



City of Alameda California

March 27, 2018

John Martin, Trustee
Harbor Bay Isle Associates
1141 Harbor Bay Parkway
Alameda, CA 94502

RE: Dedication of Parcel 4 on Parcel Map No. 6024 (APN 74-1362-6)

Dear Mr. Martin:

The City of Alameda ("City") and Harbor Bay Isle Associates ("HBIA") have long envisioned the completion of a continuous approximately 3.3 mile park and path system parallel to the Bay edge extending from the Harbor Bay Business Park to the Bay Farm Island Bridge, and for the Shoreline Park to be owned and maintained by the City. As required by Development Agreement 89-1 dated April 4, 1989 between the City and the Harbor Bay entities ("DA"), the public access improvements for Phases III-A and III-B of the Shoreline Park have been completed, and HBIA has dedicated the property for those portions of the Shoreline Park to the City. However, the 345 linear foot segment of public shoreline located between Phases III-A and III-B remains unimproved. That segment of public shoreline, which is depicted as Parcel 4 on Parcel Map No. 6024 (APN 74-1362-6, the "waterfront parcel"), is owned by HBIA and zoned Open Space consistent with the open space zoning of the rest of the Shoreline Park.

Although the parties' original intent was for the waterfront parcel to be designed and improved in stages as the adjacent property (depicted as Parcel 1 on Parcel Map No. 6024) is developed, and subsequently dedicated to and maintained by the City, neither the DA nor any of the related agreements speak directly to the timing of HBIA's dedication of the waterfront parcel to the City. To date, the final development plans for Parcel 1 have not yet been approved.

With the upcoming expiration of the DA, the City seeks to initiate discussions with HBIA regarding dedication of the waterfront parcel. The City is interested in completing the Shoreline Park and acknowledges that the waterfront parcel is subject to the provisions and conditions set forth in the Second Amendment to Third Supplementary Agreement between HBIA and San Francisco Bay Conservation and Development Commission. Acquiring title to the waterfront parcel is an important step that will move the City and HBIA closer to their joint vision of a continuous park and path system along the Bay edge.

Please contact me if you have any questions. I look forward to your response.

Sincerely,

Elizabeth D. Warmerdam
Acting City Manager

cc: C. Timothy Hoppin, Harbor Bay Isle Associates
Andrew Thomas, Assistant Community Development Director

Office of the City Manager

2263 Santa Clara Avenue, Room 320
Alameda, California 94501
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Approved to form



HARBOR
BAY

May 1, 2018

Elizabeth D. Warmerdam
Acting City Manager, City of Alameda
2263 Santa Clara Avenue, Room 320
Alameda, California 94501-4477

RE: **Dedication of Parcel 4 on Parcel Map No. 6024 to City of Alameda**

Dear Ms. Warmerdam:

This letter on behalf of Harbor Bay Isle Associates ("HBIA") is in response to your letter of March 27, 2018 addressed to me as Trustee of HBIA and as a follow-up to our meeting in your office on April 25, 2018 regarding the City of Alameda's interest in having HBIA dedicate to the City the so-called "waterfront parcel" (Parcel 4 of Parcel Map No. 6024; APN 74-1362-6).

As we discussed in the meeting, for many years the City and HBIA have expected the dedication of Parcel 4 to the City and the completion of installation of permanent public access improvements within that shoreline strip to be accomplished in conjunction with commercial development on adjacent Parcel 1. However, the recent experience of the owner of Parcel 1's unsuccessful efforts to obtain approvals of a proposed new hotel on Parcel 1 from BCDC have brought the City to the point of being no longer willing to wait further for the completion of this missing gap in the City's continuous Shoreline Park around the Bay edge of the Harbor Bay Isle development.

HBIA is willing to move forward with dedication of Parcel 4 to the City, subject to certain conditions:

First, as your letter acknowledged, this waterfront parcel is subject to the provisions and conditions set forth in the Second Amendment to Third Supplementary Agreement between HBIA and the San Francisco Bay Conservation and Development Commission ("BCDC"). Section 6.C. of that document provides that: "Prior to HBIA's delivery of any said offer of dedication, HBIA shall obtain the written approval of BCDC of final plans and specifications for landscaping and public access improvements for the respective phase." At the time of the construction of the phase of Harbor Bay Parkway situated along the area containing Parcel 4, HBIA provided BCDC with preliminary plans and specifications for installing public access improvements in this waterfront strip of land that continued the public access improvements that BCDC approved for installation in Phase III-A and Phase III-B of the Shoreline Park on either side of this shoreline strip. We understand that last year, BCDC staff recommended approval of the plans and specifications for public improvements proposed for installation on Parcel 4 as part of a proposed development on adjacent Phase 1 of Parcel Map 6024 that similarly would continue the public access improvements that are in

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place in the Shoreline Park on either side of Parcel 4. In order to move forward with the contemplated dedication of Parcel 4 to the City, HBIA anticipates that it would have to give notice to BCDC of its intention to dedicate Parcel 4 to the City, and HBIA would need the help of City staff to pave the way so that BCDC will not object to the proposed dedication of Parcel 4 for inclusion in the Shoreline Park and that BCDC will accept the installation of the same public access improvements in Parcel 4 that BCDC approved for installation in Phase III-A and Phase III-B of the Shoreline Park. HBIA will cooperate with the City in processing any amendment or assignment of provisions in the current HBIA-BCDC Agreement that are required by BCDC, including a transfer to BCDC of any prior HBIA agreements with the owner of Parcel 1 to connect the public access improvements in Parcel 4 to a proposed development on Parcel 1. Upon completion of the anticipated dedication of Parcel 4 to the City, the City shall accept all responsibility going forward for dealing with BCDC regarding Parcel 4 and with the owner of adjacent Parcel 1 regarding any connections to Parcel 4, and HBIA shall have no further obligations to fulfill with BCDC regarding Parcel 4 or regarding any connections of Parcel 4 to Parcel 1.

Second, the dedication of Parcel 4 to the City shall be without any obligation on HBIA to pay for or contribute to the costs of the installation of public access improvements in Parcel 4. In the April 4, 1989 Development Agreement DA 89-1 between the City and HBIA and its residential developer affiliates, Section 2.3.2 dealt with financing the costs of installing public improvements in the Shoreline Park along the Business Park, noting that the City would obtain funds from a Harbor Bay Business Park Assessment District or such other account as is mutually agreed upon by City and HBIA. HBIA agrees that the remaining balance in the Business Park Assessment District can be applied to the costs of installing the public access improvements in Parcel 4. The last paragraph in Section 2.3.2 of the Development Agreement provides that: "Any additional funds required to defray the costs of the park improvements described in this Agreement shall be solely the responsibility of the City." HBIA expects the City to honor this provision in the Development Agreement.

We look forward to working with you and your staff to accomplish the dedication of Parcel 4 to the City under the conditions outlined above.

Sincerely,



JOHN MARTIN

Trustee of the RHC Revocable Trust and President of Doric Realty, Inc., the Managing General Partner of HBIA

cc: Celena Chen, Assistant City Attorney, City of Alameda
Andrew Thomas, Senior Planner, Alameda Community Development Department
C. Timothy Hoppen
Daniel F. Reidy, Attorney for HBIA



City of Alameda California

May 8, 2018

John Martin
Harbor Bay Group of Companies
P.O. Box 1450
1141 Harbor Bay Parkway, Suite 221
Alameda, CA 94502

Subject: Dedication of Parcel 4

Dear Mr. Martin,

Thank you for your letter of May 1, 2018 regarding the City of Alameda's request for the dedication of Parcel 4 on Harbor Bay Parkway to the City of Alameda. We appreciate your offer to dedicate the property to the City at no cost provided that the dedication is not opposed by the San Francisco Bay Conservation and Development Commission (BCDC) and provided that the City of Alameda is willing to accept the property "as is."

Per your suggestion, we agree that we should jointly approach BCDC to request its approval of the dedication. Once we have a positive response from BCDC regarding the proposed dedication, City staff will prepare a staff report and recommendation to the Alameda City Council to accept the dedication of Parcel 4 "as is" from HBIA.

Assuming that BCDC does not object to the dedication and assuming that the City Council agrees to accept the land "as is" and authorizes staff to proceed, my staff will work with HBIA to complete the transfer. Andrew Thomas from our Community Development Department and Celena Chen from the City Attorney's office will be the primary points of contact for the next steps in the process.

Once again, thank you for your prompt response and your willingness to accommodate the City's request.

Sincerely,

Elizabeth D. Warmerdam
Acting City Manager

EDW:jo

cc: C. Timothy Hoppen
Daniel F. Reidy, Attorney for HBIA
Andrew Thomas, City of Alameda
Celena Chen, City of Alameda

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