

EXHIBIT C
TERM SHEET FOR DDA FOR SITE A AT ALAMEDA POINT

Project Description:

- The Project consists of 800 residential units and 100,000 to 150,000 square feet of retail, 30,000 to 50,000 square feet of other commercial development and a Ferry Terminal consistent with the General Plan, Alameda Point Zoning Ordinance, Master Infrastructure Plan, Waterfront Town Center Specific Plan, Transportation Demand Management Plan (TDM Plan), Environmental Impact Report (EIR) and Mitigation Monitoring and Reporting Program (MMRP), Density Bonus Ordinance, and the City's Alameda Point Fiscal Neutrality Policy.
- It is expected that the Project will include vertical mixed-use developments and a diversity of high-quality architecture.

Developer Responsibilities:

- Design, permit and construct infrastructure, landscape and buildings consistent with a to-be-approved Development Plan and in accordance with an agreed upon Phasing Plan and Milestone Schedule, including obtaining site improvement plan, subdivision maps, design review, and building permit approval from the City and other relevant public agencies.
- Prepare a feasible financing plan, fiscal impact analysis, and project pro forma for the predevelopment, infrastructure and vertical development of the Project, including timing and sources of funds for both debt and equity sources. The financing plan may include the formation of special tax districts, or other special districts requiring City facilitation. The use of any proceeds from the formation of special tax districts shall be subject to the mutual approval of the City and the Developer.
- Obtain the necessary financing, consistent with the mutually approved financing plan and project proforma for the development of the Project, including both debt and equity sources of funds.
- Implement and adhere to the requirements of the regulatory documents listed under the Project Description that are applicable to the Project.

City Responsibilities:

- Facilitate conveyance of the portions of the property that are still in Navy ownership from the Navy to the City and subsequent conveyance of the property from the City to the Developer in accordance with the terms of the Development and Disposition Agreement (the "DDA") and the Milestone Schedule.
- Facilitate public financing for infrastructure and development of the Project in coordination with the Developer such as the formation of special tax districts or other financing districts. Nothing herein commits the City to directly provide any sources of funds toward the development of the infrastructure or the Project. City will reimburse Developer for its actual costs incurred to construct and deliver the

Infrastructure described in Exhibit D to the extent that the City receives any infrastructure grants attributable to Site A and proceeds from City-created Community Facilities or Infrastructure Financing Districts generated specifically from the land value attributable to Site A and allocated to the Project Infrastructure costs in accordance with the approved financing plan, after payment of costs associated with obtaining such grants or establishing any such Community Facilities District or Infrastructure Financing District..

- Secure approvals, using commercially reasonable efforts, for the Seaplane Lagoon ferry service and facilities in timely manner so that service may commence upon completion of the Phase I of the Project, recognizing that it depends, in part, on the land payment contribution provided by Developer as described below.
- Understand that time is of the essence and will timely process entitlement and permit applications for the Project, and may do so with a dedicated resource at the Developer's expense.

Term:

- A maximum term of **20** years.

Phasing:

- A Phasing Plan will be prepared for the Project and a Milestone Schedule will be prepared for each phase of the Project, including a detailed schedule for obtaining entitlements, securing financing for each phase of the Project, conveyance of the property, development of the infrastructure and vertical development consistent with the Term.
- The Phase 1 property is depicted on **Exhibit A**.
- Phase 1 of the Project will commence development according to the Development Schedule in **Exhibit B**.
- A Phase 0 Plan, including the specific implementation elements and schedule, is outlined in **Exhibit C**.

Infrastructure and Amenity Package:

- The Project will include the infrastructure package as provided in **Exhibit D**.
- The infrastructure package contained in **Exhibit D** will be allocated among each phase of the Project.
- All phases of the Project, including Phase 1, will include construction of key public infrastructure and/or amenities included within **Exhibit D**.
- Phase 1 of the Project at a minimum will include construction of all backbone and in tract infrastructure necessary to support Phase 1 and construction of the following major Site A infrastructure, subject to mutually acceptable value-engineering modifications: extension of Ralph Appezato Memorial Parkway

between Main Street and Ferry Point; the complete sewer line extension between Site A and Pump Station R; and Main Street intersection and gateway improvements.

- Developer agrees to finance and/or construct a portion of the Sports Complex, the Ferry Terminal at Seaplane Lagoon, and a portion of the Seaplane Lagoon waterfront park (Major Alameda Point Amenities) as outlined in greater detail below.

Land and Option Payments:

- Developer agrees to pay a land payment up to **\$1.594** million per gross acre or up to a total of **\$108** million (2014 dollars) (the “Land Payment”) according to the following stipulations:
 - Developer will receive a credit of up to **\$1.3** million per gross acre (2014 dollars) towards the Land Payment for the construction of the infrastructure (the “Infrastructure Credit”) consistent with **Exhibit D**.
 - Developer will receive an additional credit of **\$5** million (2014 dollars) towards the Land Payment provided that Developer constructs an initial phase (to be further defined in the DDA) of the permanent Seaplane Lagoon Plaza and waterfront promenade park at an equivalent cost within Phase 1 (the “Acceleration Credit”).
 - Developer will pay **\$2.5** million (2014 dollars) of the Land Payment upon execution of the DDA (the “DDA Payment”), which the City will use toward the construction of the sports complex portion of the Major Alameda Point Amenities, or such other Major Alameda Point Amenity as determined by the City. Subject to approval of the City, the Developer may choose to provide the City with an irrevocable letter of credit or similar type of negotiable instrument in lieu of a cash payment, provided such instrument provides the City with the right to draw on the necessary funds as needed for predevelopment and construction costs of the sports complex or other Major Alameda Point Amenity.
 - Developer will pay an additional **\$2.5** million (2014 dollars) of the Land Payment upon the issuance of the first building permit (the “Building Permit Payment”), which the City will use toward the construction of the sports complex portion of the Major Alameda Point Amenities or such other Major Alameda Point Amenity as determined by the City. Subject to approval of the City, the Developer may choose to provide the City with an irrevocable letter of credit or similar type of negotiable instrument in lieu of a cash payment, provided such instrument provides the City with the right to draw on the necessary funds as needed for predevelopment and construction costs of the sports complex or other Major Alameda Point Amenity.
 - Developer will pay up to **\$10** million (2014 dollars) of the Land Payment towards design and construction of the Seaplane Lagoon Ferry Terminal (the “Ferry Terminal Payment”) as needed to construct an operational ferry terminal by the end of 2017. Developer further agrees to assist the City with procurement of funds over \$10 million, if necessary, in a form to be negotiated in the DDA, to complete construction of the Seaplane Lagoon Ferry Terminal.
- The City will participate in profit sharing through a percentage profit participation mechanism and the developer expects to receive a return calculated as an unleveraged internal rate of return (“IRR”)

requirement for land development according to the following:

- Once the Developer receives
 - an 18% IRR, the City's profit participation will be 10%
 - an 20% IRR, the City's profit participation will be 20%
 - an 22% IRR, the City's profit participation will be 30%
 - an 25% IRR, the City's profit participation will be 50%
- If the Developer does not take down and develop the property according to the Phasing and Milestone Schedule, the City, will allow the Developer to continue the DDA until a mutually agreed upon Outside Date for performance by paying an annual non-refundable option payment for the land that is not taken down and developed, according to the Phasing and Milestone Schedule, provided the delay in take down and development of the property is not the result of force majeure events, as that term is defined in the DDA, and/or breach by the City of its obligations under the DDA. The amount of the Option Payment is as follows:
 - **\$50,000** per acre (2014 dollars) before 50 percent completion of Phase 1 infrastructure, which will not be credited toward the land payment.
 - **\$10,000** per acre (2014 dollars) after 50 percent completion of Phase 1 infrastructure, which will be credited toward any unpaid Land Payment (exclusive of any credits against Land Payments), if any remains. Otherwise, the Option Payments will be in addition to any land payments.

Master Lease Agreement:

- As part of the DDA, the City and Developer will incorporate a Master Lease Agreement (MLA), which will permit the developer to lease any existing building or land area on Site A for sublet prior to the Developer acquiring the property or building in accordance with the Phasing and Milestone Schedule in the DDA for interim uses.
- The MLA will be structured on a triple-net basis. With appropriate notice to the City, the Developer may lease any building(s) or land area for sublet to tenants for any permitted use consistent with Developer's Site A Development Plan and the Town Center Plan and EIR in accordance with all laws.
- The term of the sublet shall not be more than two (2) years, except as set forth below, with the term to be set based on the Phasing and Milestone Schedule to ensure that the interim uses do not interfere with the overall development schedule. Developer shall not be obligated to pay any rent to the City for any lease with a term of two (2) years or shorter, but all net income generated from the sublet will be used to offset any capital expenditures on such building, fund Phase 0 events and activities, or offset infrastructure costs and shall be included in the Developer pro forma and financing plan and the determination of any profit participation owed to the City. If the sublet term is longer than two (2) years, the Developer will either pay rent to the City in an amount to be negotiated by the parties, or subject to the approval of the City, which approval shall be in the City's sole discretion, acquire the building and land subject to the sublease at a price equal to the per acre Land Payment. In either sublet scenario above, the Developer will be responsible for all management, maintenance, capital

expenditures, taxes insurance and operating costs related to such building(s).

- Developer will agree to provide to the City quarterly financial statements related to the subleasing operations of any building or land area under the MLA.
- Any lease and sublet described above shall include provisions allowing termination as necessary to allow conveyance and development of the property in accordance with the approved Development Plan and the timing of the Phasing and Milestone schedule in the DDA.

Financing:

- Developer agrees to a maximum burden for residential and commercial development in special taxes and other fees, in addition to property tax, such that the combined rate does not exceed 1.90% and 1.80% for residential and commercial, respectively, to help pay for and finance infrastructure, transportation demand management services and programs, levee maintenance, municipal services, and community benefits. The Developer and the City shall mutually agree upon the allocation of the proceeds of any special taxes, assessments or fees to the above described uses taking into consideration the City's fiscal neutrality policy.

City Cost Reimbursement:

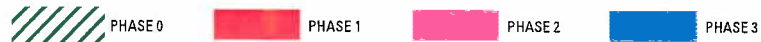
- In addition to the non-refundable ENA payment of \$200,000, Developer agrees to reimburse the City for up to **\$100,000** of additional staff costs incurred during the ENA period or consultant costs for permitting the Ferry Terminal at execution of the DDA. These payments shall not be applied to the Land Payment and are nonrefundable.

Project Labor Agreement:

- Developer agrees to comply with the City's PLA policy or negotiate in good faith a PLA with the Building Trades for the project.



Exhibit A



ALAMEDA POINT | ALAMEDA, CA

PHASING PLAN - REV 4

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BKF ignition architecture | **MBH** arch | **TRICON** | **Tableau** | **EDEN** | **SRMERNST** | **MadisonMarquette** | **KH** | **FIELD PAOLI**



EXHIBIT B
PHASE 1 DEVELOPMENT SCHEDULE

<u>TASK</u>	<u>DATE</u>
Development Plan Approval and DDA Execution	May 2015
Approval of Design Review-Horizontal and Vertical with DDA 0 months from DDA	May 2015
Commencement of Infrastructure Construction 6 months from DDA	November 2015
Substantial Completion of Infrastructure Construction (excluding 'finishes') 18 months from Commencement; 24 months from DDA	May 2017
Commencement of Vertical Development 12 months from Design Review; 12 months from DDA	May 2016
Substantial Completion of Vertical Development 27 months from Commencement; 39 months from DDA	August 2018

EXHIBIT C

PHASE 0 IMPLEMENTATION PLAN AND SCHEDULE

PLAN OVERVIEW

Consistent with the Town Center and Waterfront Precise Plan, Phase 0 will be implemented to quickly bring people to the waterfront and further establish Alameda Point as a fun and cultural experience and show what it can become. The focus, which will include significant engagement of the local business community, is to create facilities and events that support APP's long term vision, create an immediate draw and be transitioned into a permanent part of Site A development.

The Developer will engage a consultant and/or event manager to coordinate with the City and execute the Phase 0 plan consistent with its development plan and the City's vision. Phase 0 features and events will need to cater to a diverse audience which has many options competing for its leisure time. In addition to the many ideas put forth by the City, Phase 0 is expected to include:

- Develop the theme of a 'creative waterfront' with space, events and exhibits focusing on the 'artisan-maker-innovator' community that leverages the industrial vibe of the base and the existing makers already there. An east-bay 'Dogpatch' expanding on the Bay Area's..and East Bay's... thriving entrepreneurship.
- Host a Night Market – instead of just the typical off-the-grid events, hold a once-a-month night market. Think First Fridays/Art Murmur in Oakland, or the Frenchmen Art Market in New Orleans (www.frenchmenartmarket.com) but with an Alameda vibe and personality.
 - Within 30 days of execution of the DDA, commence formal outreach to artisans, local restaurants and purveyors with the goal this become a permanent event at Alameda Point. Workwith Martha Trela of UrbanBloc to create an eclectic shipping container village for local retailers and restaurants to use for events, some of which may later be incorporated into a permanent, central urban park.
- Bring back drive-in movies for families using the side of Building 41.
 - Engage Syufy Enterprises-West Wind Drive-ins, for planning of the venue. Partner with Alameda businesses and food trucks for concessions. This will require some seed money but we envision this as a profitable venture contributing to other Phase 0 functions.
- Introduce the 'Pan Am Plaza' concert series to be coordinated with the Crab Cove Concert series.
- Holiday events focused on kids and families including a Halloween pumpkin patch and Christmas tree sales with kid's attractions (e.g. GM Farms in Livermore www.gmfarms.com).
 - Create 1-2 signature holiday events that can be sustained on a permanent basis.
 - Have a holiday toy drive to benefit the Alameda Collaborative and other children's charities.
- Leverage Community Involvement: engage existing community business members and event producers to be a part of and participate in the successful launch of The Town Center. Some members might include:
 - Rythmix Cultural Works in connection with the Night Market

- Alameda Bicycle and Team Alameda – bike events including a temporary pump track, weeknight criterium's and host its family bike tours and BBQs.
- Michaan's Auctions to help facilitate sales of artisan-makers wares.
- Little Ice Rink: offer a temporary or even permanent home for the successful public ice skating venue.
- Bladium – set up waterfront space and sports courts for local tournaments and events, including water events, while promoting the vision for the Regional Sports Complex.
- Alameda Community Sailing Center: provide lessons and rentals of small, non-motorized watercraft including junior sailing camps.
- Frank Bette Center for the Art's – hold a yearly event for the artisans and makers that will be juried and have prizes associated with it.
- VF Outdoor, offer an annual outlet equipment and apparel sales event.

IMPLEMENTATION SCHEDULE

- Engage Phase 0 marketing/event consultant to develop a theme and brand, including a website and social media tools, engage with any participating community members, and publish a detailed implementation plan including schedule of first year events and features on or before execution of the DDA.
- Develop necessary marketing collateral and launch the Phase 0 marketing campaign within 60 days of DDA execution.
- Launch the year 1 program within 90 days following execution of the DDA.

PHASE 0 BUDGET

- Developer is expected to pay all costs of Phase 0 which are expected to be approximately \$1.5 million. Developer will use all net revenues from Phase 0 to cover Phase 0 costs with any excess to be used for costs associated with the Project. Costs and revenues from Phase 0 shall be included in the project Pro Forma for purposes of determining the City's profit participation payments

**EXHIBIT D
INFRASTRUCTURE PACKAGE**

BACKBONE INFRASTRUCTURE PACKAGE AS DESCRIBED IN THE MIP AND EXHBIT 8 OF THE RFQ DATED MAY 1, 2014, GENERALLY DESCRIBED AS FOLLOWS:

- 1) DEMOLITION AND SITE PREPARATION
- 2) PERIMETER FLOOD PROTECTION AND ROADWAY GRADING
- 3) DEWATERING
- 4) SANITARY SEWER
- 5) STORM DRIANAGE
- 6) POTABLR WATER
- 7) RECYCLED WATER
- 8) DRY UTILITIES
- 9) ON-SITE STREET WORK
- 10) TRANSPORTATION (TDM)
- 11) PARKS AND OPEN SPACE