

Introduction of Ordinance to Approve Lease for Building 11 (1190 West Tower) with Science Corporation

October 17, 2023



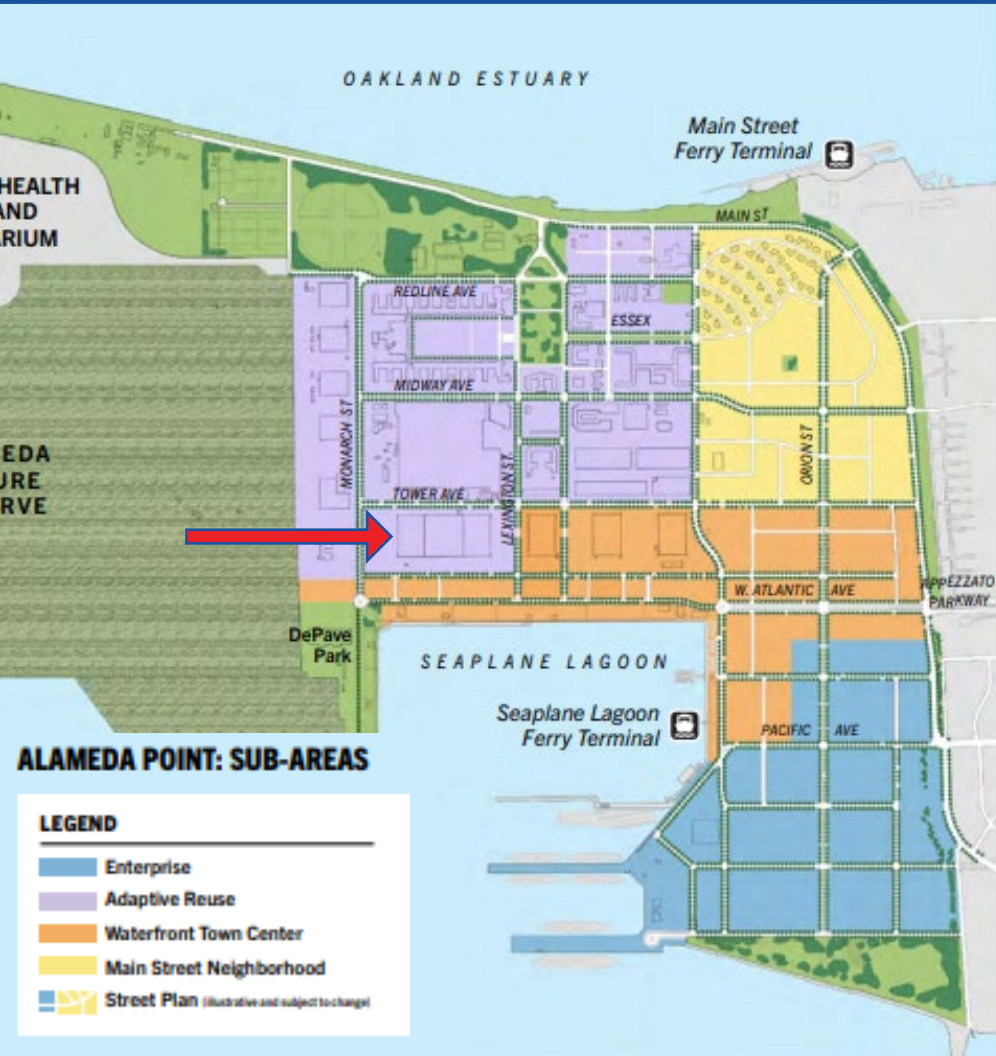
Building 11: 1190 West Tower

Building 11



- ~110,000 square foot building
- Formerly occupied by Google and Makani
- Currently vacant

1190 West Tower - Goals and Process



City Goals Considered

- 2023 - Disposition Strategy Goals: Bring jobs and tax base to Alameda Point
- 2022 - General Plan goal LU-21: bio-tech as priority Alameda Point Adaptive Reuse area
- 2018 - Life Sciences targeted as growth sector in Economic Development Strategic Plan

Process

- Issued competitive Request for Proposal (RFP) in late 2022
- Received six responses [Science Corp, SRM, Zenith Aerospace, Pyka, Oakland Roots, Twelve Benefits (withdrawn)], and reviewed by financial consultant and committee
- Science Corp best supports City's goals: life science business retention and growth, financial offer, financial strength

Building 11 Science Corporation

- Local Alameda business in Marina Village seeking to relocate and expand
- Manufactures implantable brain-machine interface to treat severe disabilities such as blindness
- Activities would include:
 - Medical device research and development
 - Clean manufacturing and production
 - Administration
 - Assembly, machining, and warehousing

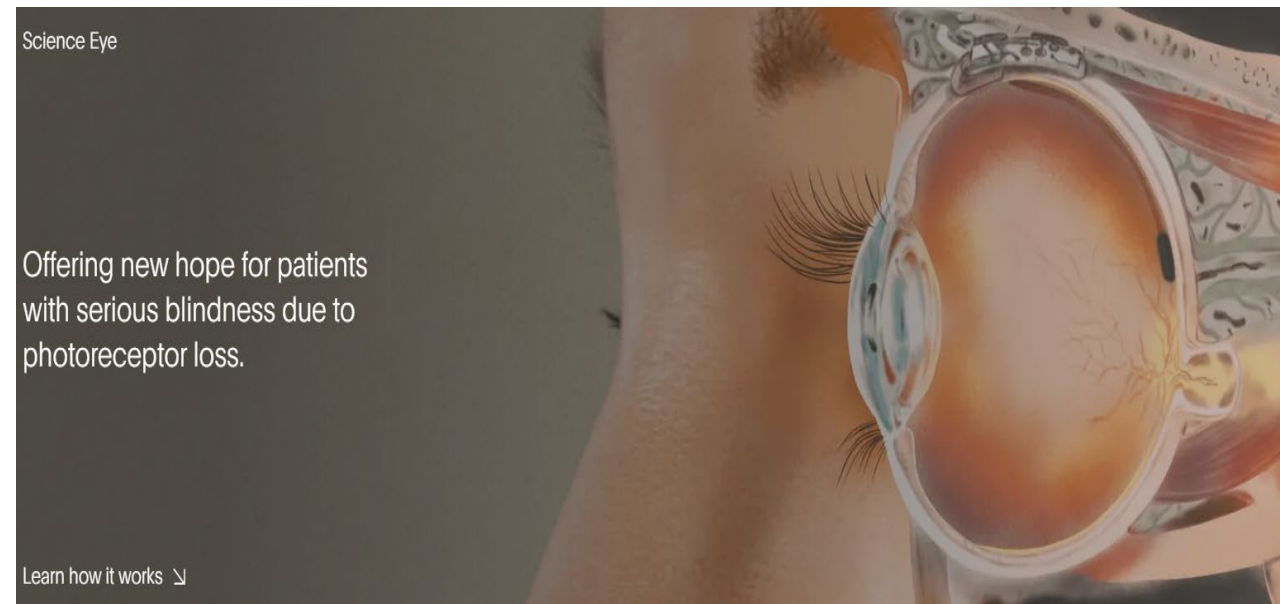


Image courtesy of Science Corp.

Building 11 Science Corporation

- US Food & Drug Administration (FDA) requires animal testing on mice, rabbits and non-ape primates as part of device approval process
- FDA determines type and number of animals to be tested on
- Vivarium at current Science Corp. HQ in Alameda would relocate to this location
- Animal testing highly regulated by numerous Federal, State and County Agencies
- Standards set by Institutional Animal Care & Use Committee (IACUC), enforced by USDA through random inspections
- Section 6.1 of lease requires compliance with Federal laws pertaining to animal use and handling

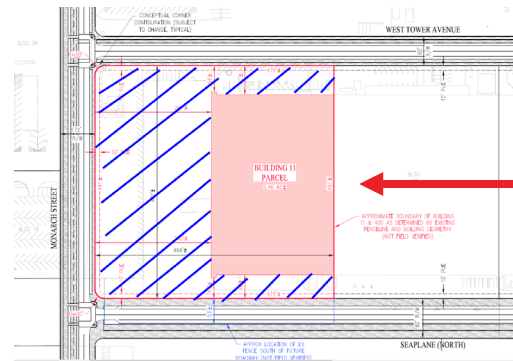


Image courtesy of
Science Corp.

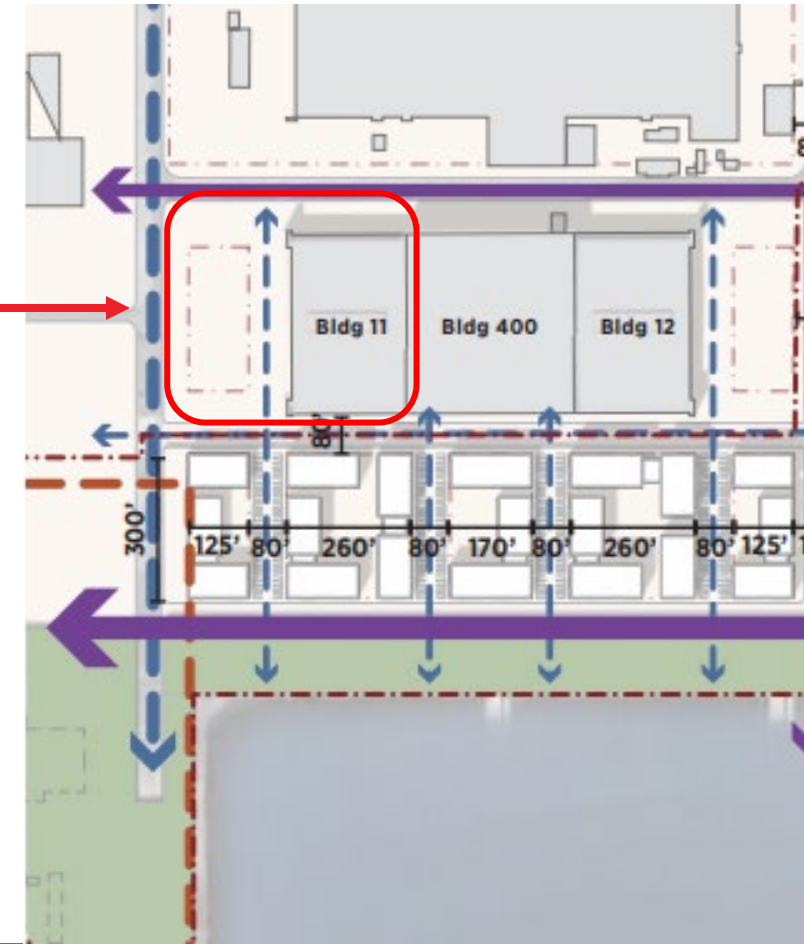
View Corridors

- **View Corridors defined by Waterfront Town Center Specific Plan**
 - Guide In-fill Development, not parking, storage, or outdoor activities
 - Ensure preservation of permanent view corridors
 - Ensure compliance with Historic District development Patterns
- **Science Corp Lease Premise defined by Specific Plan view corridors**
- **Science Corp Outdoor Use:**
 - Secure Parking
 - Outdoor Seating Areas for staff
 - Limited to no outdoor storage
 - Fence design is subject to review by City

Lease Premises

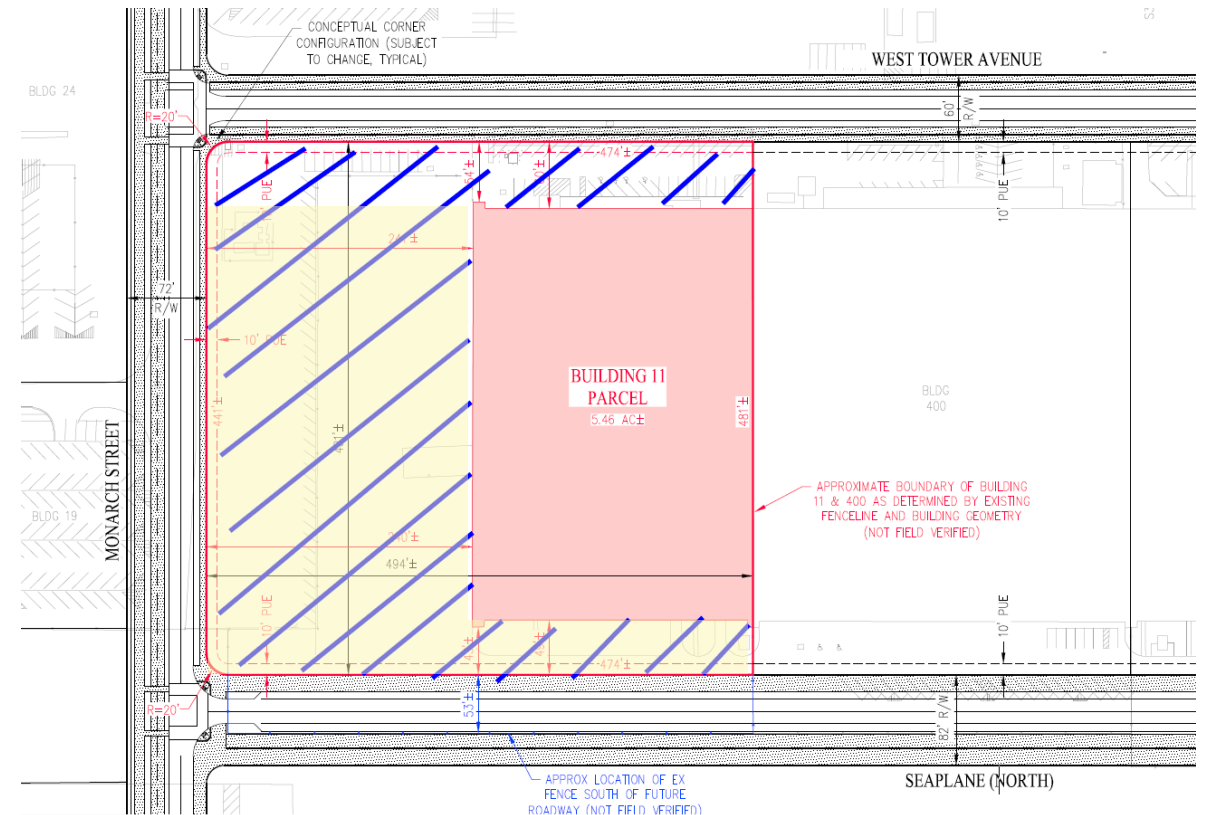


Specific Plan View Corridors



Lease Terms

- **Outdoor Use:**
 - Leasing blue hatched outdoor area for parking and storage (Exhibit A-2)
 - Temporary storage of materials and containers on west and south sides of building (yellow shading)
 - Storage must be screened from view and not interfere with significant view corridors
 - Fence design is subject to review by City



Lease Terms, continued

- 10 year term with two five year options to extend (20 year potential term)
- Rent: \$1.10/sf = \$121,617.10 per month; \$1,459,405.20 annually
- Rent escalator: 3.5%
- Capital credit: One-year rent credit to offset building improvement expenses
- Net Present Value to City over 20 years: ~\$24 million

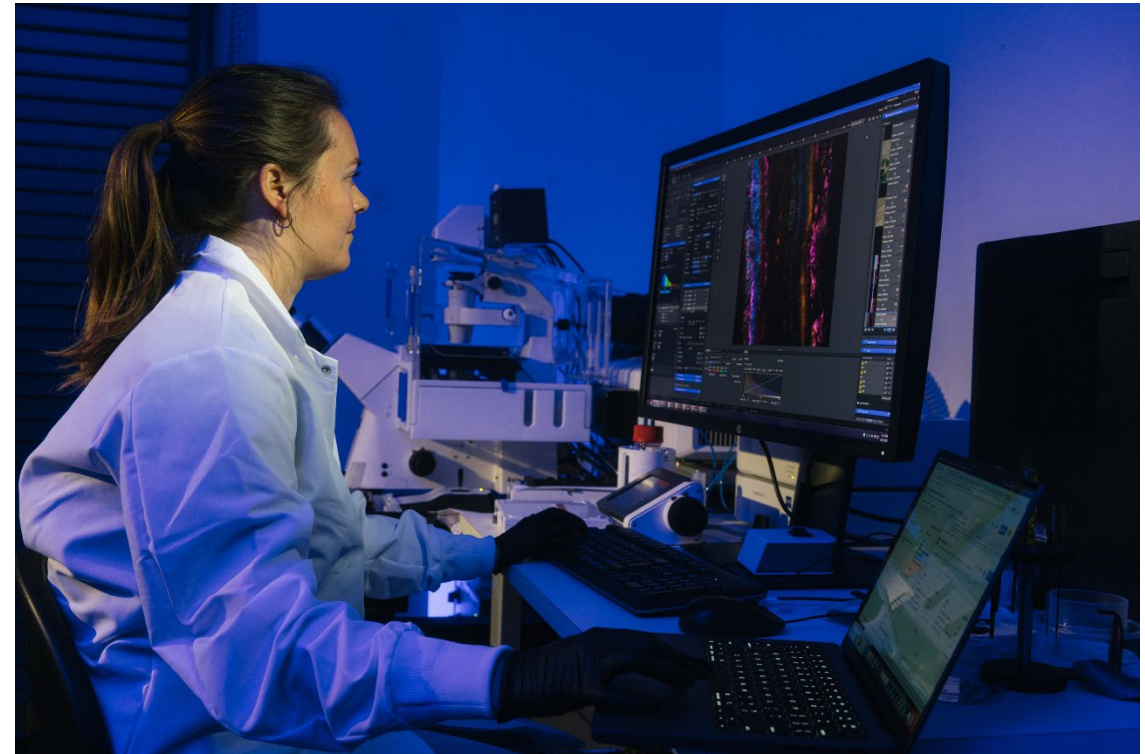


Image courtesy of Science Corp.

Recommendation

- Hold Public Hearing, and
- Approve introduction of ordinance approving draft lease with Science Corporation