



LETTER OF INTENT REGARDING INITIAL FERRY SERVICE AT TREASURE ISLAND

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THIS LETTER OF INTENT (this "**LOI**") is entered into as of _____, by and between the **TREASURE ISLAND DEVELOPMENT AUTHORITY**, a California non-profit public benefit corporation ("**TIDA**"), and **TREASURE ISLAND SERIES 2, LLC**, a Delaware limited liability company ("**Developer**") (and together with TIDA, the "**Parties**"), upon the following facts, intentions and understandings:

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RECITALS

A. TIDA was created in 1997 to serve as a single-purpose entity responsible for the redevelopment of Naval Station Treasure Island ("NSTI"). 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 1968 (the "Act"), the California Legislature (1) designated TIDA as a redevelopment agency under the California Community Redevelopment Law with authority over NSTI, and (2) with respect to those portions of NSTI that are subject to the public trust for commerce, navigation and fisheries (the "Tidelands Trust" or "Trust"), vested in TIDA the authority to administer the Tidelands Trust as to such property in accordance with the terms of the Act.

B. On July 2, 2014, TIDA and the Navy entered into an Economic Development Conveyance Memorandum of Agreement (the "EDC MOA") to convey all of NSTI other than the portions that the Navy previously conveyed to the United States Department of Labor Job Corps, the United States Coast Guard, and the Federal Highway Administration through federal-to-federal transfers. An initial transfer of property from the Navy to TIDA occurred in May of 2015, followed by subsequent transfers of property from the Navy to TIDA in September 2016, August 2017, September 2018, and October 2019. Through these transfers, TIDA currently owns the western portions of Treasure Island immediately adjacent to Building 1 that has been designed to accommodate the Ferry Landing Facilities described in Recital D below.

C. In 2011, TIDA and the Board of Supervisors approved the 2011 Treasure Island Transportation Implementation Plan (TITIP) that identifies new and expanded transit services on Treasure Island to be implemented with new housing development. The transit services include a new ferry service from Treasure Island to the Port of San Francisco.

D. In 2011, TIDA and Treasure Island Community Development, LLC ("TICD"), entered into a Disposition and Development Agreement (the "DDA") that sets forth the respective rights and obligations of the Parties with respect to the development of NSTI. The DDA requires TICD to construct waterside and landside improvements in phases, including landside and waterside improvements to accommodate the new ferry service. TICD partially assigned the DDA to Developer pursuant to that certain Assignment and Assumption Agreement (Treasure Island) recorded in the Official Records on September 4, 2019 as Document No. 2019-K823013, as amended by that certain Amendment to Assignment and Assumption Agreement (Series 2)(Treasure Island) recorded in the Official Records on November 18, 2020 as Document No. 20200052439, in which TICD assigned, and Developer assumed, the obligations for the construction of Waterfront Plaza/Ferry Terminal Phase 1 (collectively, the "Phase 1 Ferry Landing Facilities"), as more particularly described in the DDA. Developer has substantially completed the Phase 1 Ferry Landing Facilities and anticipates that they will be ready for

occupancy and use for starting no later than January 2022.

E. As contemplated by the TITIP and a 2021 MOU between the Treasure Island Mobility Management Authority (TIMMA) and Water Emergency Transportation (WETA), WETA will be the ultimate operator of ferry service serving NSTI. However, the first residential units are scheduled to be occupied on Yerba Buena Island later this year, and construction of residential units on Treasure Island is anticipated to commence in the near term. Therefore, TIDA desires to allow for interim ferry service operated by and through Developer beginning in January 2022 and continuing until such time as WETA assumes ferry operations, and the Parties wish to enter into this LOI that sets forth a basic framework for those interim operations.

F. TIDA and TICD are negotiating a lease or license agreement (the "Agreement"), and TIDA plans to bring the Agreement for approval by the TIDA Board of Directors in fall of 2021.

NOW, THEREFORE, the parties hereto agree as follows:

1. **Rights to Operate and Manage Ferry Service at Treasure Island.** TIDA will grant Developer the right to occupy and use the Phase 1 Ferry Landing Facilities for purposes of establishing ferry service between Treasure Island and Port of San Francisco landing facilities and accommodating occasional Bay cruise and excursion vessels (collectively, "Ferry Activities"), subject to all necessary regulatory approvals and approval by the TIDA Board of Directors of the Agreement. In furtherance thereof, the Parties intend to diligently and in good faith negotiate the Agreement that will address the following, at a minimum:
 - a. *Term.* The Agreement shall give Developer the right to conduct Ferry Activities commencing in January 2022; however, the Agreement shall be terminable by either party upon at least 90 days' prior written notice.
 - b. *Rights to Possession.* The Agreement will provide Developer with the non-exclusive right to use the Phase 1 Ferry Landing Facilities as needed to conduct the Ferry Activities, which shall be conducted at no expense to TIDA.
 - c. *Terms of Operation.* The Agreement will address the terms, limits and parameters pursuant to which Developer will be permitted to conduct Ferry Activities, including hours, rates and standards of operation and select qualified operators. At a minimum, the Agreement will allow Ferry Activities to occur seven days a week, approximately 16 hours/day, with headways as frequent as every 30 minutes during peak commuter times. Ferry Activities will be made available to the public, including all Treasure Island and Yerba Buena Island residents, without discrimination.
 - d. *Compliance with Laws and City Requirements.* The Agreement will require Developer to comply with all applicable laws and City requirements for the Ferry Activities.
2. **Term.** The term of this LOI shall commence on the Effective Date and terminate on the earlier to occur of (i) the execution of the Parties of the Agreement, (ii) January 1, 2022 (as such date may be extended by agreement of the Parties), or (iii) the date that either party terminates this LOI by written notice to the other (the "Term").

3. **Good Faith Negotiations.** During the Term, the Parties will act in good faith, and reasonably, and diligently seek to negotiate the Agreement, and TIDA will not solicit or consider other proposals or negotiate with any other person for rights to the Phase 1 Ferry Landing Facilities that could impair or prevent Developer from conducting the Ferry Activities as contemplated hereunder. Developer acknowledges that TIDA's obligation to negotiate in good faith is limited to the actions of its Executive Director and staff and does not obligate any regulatory agency or the TIDA Board of Directors.
4. **Compliance with CEQA.** The Parties acknowledge that the Ferry Activities are within the scope of the Project studied under the Treasure Island/Yerba Buena Island Environmental Impact Report [State Clearinghouse No. 2008012105]; provided, however, nothing in this LOI prevents or limits TIDA's discretion to conduct additional environmental review in connection with its approval of the Agreement. The parties retain the absolute discretion, prior to action by their governing boards with respect to the proposed transaction, to (i) make such modifications deemed necessary to mitigate significant environmental impacts; (ii) select other feasible alternatives to avoid such impacts; (iii) balance the benefits against unavoidable significant impacts prior to taking final action if such significant impacts cannot otherwise be avoided, or (iv) determine not to proceed with the proposed transaction based on the information generated by the environmental review.

5. **Miscellaneous Provisions.**

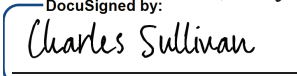
- a. **California Law.** This LOI shall be construed and interpreted in accordance with the laws of the State of California and the City, including the City's Charter.
- b. **Counterparts.** This LOI may be executed in multiple counterparts, each of which shall be deemed to be an original, but all of which, together, shall constitute one and the same instrument. This LOI shall not be effective until each Party shall have executed at least one counterpart hereof. This LOI may be executed by a Party or all Parties by a reputable and secure digital signature platform, and any such digital signature will be deemed an original signature.
- c. **No Liability.** This LOI represents a general statement of the intent of the parties with respect to the transaction described herein. This LOI is not intended to be, and will not become, contractually binding on the parties and no legal obligation will exist unless and until the parties have executed and delivered, following environmental review and appropriate governmental approvals, the Agreement. Until the Agreement is finalized, approved by the respective boards, and properly executed, neither party shall have any liability to the other under this LOI, including but not limited to a legal duty to continue negotiations or to reach such a definitive agreement, and either party may terminate negotiations for any time and for any reason. The parties would not enter into this LOI without this express protection from any liability.

IN WITNESS WHEREOF, TIDA and Developer have each caused this Agreement to be duly executed on its behalf as of the Effective Date.

AUTHORITY:

APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

By: 
Charles Sullivan
Deputy City Attorney

TREASURE ISLAND DEVELOPMENT
AUTHORITY, a California non-profit public
benefit corporation

By: 
Robert Beck
Treasure Island Director

DEVELOPER:

TREASURE ISLAND SERIES 2, LLC,
a Delaware limited liability company

By: _____
Name: Christopher Meany
Title: Managing Member

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