

Potential Sale of 13 Acres at Alameda Point to Pacific Fusion



June 17, 2025

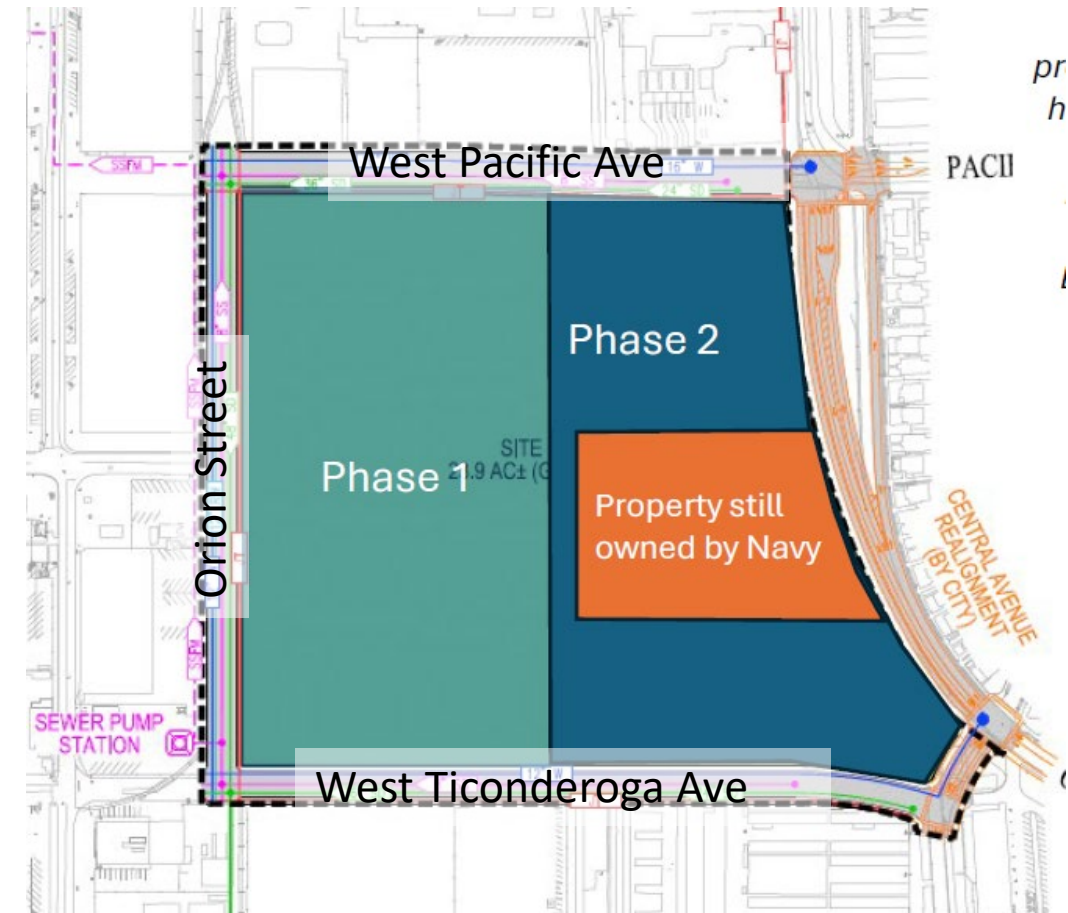
Background

- October 2024 Enterprise District Study Session to explore development opportunities and constraints
- Council authorized Exclusive Negotiating Agreement with Pacific Fusion February 18, 2025, for two-year period
- Staff and Pacific Fusion have negotiated an Option to sell 13 acres of property for development a nuclear fusion research and demonstration facility



About the Project

- First phase would involve sale of 13.033 acres to Pacific Fusion (Phase 1)
- Intent to develop R&D facility including nuclear fusion pulsar along Orion Street between West Pacific Ave and West Ticonderoga Ave
- Not a power plant: intended for research and testing purposes only
- Pacific Fusion must have facility operational by 2030
- PF site selection and construction expected to commence by early 2026



Project Benefits

- **Consistent with vision** established through concept plan, zoning, study session
- **Supports City's sustainability and economic development goals** by supporting a business in clean energy sector
- Unique **opportunity** to secure job generating development in a slow economic cycle
- **Anticipate roughly 250 jobs** created in Alameda at completion of first building (150 engineer/PhD's, 50 technicians)
- **Infrastructure package** would catalyze future land sales and development



Image Courtesy of Pacific Fusion

Current Site Conditions

Area where Orion
Street Would
Connect Through

New Bldg would orient
toward Orion &
Ticonderoga

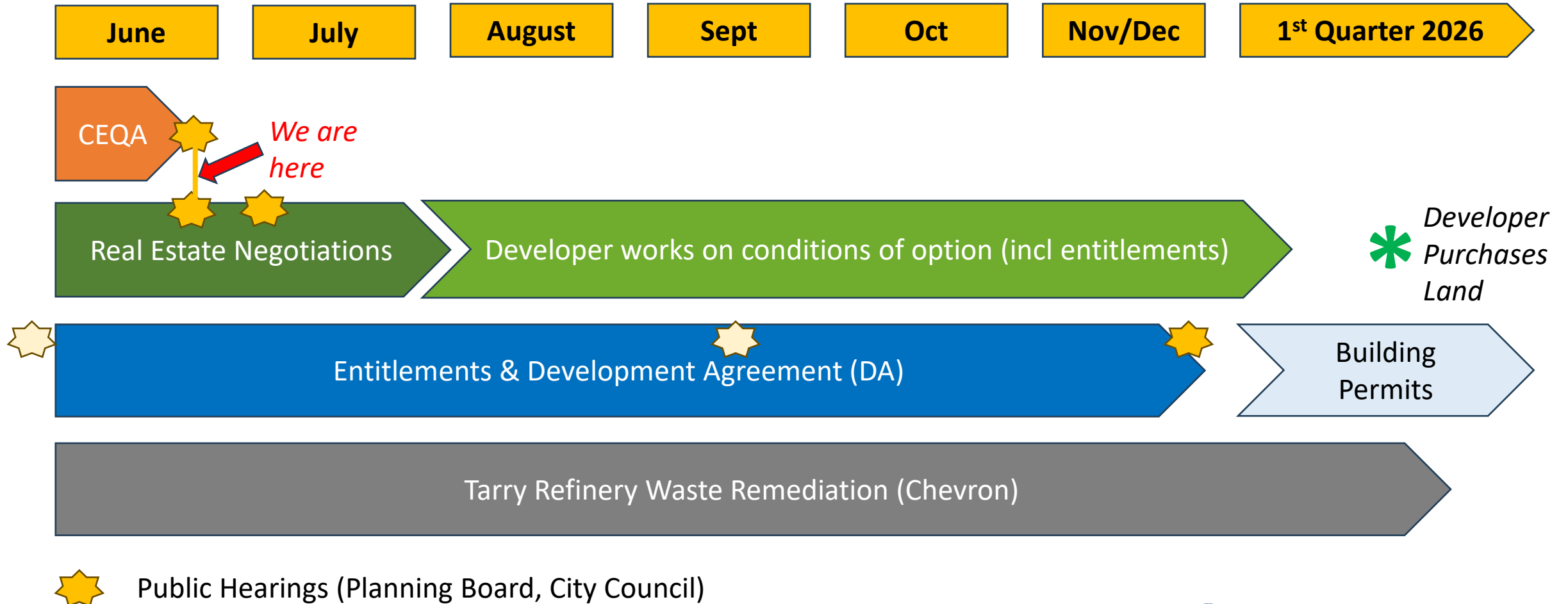
Building 530
Would be
Demolished

New W Ticonderoga,
Skyhawk would remain



Panoramic View of Site from W Ticonderoga Ave

Expected Approvals & Development Process



CEQA and Zoning Compliance

Project is consistent with General Plan, Zoning and Alameda Point EIR

Alameda Point EIR evaluated buildout of Enterprise District with 5.5 million square feet of repurposed and new employment space, for 8,900 employees

Completed environmental review checklist pursuant to CEQA Guidelines Section 15183 specifically for this project

This project would not introduce substantial changes or new information not already evaluated

Staff recommend that the Council finds no further analysis is required based on CEQA checklist included with this item



Third-Party Safety Assessment

Terraphase Engineering Inc. and The Palladino Company, Inc. assessed community health risks

- Community exposure well within safety thresholds even under worst-case scenario modeling
- California Department of Public Health will regulate and monitor use and disposal of radioactive materials through a Radioactive Materials License (RML)
- RML will include sufficient safety protections to limit worker and resident exposures to neutrons or tritium during operation and decommissioning.

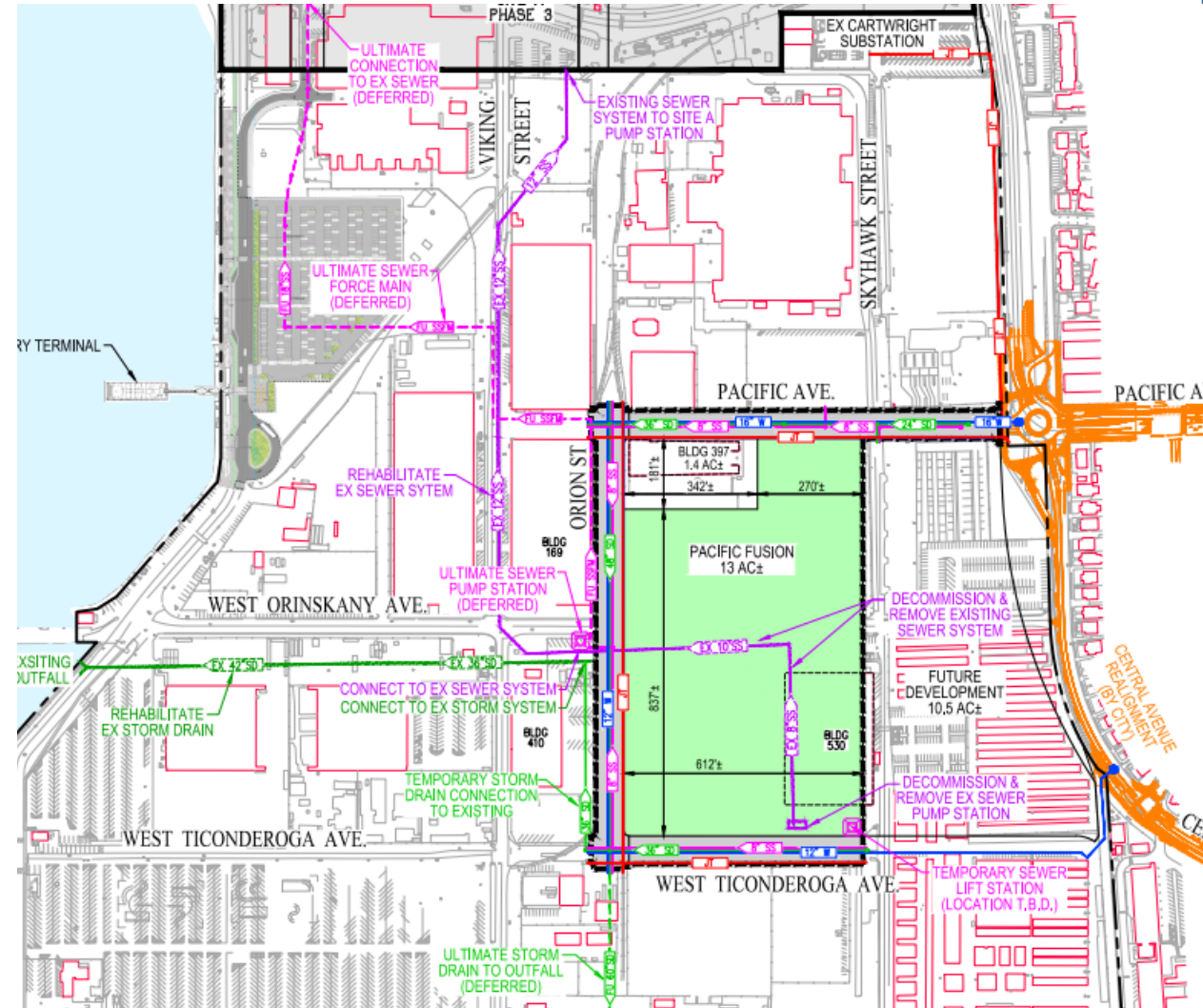
The assessment concludes that the overall risk to the community is low

Purchase Option Terms

Purchase Price of \$28,878,956 would be provided by Pacific Fusion and Hines (their developer) in form of backbone infrastructure consistent with Master Infrastructure Plan (MIP)

Net of Closing Costs and contingency, expected infrastructure package of ~\$22-24 million would include:

- New Orion Street from W Pacific to W Ticonderoga (2 blocks)
- Improvements on W Ticonderoga from Orion Street(1 block)
- New sewer pump station & repairs to existing sewer lines
- Use existing stormwater lines & outfall, with repairs
- AMP power from Cartwright substation



Purchase Option – Performance Milestones

Accountability: binding milestones provide timely project delivery and deter land-banking

- **Entitlements:**
 - Complete Design Review, Development Plan and Tentative Map package submitted by Nov. 30, 2025
 - Planning Board and City Council action no later than Summer 2026 (target Q4 2025)
- **Site Improvements, Building Permits and Final Parcel Map Submittals – Fall 2026**
- **Construction**
 - **Horizontal:** Site demolition & infrastructure substantially complete 18–24 months after permits issued
 - **Vertical:** Must begin no later than 18 months after notice to proceed with horizontal work
- **Certificate of Occupancy:**
 - Public Improvements must be complete prior to Certificate of Occupancy
 - Must be obtained within 36 months from start of vertical construction.

Purchase Option Terms

Cost Overruns:

- City and developer to confer at (1) construction bidding, (2) 50% constructed, and (3) 75% constructed, to revisit scope of offsite improvements if improvements exceed purchase price
- City would share up to \$2.5 million in cost overruns beyond the agreed to cost

Conditions to Buy Property (to “exercise option” and to “close”)

- Pacific Fusion cannot buy property if they have not:
 - Obtained all planning entitlements including Council-approved development agreement
 - Obtained approval of tentative map
 - Confirm offsite construction contract is executed with scope consistent with agreed-to infrastructure improvements
 - Confirm financing plan, and secured completion guarantee for off-site infrastructure



Current condition of Pacific/Orion Intersection vs new AP Intersection



Recommended Motion

Staff recommends that the City Council approve various actions related to the potential purchase of 13 Acres of land in Enterprise District for a Pacific Fusion R&D facility, including:

1. Finding that the project and related actions are subject to streamlined environmental review under CEQA, and that no further environmental review is required, as described in the streamlined CEQA analysis (Exhibit 2);
2. Adopting a resolution declaring up to 21 acres of land located at Alameda Point to be exempt Surplus Land under the Surplus Land Act; and
3. Introducing an ordinance to approve the Purchase Option in furtherance of the Purchase and Sale Agreement for the Pacific Fusion R&D Facility, and authorizing the City Manager to negotiate and execute a purchase and sale agreement and deed consistent with the terms of the Purchase Option.

Additional Slides – Views of Site and Backbone Streets Elsewhere in Alameda Point

View of W Ticonderoga Ave from Skyhawk St



View of Orion St from W Pacific Ave



View of Orion St from W Ticonderoga Ave



View of W Tower Ave from Lexington St

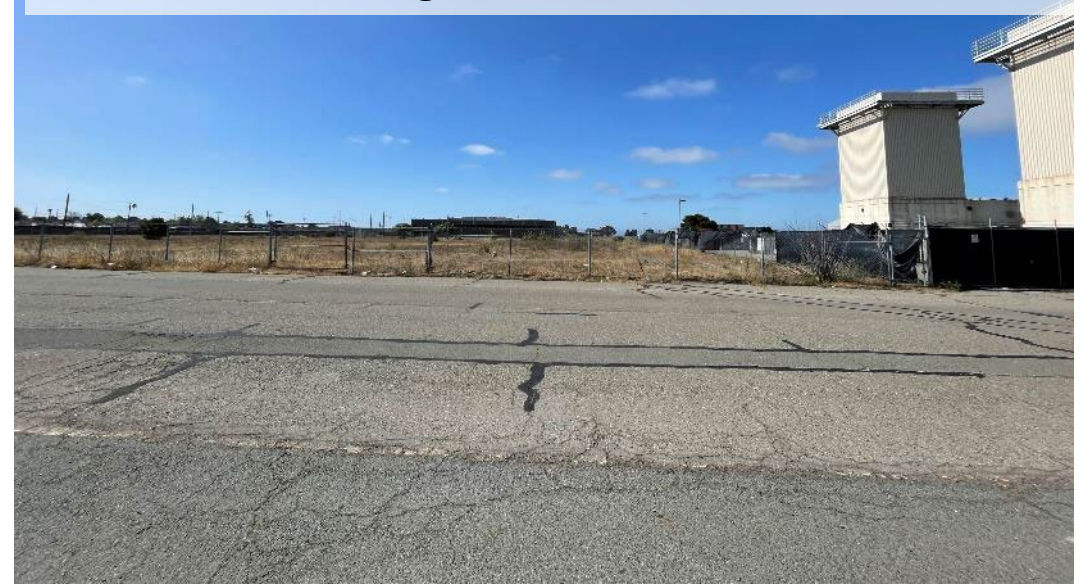


View of PanAm Way from W Tower Ave

View of Site Looking North from West Ticonderoga Avenue



View of Site Looking South from W Pacific Ave



View of Northern Portion of Site Looking North from Current W Oriskany Ave



View of Southern Portion of Site Looking South from Current W Oriskany Ave



Building 530, View from W. Oriskany