

# TL PARTNERS I, LP

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April 27, 2017

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

The City of Alameda, a municipal corporation of the State of California (the "City"), and TL Partners I, LP, a California limited partnership ("Developer") entered into that certain Development Agreement for the Del Monte Warehouse Project dated January 17, 2015 (the "Development Agreement"). Developer is submitting this annual review document in accordance with the Development Agreement and pursuant to the requirements of Government Code Section 65865.1 and Alameda Municipal Code Section 30-95.1. This letter will report on activities and developments taking place between January 1, 2016 and December 31, 2016 ( "Annual Review Period"), and contains a summary of Developer's efforts toward good faith compliance with the terms of the Development Agreement.

Specific commentary is required on the status of the Jean Sweeney Contribution (Section 6.a), Clement Extension (Section 6.b), Transit Demand Management Program (Section 6.c), Retail/Commercial Space leasing (Section 6.d), execution of the Beneficial Transfer Fee Agreement (Section 6.e) and an Affordable Housing Agreement (Section 6.g). When the project's Transportation Management Agency (TMA) publishes a an annual report, that TMA annual report shall satisfy the annual reporting requirement for the Transit Demand Management Program (Section 6.c).

## **JEAN SWEENEY OPEN SPACE PARK:**

Developer is obligated to make a payment of \$2,000,000 in order to fund portions of the Jean Sweeney Open Space Park ("JSOSP"), a 22-acre planned park. Using the Developer's \$2 Million contribution as matching funds, the City secured a \$2 Million grant from the California Department of Parks and Recreation, and when combined, these funds cover approximately half of the improvements required to complete the park. The City has also received \$2.3 Million from the Regional Active Transportation Program, specifically for completion of the Cross Alameda Trail, which runs the length of the park.

During 2015, Developer made its required Soft Cost Contribution by submitting a check in the amount of Three Hundred Thousand Dollars (\$300,000). This contribution has been used during the Annual Review Period by the City's Recreation and Park's Director exclusively to cover the cost of preparation of 100% construction drawings implementing the master plan approved by the Alameda City Council for JSOSP. Construction of the easterly portion of JSOSP and the Cross-Alameda trail is anticipated to begin in 2017.

#### **CLEMENT EXTENSION:**

Developer is required to complete improvements to a portion of Clement Avenue from Atlantic Avenue to Entrance Road, including a new intersection and signal at Sherman, Clement, and Atlantic and installation of stop signs at the following intersections: Buena Vista/Entrance Road and Clement/Entrance Road (the "Clement Extension"). Developer must acquire a portion of the improvement area from the adjacent Wind River property before it can construct all improvements. After almost four years, Developer was able to negotiate an agreement with Wind River (WR) during the Annual Review Period to acquire the property needed to complete these improvements from WR. Developer has completed its feasibility review for the to-be-acquired parcels, and closing is expected to occur in 2017.

#### **TRANSPORTATION DEMAND MANAGEMENT PROGRAM:**

Developer is obligated to implement its Transportation Demand Management (TDM) Program prior to the first certificate of occupancy. Since this is not anticipated until 2018, none of the implementation measures, which include establishment of the Transportation Management Association (TMA), provision of a shuttle to BART and to provide AC Transit passes to each household, were required to be completed.

Developer has, however, been working diligently with the City to begin implementation of the TDM plan. In the Annual Review Period, Developer was instrumental in working with the City and AC Transit to implement the reinitiated Line 19 to Buena Vista Avenue. Developer is helping to subsidize the Line 19 implementation, allowing the Line to offer 20-minute service during commute hours. The Line 19 commenced operation in December 2016.

Moreover, Developer worked closely with the city and other developers throughout the Annual Review Period to implement an expansion of the West Alameda Transportation Demand Management Association (WATDMA), which operates the TDM program for Alameda Landing, into a large transportation management association that would allow the Northern Waterfront Transportation Management Association to share services with TMAs from Alameda Landing and Alameda Point. When efforts to expand WATDMA stalled, Developer instead teamed up with the

City and Alameda Point Partners to create a new TMA, now known as Alameda Transportation Management Association (ATMA), a new legal entity which has recently been formed. Developer anticipates continuing its efforts to get the ATMA fully functional during 2017 and as such is well ahead of schedule for implementation.

#### **RETAIL/COMMERCIAL LEASING:**

Current plans include a minimum of 30,000 square feet of ground floor neighborhood-serving retail/commercial space within the Project, in accordance with the Master Plan. Leasing will commence with building completion.

#### **BENEFICIAL TRANSFER FEE AGREEMENT:**

The Beneficial Transfer Fee Agreement was executed concurrently with the Development Agreement in 2015.

#### **AFFORDABLE HOUSING AGREEMENT:**

Prior to issuance of the first building permit for the Project, Developer was obligated to submit for City Council's review and approval, an Affordable Housing Agreement for the provision of fifty-five (55) affordable housing units, consistent with the requirements of the Master Plan and in a form acceptable to the City Attorney. In 2015, the Planning Board approved the Development Plan and Design Review for the 31-unit low- and very low-income senior affordable building. Also in 2015, the City Council approved the Affordable Housing Agreement and the agreement to convey the City of Alameda owned portion of the property (which will contain the future senior affordable building), to the Housing Authority of the City of Alameda ("Housing Authority").

Developer and the Housing Authority have worked closely throughout the Annual Review Period to complete all of the preparatory agreements and activities required to consummate conveyance of the parcels to the Housing Authority, and to prepare for construction commencement.

Groundbreaking at the site occurred in fall 2016 and the pad grading was completed in November, 2016. The building permit for the new senior affordable building has been issued, and the foundation has recently been completed.

**OTHER INFORMATION:**

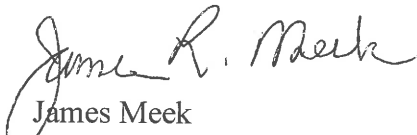
Developer worked throughout the Annual Review Period with its design team to complete the construction drawings and improvement plans for the Del Monte Warehouse building. Construction drawings are currently undergoing plan check with the City; building permits are expected in mid-2017. Developer anticipates commencement of infrastructure improvements on the site in mid-2017, with building construction commencing soon thereafter.

Developer has met regularly during the Annual Review.

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,

  
James Meek  
Director of Land