



SRMERNST • MADISON MARQUETTE
THOMPSON DORFMAN PARTNERS • TRAMMELL CROW RESIDENTIAL

May 9, 2018

Mr. Andrew Thomas
Assistant Community Development Director
Planning Department
2263 Santa Clara Avenue
Alameda, CA 94501

Re: Alameda Point Site A Development Agreement Annual Update

Dear Mr. Thomas,

The City of Alameda, a municipal corporation of the State of California (the “City”), and Alameda Point Partners, LLC, a Delaware limited liability company (“Developer” or “APP”) entered into that certain Development Agreement for the Alameda Point – Site A project dated August 31, 2015 (the “Development Agreement”). APP is submitting this annual review document in accordance with the Development Agreement and pursuant to the requirements of Government Code Section 65864 and Alameda Municipal Code Chapter XXX, Article VII, Code Sections 30-91 through 30-95. This letter will report on activities and developments taking place between August 31, 2016 and April 15, 2018 and contains a summary of the Developer’s good faith efforts toward compliance with the terms of the Development Agreement.

APP worked with its design team and the City to complete the construction drawings and improvement plans for the site and commenced infrastructure improvements in March 2018. The first construction documents for vertical improvements will be submitted in mid-2018; vertical building construction is expected to start at the end of 2018 with first occupancy in 2020.

As part of the annual update, specific commentary is required on the DDA’s infrastructure construction requirements and the Major Alameda Point Amenities.

INFRASTRUCTURE:

Since August 2017, APP has worked diligently on Phase I horizontal design, including infrastructure, utility, and public park plan development. This design process has included City staff, the Department of Public Works, the Recreation and Parks Commission, the Planning Board, the Bay Conservation and Development Commission (“BCDC”), the United States Navy, and various utility providers, among others.

Following land conveyance on March 15, 2018, construction mobilization and building abatement commenced. APP has pulled the site and building demolition permits and backbone infrastructure improvement permits.

APP is continuing to work closely with the design team, City departments and outside agencies on the following infrastructure improvement plans:

- Outfall Permit
- Waterfront Park Permit

PARKS AND OPEN SPACE:

The Site A Phase I Park Improvements include the Waterfront Park and the Neighborhood Park.

- The Phase I Waterfront Park consists of 2.63 acres along the northern edge of the Seaplane Lagoon and is part of the larger 7.2 acre park approved as part of the Site A Development Plan.
 - Per DDA Operating Memorandum 3, APP has additional time to develop and receive BCDC approval for the Phase I Waterfront Park. APP is currently developing updated plans for review and approval by the City and BCDC.
- The Neighborhood Park, approximately 1.35 acres on the northern edge of Phase I, spans the north side of Blocks 6, 7, 8 and 9.
 - The Planning Board approved the design on October 24, 2016.
 - The City approved the permit set on March 8, 2017.

Per DDA Operating Memorandum 3, the Block 10 Urban Park is excluded from the Phase I Park Improvements and will be developed with the Block 10 vertical improvements.

- The Block 10's privately owned publicly accessible urban landscape will consist of four retail buildings totaling approximately 46,609 square feet and 3.05 acres of publicly accessible privately owned open space.

VERTICAL:

Since August 2016, APP has continued progress on the vertical design for Blocks 6, 7, 8, 9, 10, and 11. This design process has included City staff, the Planning Board, the Department of Public Works and the Building Department.

- **Block 6** – The 64-unit townhome development designed by KTGy received Planning Board Design Review approval on June 27, 2016.
- **Block 7** – The 60-unit townhome development designed by Kwan Henmi received Planning Board Design Review approval on June 27, 2016.
- **Block 8** – The 130 units on Block 8 are divided into two buildings designed by KTGy – a 60-unit senior building and a 70-unit family building – received Planning Board Design Review approval on March 14, 2016.

- **Block 9** – The 200-unit multifamily development designed by Pyatok Architecture and Urban Design received Planning Board Design Review approval with conditions on December 11, 2017. The Planning Board approved updated elevations on April 9, 2018.
- **Block 10** – Block 10 consists of four retail buildings, designed by BCV, totaling approximately 46,609 square feet. Planning Board approved the Block 10 Design Review on June 27, 2016.
- **Block 11** – The 220-unit multifamily development design by BAR received a Certificate of Approval on March 3, 2016 from the Historic Advisory Board and Design Review approval from the Planning Board on March 14, 2016.

APP and the City executed the 2nd Amendment to the DDA on July 19, 2017. The following changes to the Site A Development Plan were included in the 2nd Amendment to the DDA:

- **Block 1a** – Shifted to Phase 3; Re-entitled for 83,500 square feet of commercial space.
- **Block 9** – Increased to 200 multifamily units from 182 units.

SUPPLEMENTAL APPROVALS:

The City conveyed land to the Developer on March 15, 2018. As a condition precedent to the conveyance of property from the City to the Developer, the Developer is required to secure the following Supplemental Approvals:

- A tentative tract map or tentative parcel map
 - **Complete:** The Alameda Point Site A Phase I Tentative Map was recommended for approval by the Planning Board on July 11, 2016 and approved by the City Council on July 19, 2016
- Design review approval for the design of the parks, open spaces and waterfront improvements included in the applicable Phase
 - Waterfront Park
 - **Complete:** Design Review approval by the Planning Board on March 14, 2016
 - Block 10 Urban Park
 - **Complete:** Design Review approval by the Planning Board on June 27, 2016
 - Neighborhood Park
 - **Complete:** Design Review approval by the Planning Board on October 24, 2016
- Improvement Plans for the Backbone Infrastructure included in the Infrastructure Package for the applicable Phase
 - **Complete:** The City provided a letter of approval with conditions on March 8, 2017.
- Grading permit and demolition permit
 - **Complete:** The City provided a letter of approval on March 8, 2017.
- Public Improvement Agreement for the Backbone Infrastructure in the applicable Phase

- **Complete:** At land conveyance, APP and the City executed a Public Improvement Agreement dated March 15, 2018.
- Will serve letters or other contracts from the utility companies providing utility services to the Property demonstrating that utility service is available for the applicable Phase
 - **Complete:** The Developer has procured will serve letters from all applicable utility providers.
- Design review approval for the first Sub-Phase of Vertical Improvements to be constructed as part of the applicable Phase
 - **Complete:** The Developer has achieved Design Review approval for Block 6 (Lot 2), Block 7 (Lot 3), Block 8 (Lots 4 & 12), Block 10 (Lot 6) and Block 11 (Lot 7).

AFFORDABLE HOUSING:

To comply with the Inclusionary Housing Ordinance, the Density Bonus Regulations and the Renewed Hope Settlement Agreement, twenty-five percent (25%) of all residential units at Alameda Point are required to be affordable units: 6% are required to be designated as very low, 10% as low and 9% as moderate income units. Of the 800 total residential units currently planned for Site A, a total of 200 units will be affordable units (48 very low, 80 low and 72 moderate income units).

Fulfillment of Affordable Housing Requirements (Distribution of AH Units)

- 130 affordable units will be provided through the development of a family building (70 units) and a senior building (60 units) on Block 8. Block 8 will provide 48 very low, 80 low and 2 moderate income units
- The remaining 70 moderate income units will be allocated to Phase 2

Funding

Affordable housing at Alameda Point Block 8 will be financed from a variety of sources including:

Family Building		
Sources of Funds	Amount	Status
Land Donation	\$ 5.1	Committed
County of Alameda Measure A1	\$ 2.0	Committed
Bank Loan	\$ 4.2	Committed
VASH Voucher Loan	\$ 3.0	Committed
AHSC State Grant	\$ 9.0	Applied
LIHTC 4% Investor Capital	\$ 14.5	Apply June 2018
Section 811 Loan	\$ 3.1	Pending Final Approval
HCD Infill Infrastructure Grant	\$ 3.0	Applied
GP Equity	\$ 3.4	Committed
Total Sources	\$ 47.3	

Senior Building		
Sources of Funds	Amount	Status
Land Donation	\$ 4.4	Committed
County of Alameda Measure A1	\$ 3.0	Committed
Bank Loan	\$ 1.8	Committed
VASH Voucher Loan	\$ 5.0	Committed
Affordable Housing Program (AHP)	\$ 0.6	Committed
Master Developer Contribution	\$ 3.0	Committed
Veteran Housing Homelessness Program Loan	\$ 1.4	Committed
LIHTC 9% Investor Capital	\$ 16.1	Apply March 2018
HCD Infill Infrastructure Grant	\$ 1.3	Applied
Total Sources	\$ 36.6	

FERRY:

DDA section 5.2 (b) requires that APP “cooperate with the City in the construction of a permitted and operating ferry terminal at Seaplane Lagoon including any necessary parking improvements.”

Design / Permitting

On March 6, 2018, the City approved a \$1.6 million contract with Marcy Wong Donn Logan Architects (“MWDLA”) as the prime architect to lead the Seaplane Lagoon Ferry Terminal architectural and engineering team. MWDLA was retained due to their depth of experience in marine facility design, their direct experience in design concepts for the canopy and ramping/stair system of the ferry terminal, and familiarity with the unique aspects of the project site.

Funding

APP is obligated to pay \$10 million towards the costs incurred for the permitting, design and construction of the Seaplane Lagoon Ferry Terminal, the acquisition of vessels or operations.

- To date, APP has expended approximately \$600,000
- Per the 2nd Amendment to the DDA, \$1.1 million of the extension payment made in August 2017 will be applicable to ferry terminal expenditures once 50 percent of the infrastructure has been completed

The Alameda County Transportation Commission awarded the City of Alameda \$8.2 million for the construction of the Seaplane Lagoon Ferry Terminal.

Schedule

The design team is aiming to have plans ready for bid by the end of May 2018.

The City and APP are targeting the 2019 construction window, allowing operations to commence in the beginning of 2020.

PHASE 0:

Phase 0 activities were designed to attract regional audience with the return of several popular events from Year 1.

Events included the Sperry Farm Pumpkin Patch, the MLK Shoreline Cleanup, the Clay Harding Skate Tournament, and the Point of Transition Art Show. In anticipation of land conveyance and construction start, the last event was held in November 2017.

TRANSPORTATION DEMAND MANAGEMENT (TDM) PLAN:

Per the DDA, the project is required to join a Transportation Management Association (TMA) and implement much of its Transportation Demand Management (TDM) Program prior to receiving an occupancy permit for the first building. Measures to be implemented 'Day One' include:

- Providing a weekday, peak-period shuttle service from the project site to 12th Street BART at 15-minute headways
- Providing AC Transit EasyPasses to all project residents and employees
- Establishing a Parking Pricing program

With delivery of the first building anticipated in 2020, none of the specific measures of the TDM Program have been implemented at this time.

Since approval of the Site A development agreement in June 2015, the Developer has been working with the City of Alameda and fellow developers to form an umbrella TMA encompassing multiple projects across the City. This work has included the negotiation of bylaws, which are currently up for approval with the West Alameda TMA. As part of membership in the TMA, the project will be required to pay an annual per unit and per square foot assessment.

OTHER INFORMATION:

Developer has met regularly with City staff to ensure that the Development Agreement and all subsequent approvals were being implemented in a timely fashion.

Please let us know if you require additional information regarding the Annual Review.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Bruce Dorfman', with a long horizontal flourish extending to the right.

Bruce Dorfman
Vice President
Alameda Point Partners, LLC