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

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

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

Mayor Breed
BOARD OF SUPERVISORS
WHEREAS, Under the Treasure Island Conversion Act of 1997 (the “Act”), which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968, the California Legislature (i) designated the Authority as a redevelopment agency under California redevelopment law with authority over the Base upon approval of the City’s Board of Supervisors, and (ii) with respect to those portions of the Base which are subject to the Tidelands Trust, vested in the Authority the authority to administer the public trust for commerce, navigation and fisheries as to such property; and

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

WHEREAS, On January 24, 2012, the Board of Supervisors rescinded designation of the Authority as the redevelopment agency for Treasure Island under California Community Redevelopment Law in Resolution No. 11-12; although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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

WHEREAS, Following further consultation, TIE reduced the proposed footprint of the Marina to 724 lineal feet by 718 lineal feet of dock area and approximately 220 proposed slips, and the Board of Supervisors adopted Resolution No. 173-18, finding that the footprint of the new marina is consistent with the vision of marina development in the Reuse Plan for Treasure Island Naval Station approved by the Board of Supervisors and further finding this footprint upholds the principle that marina redevelopment in Clipper Cove should not diminish the character of existing public recreation and public education on Clipper Cove, including most interim uses; and
WHEREAS, On October 30, 2017, the Authority Board of Directors ("Authority Board"), approved Resolution No. 17-30-10/30 adopting CEQA Findings, adopting the MMRP, and confirming the San Francisco Planning Department’s determination that no additional environmental impacts would occur as a result of project implementation and no additional environmental analysis other than the Planning Department’s July 5, 2017, Case File memorandum is required under CEQA; and

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

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

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

WHEREAS, Slip holders in the existing Treasure Island Marina will be given the opportunity to occupy slips in the new Marina; and
WHEREAS, If a slip holder's vessel is smaller than the available slip, they will be placed in the smallest available slip and charged a market rate based on the actual length of their vessel rather than the size of the slip occupied; and

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

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

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

WHEREAS, In Resolution No. 173-18 approving the footprint of the marina, the Board of Supervisors resolved that “Marina redevelopment in Clipper Cove should not cause diminished water depth in other areas of the Cove” and that “TIDA should be responsible for addressing siltation in these areas”; and,

WHEREAS, The Board of Supervisors also resolved in Resolution No. 172-18 that TIDA should develop a plan to mitigate the risk of siltation in other areas of the Cove; and,
WHEREAS, Clipper Cove has not required maintenance dredging since it was acquired by TIDA in the late 1990s; and

WHEREAS, The TIE shall perform or cause the performance of dredging in Clipper Cove necessary for the use and ongoing operation of the Marina including the navigation channel providing public access into Clipper Cove; and

WHEREAS, The Authority has indicated that it will perform bathymetric surveys of areas outside of the Marina area every five years; and,

WHEREAS, The Authority will, when necessary, perform dredging necessary to maintain depths required for the programs of the Treasure Island Sailing Center, as outlined in File No. 181226; and,

WHEREAS, The Authority has indicated that it will, when necessary, perform dredging outside of the Marina area to maintain current depths within six inches, as to not diminish the character of existing public recreation and public education on Clipper Cove; and,

WHEREAS, The Authority has indicated that it will set aside funds from the Community Facilities District to perform maintenance dredging in the Cove; and,

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

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

be it

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

FURTHER RESOLVED, That the Authority submit an annual written report to the Board of Supervisors in June of each year on the status of the marina project financing, construction of the improvements, leasing of boating slips, dredging costs, and operational revenues and expenses; and, be it

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

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

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

March 20, 2019 Budget and Finance Sub-Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE

March 20, 2019 Budget and Finance Sub-Committee - RECOMMENDED AS AMENDED

April 02, 2019 Board of Supervisors - ADOPTED

Ayes: 11 - Brown, Fewer, Haney, Mandelman, Mar, Peskin, Ronen, Safai, Stefani, Walton and Yee

I hereby certify that the foregoing Resolution was ADOPTED on 4/2/2019 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

London N. Breed
Mayor

Date Approved 4/12/19