors before entering into contracts worth more than \$1 million or that have a
25

1 term of 10 or more years, and the anticipated payments to the SFPUC under the MOU will be
2 more than \$1 million; now, therefore, be it

3 RESOLVED, That the Board of Supervisors approves the MOU; retroactive to October
4 1, 2013, in substantially the form on file with the Clerk of the Board, and authorizes the
5 SFPUC General Manager and the Treasure Island Director to execute and deliver the
6 executed MOU to the Clerk of the Board for inclusion into the official file within thirty (30) days;
7 and, be it

8 FURTHER RESOLVED, That the Board of Supervisors authorizes the SFPUC General
9 Manager and Treasure Island Director to enter into any additions, amendments or other
10 modifications to the MOU that the SFPUC General Manager and the Treasure Island Director
11 determine, following consultation with the City Attorney, are in the best interests of the City,
12 that do not materially increase the obligations or liabilities of the City, that do not materially
13 reduce the rights of the City, and are necessary or advisable to complete the transactions
14 contemplated by the MOU, such determination to be conclusively evidenced by the execution
15 and delivery of the documents.



City and County of San Francisco
Tails
Resolution

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 130886

Date Passed: October 08, 2013

Resolution retroactively approving a Memorandum of Understanding between the Treasure Island Development Authority and the Public Utilities Commission for the provision of utilities services including the maintenance and operation of utility infrastructure on Treasure Island and Yerba Buena Island for the period of October 1, 2013, through September 30, 2014.

October 02, 2013 Budget and Finance Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE

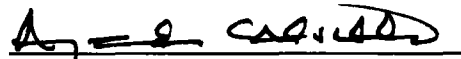
October 02, 2013 Budget and Finance Committee - RECOMMENDED AS AMENDED

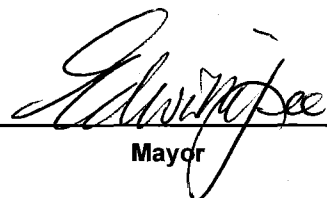
October 08, 2013 Board of Supervisors - ADOPTED

Ayes: 11 - Avalos, Breed, Campos, Chiu, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee

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I hereby certify that the foregoing Resolution was ADOPTED on 10/8/2013 by the Board of Supervisors of the City and County of San Francisco.


Angela Calvillo
Clerk of the Board


Mayor

10/11/13
Date Approved