Resolution approving the Economic Development Conveyance Memorandum of Agreement for the transfer of former Naval Station Treasure Island from the United States Government to the Treasure Island Development Authority; and adopting findings under the California Environmental Quality Act.

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

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

WHEREAS, Pursuant to the power and authority provided by the Defense Base Closure and Realignment Act of 1990, 10 U.S.C. § 2687, as amended, the Navy is authorized to convey surplus property at a closed military installation for economic development purposes; and

WHEREAS, The United States Department of Defense designated the City and County of San Francisco ("City") as the Local Reuse Authority ("LRA") responsible for the conversion of the Base under the federal disposition process; and

WHEREAS, In July 1996 after an extensive community planning effort, a draft reuse plan for the Base (the "Reuse Plan") was unanimously endorsed by the Mayor, the Board of
Supervisors, the Planning Commission and the Treasure Island Citizens Reuse Committee;

and

WHEREAS, In 1997 the Base closed and the Treasure Island Development Authority (TIDA) was created to replace the City as the LRA and to serve as a single entity responsible for the reuse and development of the Base; and

WHEREAS, TIDA, acting by and through its Board of Directors (the TIDA Board), submitted to the Navy an EDC Application and Business Plan for Naval Station Treasure Island dated June 19, 2000, as amended on July 1, 2003, (the EDC Application), for an economic development conveyance (EDC) of the Base; and

WHEREAS, In 2003 after a competitive bid process, the TIDA Board selected Treasure Island Community Development, LLC (the Developer) as the proposed master developer of the Base (excluding certain property to be retained by the U.S. Coast Guard and the U.S. Job Corps); and

WHEREAS, In 2006 a Development Plan and Term Sheet for the Redevelopment of Naval Station Treasure Island (as updated from time to time, the Development Plan) between TIDA and the Developer was endorsed by the CAB, the TIDA Board and the San Francisco Board of Supervisors; and

WHEREAS, In 2007 TIDA submitted an amended and restated EDC Application (the Amended EDC Application) to the Navy based on the Development Plan and proposed a profit participation mechanism as part of the purchase price; and

WHEREAS, In April 2010 the Board of Supervisors unanimously voted to endorse a term sheet for the proposed EDC by Resolution No. 243-10, which term sheet addressed key terms of the proposed EDC, including the conveyance process, the consideration payable to the Navy, including the profit participation mechanism, and certain controls required by the Navy relating to the economic performance of the Project; and
WHEREAS, In August 2010 Mayor Gavin Newsom, House Speaker Nancy Pelosi, and
U.S. Secretary of the Navy Ray Mabus endorsed the terms of the proposed conveyance of
the Base from the Navy to TIDA; and

WHEREAS, On April 21, 2011, in a joint session with the San Francisco Planning
Commission, the TIDA Board of Directors unanimously approved a series of entitlement and
transaction documents (collectively, the Transaction and Entitlement Documents) relating to
the Treasure Island/Yerba Buena Island Development Project (the Project), including certain
environmental findings under the California Environmental Quality Act (CEQA), a mitigation
and monitoring and reporting program, a disposition and development agreement (the DDA)
with the Developer, and, by Resolution No. 11-19-04/21, a draft form of EDC Memorandum of
Agreement (the Draft EDC); and

WHEREAS, On June 7, 2011, the Board of Supervisors unanimously confirmed
certification of the final environmental impact report and made certain environmental findings
under CEQA (collectively, the FEIR) by Resolution No. 246-11, and approved the Transaction
and Entitlement Documents, including, by Resolution No. 242-11, the Draft EDC; and

WHEREAS, TIDA and the Navy have completed negotiations for the EDC, including an
attached utilities agreement, a copy of which is on file with the Clerk of the Board in File No.
140562 and incorporated herein by reference (the EDC MOA); and

WHEREAS, The EDC MOA and the DDA are structured so that the Developer will
make all payments to the Navy on behalf of TIDA, and the City's General Fund is insulated
from any obligation to pay the purchase price; and

WHEREAS, The main changes from the previously-approved Draft EDC to the EDC
MOA now before the Board are: 1) the addition of language relating to the Navy's obligations
with respect to certain radiologically impacted property; 2) the addition of the utilities
agreement and provisions relating to the delivery of utility services during the phased transfer
of the Base to TIDA; 3) revisions to the schedule for the conveyance of property; and 4) the
deletion of the "pre-closing parcel", which already transferred to TIDA in connection with the
Bay Bridge ramps project; and

WHEREAS, In response to certain inquiries, the Planning Department prepared a
Memorandum entitled "Recent Information Regarding Radiological Analysis of Soil Samples
on Treasure Island and Recent Communications Regarding Tsunami Issues," which it sent to
the Treasure Island Director on April 29, 2014, (the 2014 Planning Memorandum), a copy of
which is on file with the Clerk of the Board in File No. 140562 and incorporated herein by
reference; and

WHEREAS, In the 2014 Planning Memorandum, the Planning Department concluded
that no supplemental or subsequent EIR is required at this time based on information relating
to hazardous materials or potential tsunami impacts on the project because there are no
substantial changes in the project analyzed in the FEIR, no changes in circumstances under
which the project is being undertaken, and no new information indicating that new significant
impacts would occur, or that the impacts identified in the FEIR as significant impacts would be
substantially more severe; and

WHEREAS, On May 14, 2014, the TIDA Board of Directors, by Resolution 14-18-
05/14, approved the EDC MOA and made certain environmental findings under CEQA; now,
therefore, be it

RESOLVED, The Board of Supervisors has reviewed and considered the FEIR, the
2014 Planning Memorandum, and the record as a whole, and finds that the FEIR and the
2014 Planning Memorandum are adequate for its use as the decision-making body for the
actions taken by this resolution and incorporates the CEQA findings contained in Board of
Supervisors Resolution No. 246-11 by this reference; and, be it
FURTHER RESOLVED, The Board of Supervisors further finds that since the FEIR was finalized, there have been no substantial project changes and no substantial changes in project circumstances that would require major revisions to the FEIR due to the involvement of new significant environmental effects or an increase in the severity of previously identified significant impacts, and there is no new information of substantial importance that would change the conclusions set forth in the FEIR; and, be it

FURTHER RESOLVED, That the Board of Supervisors approves the EDC MOA and authorizes the Treasure Island Director to execute, deliver and perform the EDC MOA; and, be it

FURTHER RESOLVED, That all actions heretofore taken by TIDA and its officers, employees, and agents with respect to the EDC MOA are hereby approved, confirmed and ratified; and, be it

FURTHER RESOLVED, That the Board of Supervisors authorizes and urges all officers, employees, and agents of TIDA and the City to take any and all steps as they deem necessary or appropriate, to the extent permitted by applicable law, in order to consummate the EDC MOA transaction in accordance with this Resolution, including execution of subsequent documents and acceptance of real property from the Navy in accordance with the terms of the EDC MOA, or to otherwise effectuate the purpose and intent of this Resolution and TIDA's performance under the EDC MOA, provided, the Treasure Island Director shall not waive any closing conditions relating to the environmental condition of the property without the prior approval of the TIDA Board of Directors and the Board of Supervisors by resolution; and, be it

FURTHER RESOLVED, That the Board of Supervisors authorizes the Treasure Island Director to enter into any amendments or modifications to the EDC MOA that the Treasure Island Director determines, in consultation with the City Attorney, are in the best interest of
TIDA, do not materially decrease the benefits to or materially increase the obligations or liabilities of TIDA, and are in compliance with all applicable laws.
Resolution approving the Economic Development Conveyance Memorandum of Agreement for the transfer of former Naval Station Treasure Island from the United States Government to the Treasure Island Development Authority; and adopting findings under the California Environmental Quality Act.

June 16, 2014 Land Use and Economic Development Committee - RECOMMENDED.

June 24, 2014 Board of Supervisors - ADOPTED

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

I hereby certify that the foregoing Resolution was ADOPTED on 6/24/2014 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

Date Approved

Mayor

6/24/2014