Resolution requiring deposit and reimbursement agreement relating to Naval Station Treasure Island between the City, the Treasure Island Development Authority, and Treasure Island Community Development, LLC, in the amount of an initial deposit of $100,000 for reimbursement of certain eligible expenses incurred by the City in the formation of Community Facilities Districts and Infrastructure Financing Districts on Treasure Island and Yerba Buena Island over an indefinite term up to 20 years.

WHEREAS, Naval Station Treasure Island ("NSTI") is a former United States Navy base located in the City and County of San Francisco (the "City") consisting of approximately 550 acres on Treasure Island and Yerba Buena Island; and

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1988 (the "Act"), the California Legislature (i) designated TIDA as a redevelopment agency under California redevelopment law with authority over NSTI upon approval of the City's Board of Supervisors, and (ii) with respect to those portions of NSTI which are subject to Tidelands Trust, vested in TIDA the authority to administer the public trust for commerce, navigation and fisheries as to such property; and

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

WHEREAS, On January 24, 2012, the Board of Supervisors rescinded designation of TIDA as the redevelopment agency for Treasure Island under California Community...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

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

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

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

WHEREAS, The DDA contemplates a project (the "Project") under which TIDA acquires the Project Site from the Navy and conveys portions of the Project Site to Developer for the purposes of (i) alleviating blight in the Project Site through development of certain improvements, (ii) geotechnically stabilizing the Project Site, (iii) constructing public infrastructure to support the Project and other proposed uses on NSTI, (iv) constructing and
improving certain public parks and open spaces, (v) remediating certain existing hazardous
substances, and (vi) selling and ground leasing lots to vertical developers who will construct
residential units and commercial and public facilities; and

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

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

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

WHEREAS, Developer and the City have agreed that the City will concurrently
undertake proceedings to establish a future annexation area for one or more CFDs (each, a

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“Future Annexation Area”), and Developer has informed the City that it anticipates applying to
the City for annexation of territory in the Future Annexation Area(s) into the CFD(s); and

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

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

WHEREAS, The form of a Deposit and Reimbursement Agreement (Treasure
Island/Yerba Buena Island) (the “Deposit Agreement”) is on file with the Clerk of the Board of
Supervisors in File No. 150648, which is hereby declared to be a part of this motion as if set
forth fully herein; and

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

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

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

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

FURTHER RESOLVED, That this resolution shall take effect upon its adoption.

APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

By: Mark D. Blake
Deputy City Attorney

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6/16/2015
Resolution approving a Deposit and Reimbursement Agreement relating to Naval Station Treasure Island between the City, the Treasure Island Development Authority, and Treasure Island Community Development, LLC, in the amount of an initial deposit of $100,000 for reimbursement of certain eligible expenses incurred by the City in the formation of Community Facilities Districts and Infrastructure Financing Districts on Treasure Island and Yerba Buena Island over an indefinite term up to 20 years.

July 21, 2015 Board of Supervisors - ADOPTED
Ayes: 10 - Avalos, Breed, Christensen, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee
Excused: 1 - Campos

File No. 150648

I hereby certify that the foregoing Resolution was ADOPTED on 7/21/2015 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

Date Approved