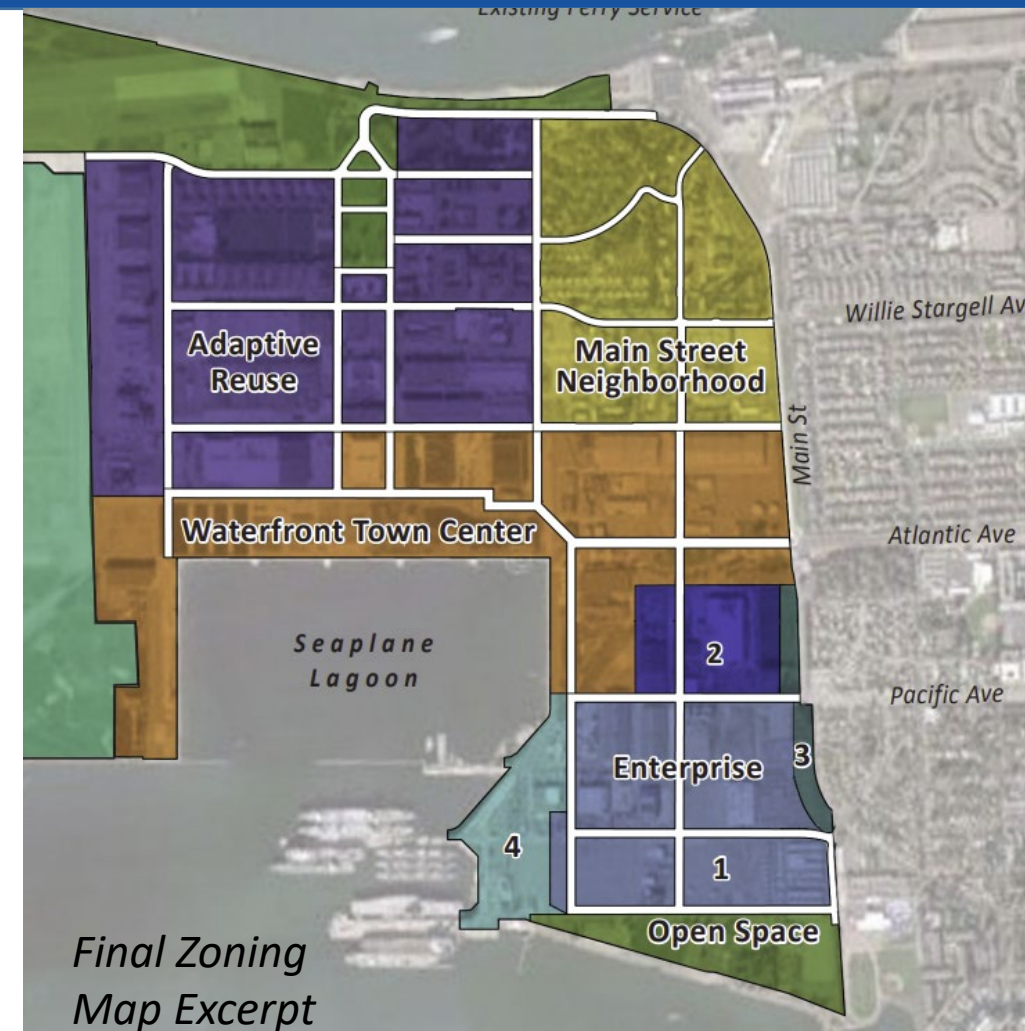


# Exclusive Negotiating Agreement with Pacific Fusion for Area Along Orion Street Between West Pacific and Ticonderoga Avenues

February 18, 2025

# Enterprise District Background and History

- Zoning for Enterprise District focuses on creating thriving employment center on 100+ acres
  - Mostly nonresidential zoning, aside from 100' buffer on Main Street/Central Avenue
- Market requires opportunistic approach to development
- Location of development determined by infrastructure need
- Council work session and RFP process in 2019
  - Staff identified ~24 acre parcel fitting most needs efficiently
  - 2019 effort undermined by Surplus Land Act, Tarry Refinery Waste issues



# Enterprise District History - 2024

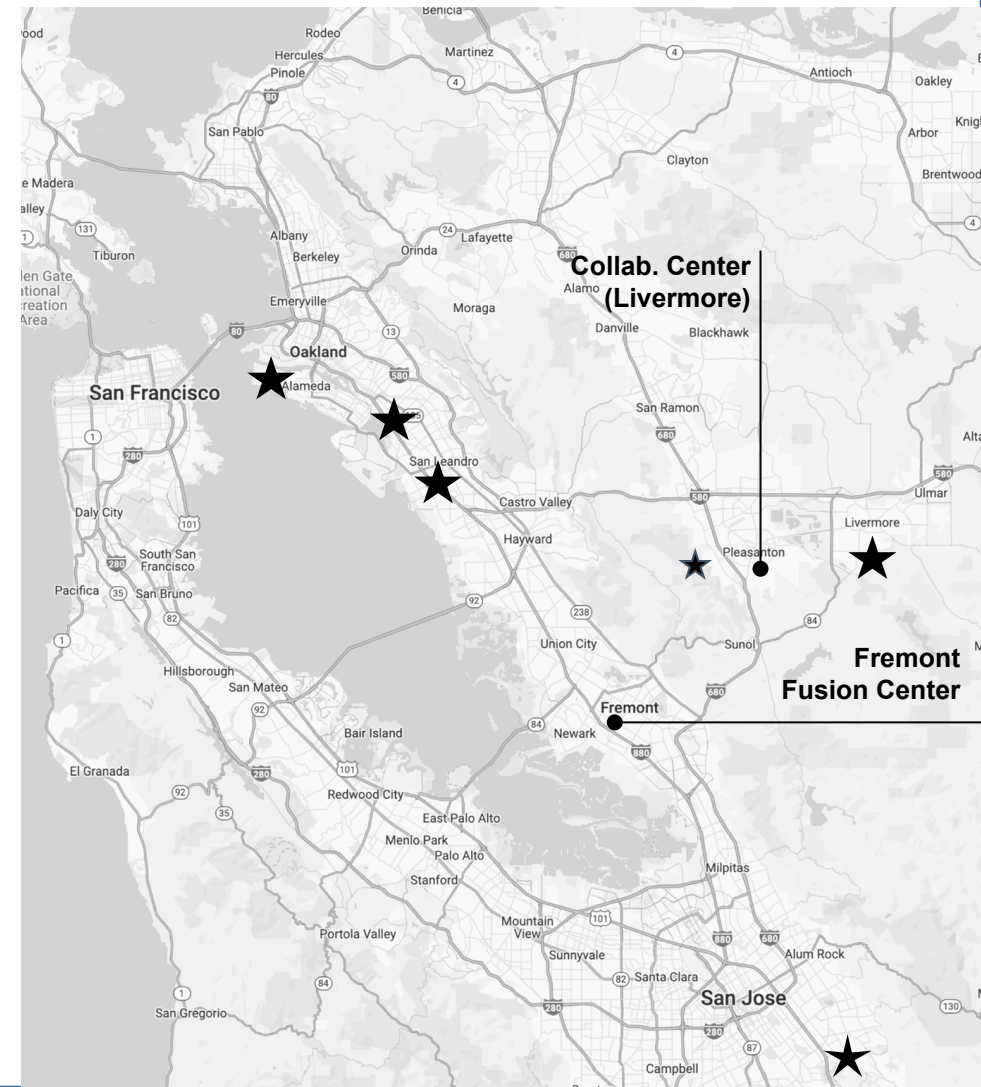
- August 2024 – Mayor’s Economic Development Advisory Panel study session on Enterprise District development strategy.
- October 2024 – Council study session on Enterprise District. Direction to advance marketing of 12- and 24- acre opportunities in early 2025.
- December 2024 – Received proposal from Pacific Fusion
- January 2025 – Closed Session with City Council to consider proposal



# About Pacific Fusion

- Founded in 2023
- Locations in Livermore and Fremont with partnerships throughout the Bay Area
- Successfully utilized fusion technology to create energy positive fusion reaction, using tritium and deuterium
- Nearly \$1 billion in venture capital investment conditioned on completion of demonstration facility by 2030
- Considering several sites for this project, looking to make a decision in mid-2025

Partnered with Hines as real estate developer for this project in Alameda. However ENA is with Pacific Fusion only, with rights to assign to Hines.





# Project Benefits

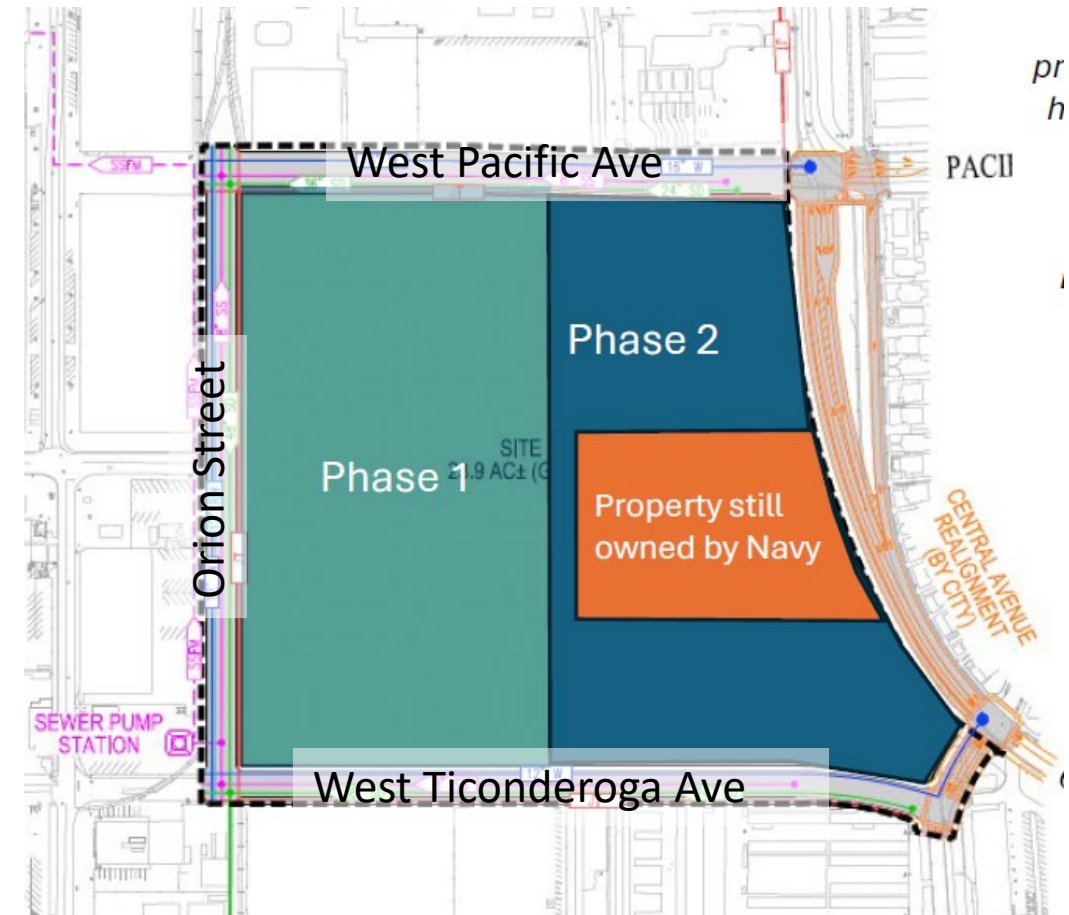
- **Consistent with vision** established through concept plan, zoning, study session
- **Supports City's sustainability and economic development goals** by supporting a business in clean energy sector
- Unique **opportunity** to secure job generating development in a slow economic cycle
- **Anticipate 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

# Exclusive Negotiating Agreement Overview

- Allows both parties to explore the possible sale and development of the block between West Pacific and Ticonderoga Aves.
- City would not negotiate with others during this time for this land, and Pacific Fusion would advance certain steps in the planning and entitlement process
- City and Pacific Fusion would work on the terms of a possible sale
- Term:
  - 12 months for Phase 1
  - 24 months for Phase 2
  - 3 options to extend for 3 months





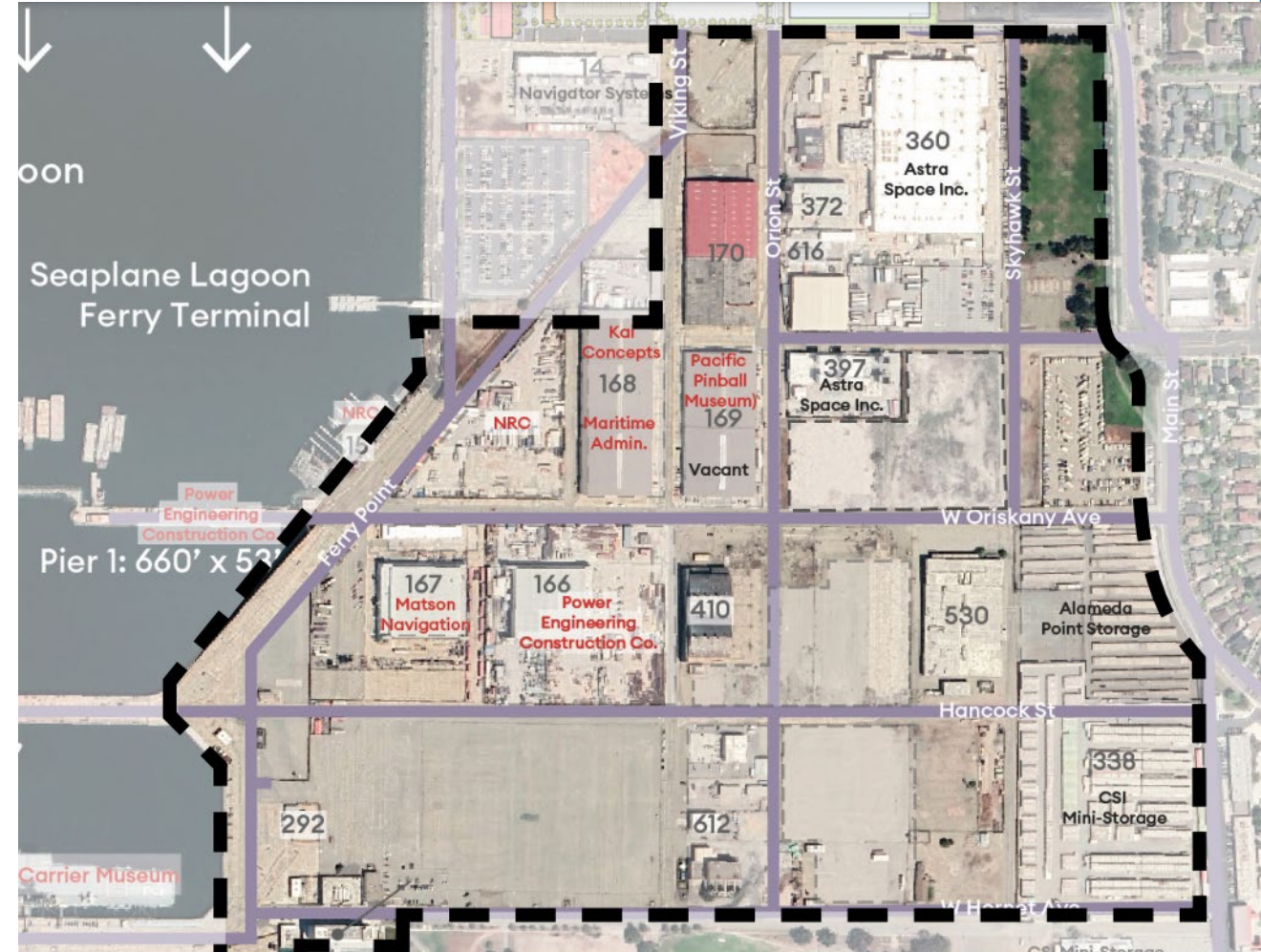
# Exclusive Negotiating Agreement (ENA) – Other Details

## Main Steps in ENA:

- Reviewing development plan and undertaking entitlements process
- Negotiating terms of a possible sale of land
- Conducting other due diligence

## Developer Obligations:

- Submit Development Plan to City for review
- Submit and Implement Community Engagement Plan
- Submit Evidence of Financial Ability to Undertake Project
- Define Project Team



# Preliminary Project Terms (to be negotiated)

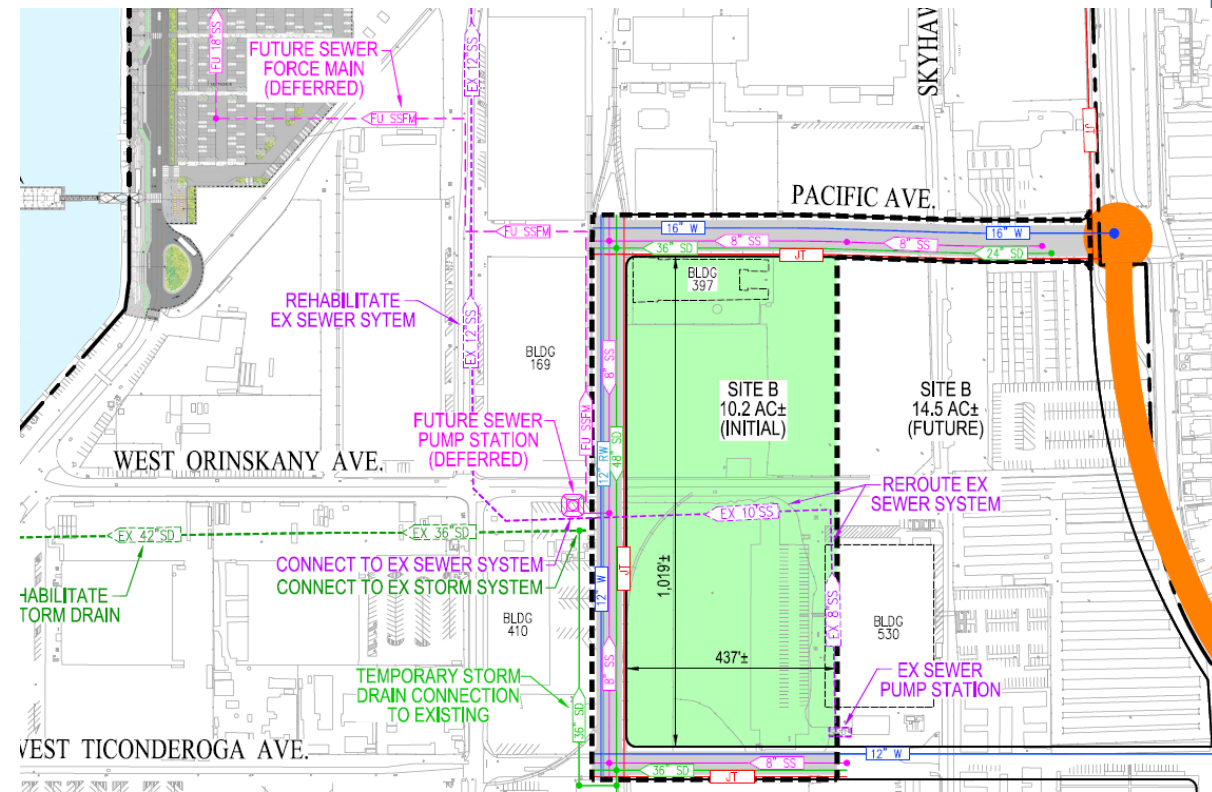
Initial 12 acre property for first phase of development

Replacement of backbone infrastructure, valued at roughly \$26.6 million, including:

- Adjacent streets
- New water lines and dry utilities
- Improvements to sanitary sewer and stormwater connections

Option to purchase additional property for a second phase, with terms TBD

These terms would be negotiated and refined over next several months





# Accelerated timeline for completion of this facility:

Mid 2025:  
Site Control - Land  
Conveyance Vote

**Q1 2027:**  
**Shell ready for PF**

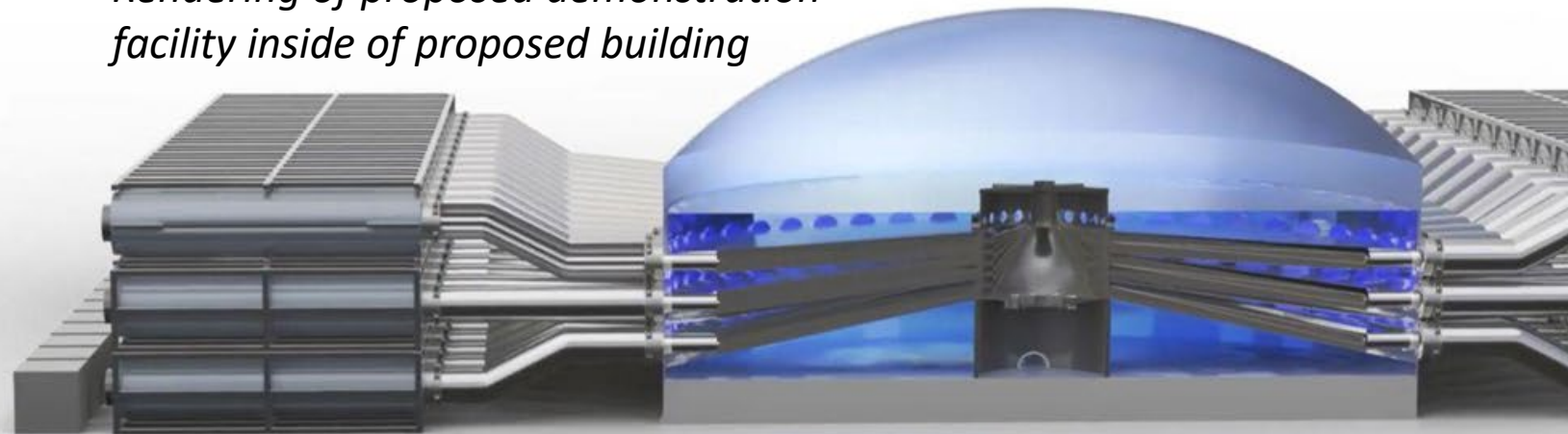
2028:  
Commission System

2029:  
Radiological License

2030:  
Full operations

Simultaneous  
real estate  
negotiation and  
planning  
approval process

*Rendering of proposed demonstration  
facility inside of proposed building*



# Next Steps if Approved

- Developer team has 12 months to complete entitlement & term sheet, but project expected to move much faster
- Goal is to return to council mid-2025 to consider project deal terms
- Pacific Fusion and Hines are ready to engage community, begin project design and entitlements, negotiate deal terms
- BRED, Planning, Public Works, and City Attorney will be engaged to advance the project

# Recommended Motion

Adopt a resolution approving a 24-month ENA with Pacific Fusion, with options to extend for a total of 33 months, for potential development of a 12- to 18-acre property along Orion Street between West Pacific Avenue and West Ticonderoga Avenue at Alameda Point, for a research and development facility.