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To: [Marilyn Ezzy Ashcraft](#); [Trish Spencer](#); [Tony Daysog](#); [John Knox White](#); [Malia Vella](#)
Cc: [Yibin Shen](#); [Nanette Mocanu](#); [Lisa Maxwell](#); [Lara Weisiger](#); [City Clerk](#); [Becca Perata](#); [Matt Ganser](#)
Subject: [EXTERNAL] Closed Session Item 4-A
Date: Tuesday, July 5, 2022 11:36:00 AM
Attachments: [image001.png](#)

Honorable Mayor, Council Members and Staff,

First, thank you for considering item 4-A at closed session. Astra's presence in Alameda has been instrumental to the growth and success over these last 5 years, and we are grateful for the City's partnership.

As you know, Astra has been operating at Alameda Point on short term licenses, with the goal of receiving approval to our tentative long-term leases. The good news, we believe those leases are in substantially negotiated form. We have been working in the background since December 2021 to satisfy a contingency to the lease which obligates Astra to enter into a Project Stabilization Agreement with the Building and Construction Trades Council of Alameda County.

Before advocating our position, I'd like to give a brief overview of Astra in Alameda since we established tenancy in 2017:

- Astra has expanded its presence at Alameda Point from 17,000sf to over 225,000sf.
- We have grown our employee base to well over 400 and counting; 300% growth observed in the last year alone. 69 of those employees are Alameda residents.
- In a January 2022 published report, the Bay Area Council identified Astra's current contribution to the city as \$58M annually, or 1% of the city's total GDP.
- Astra has donated profits from its online retail shop to Alameda Education Foundation
- The Mayor helped welcome guests at Astra's inaugural Spacetech day which reached more than 1,300 influencers, investors, media personnel, partners and customers of Astra.

Now, onto the matter of our leases for your consideration today in closed session.

Astra has entered negotiations with the Building Trades pursuant to the obligation in the pending Lease. Despite best efforts to date, the parties have been unable to reach an agreement.

Astra initiated negotiations by offering a single project valued at approximately \$30 million dollars at Building 360. This offer was rejected by the Building Trades, and countered with all work performed by Astra valued at more than \$500,000 in perpetuity to be covered under the PSA. The way the document was written, it was not clear if the defined scope was intended to be limited to leases between Astra and the City only, or if it would cover all work conducted by Astra in the Building Trade's jurisdiction. Astra responded with all construction work performed exclusive to current and future leases between Astra and the City valued at more than \$10 million dollars through the initial term of the leases. The Building Trades countered at \$5 million dollars in perpetuity. The parties have not reached agreement as of the last discussion on June 28th.

Astra is seeking the council's guidance.

As identified in the lease, the City has adopted Resolution 15740. Astra does not believe this resolution applies to the contemplated lease because Astra has no contractual obligations to

perform any shell improvements to the building, and the lease is only 5 years in term. While the term is a challenge due to the Surplus Lands Act and Astra would prefer a longer term to the lease, Astra's position is that the resolution does not apply to this lease transaction as it is written.

We would like to request your consideration of exempting Astra from entering into a PSA regarding the lease related to Building 360, or confirm if Astra's last position of a \$10M minimum threshold for union awarded projects, satisfies the Council in its requirement for a PSA.

We look forward to receiving your feedback.

Thank you for your time and consideration,

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