



Before (source: Langan)



After (source: Astra)

Introduction of Ordinance for Building 360 Lease Amendment (1900 Skyhawk Street)

February 3, 2025

Astra Background

- Aerospace development, testing and manufacturing and related administrative office functions.
- Leases Building 360 and Building 397 (Skyhawk Street and W Pacific Avenue).
- Entered into 5-year lease for B360 in 2022 after occupying portions of building since 2017.
- Licenses for various properties throughout Alameda Point (yellow areas) have all expired, month to month.



Summary of Leases and Licenses

Location / Type	Term	Current Rate (Monthly)
Building 360 (179,070 sq ft building & land)	7/1/2022 - 12/31/2027	\$127,793.62 (after \$42,372.88 lease credit)
Building 397 (17,335 sq ft)	2/1/2017 – Month to Month effective 9/1/2020	\$12,873.50
Land 397 (1,250 sq ft)	2/13/2017 - 2/12/2019 expired – month to month	\$187.50
Buildings 616 (and 609) (1,800 sq ft bldg. and 25,000 sq ft land)	7/18/2018 - 8/31/2019 expired – month to month	\$21,780.00
Pier 3 (Maritol)	7/3/2018 - 6/30/2021 expired – month to month	\$5,000.00
	Current Monthly Rent & Fees:	\$167,634.62

Additional Relevant Background

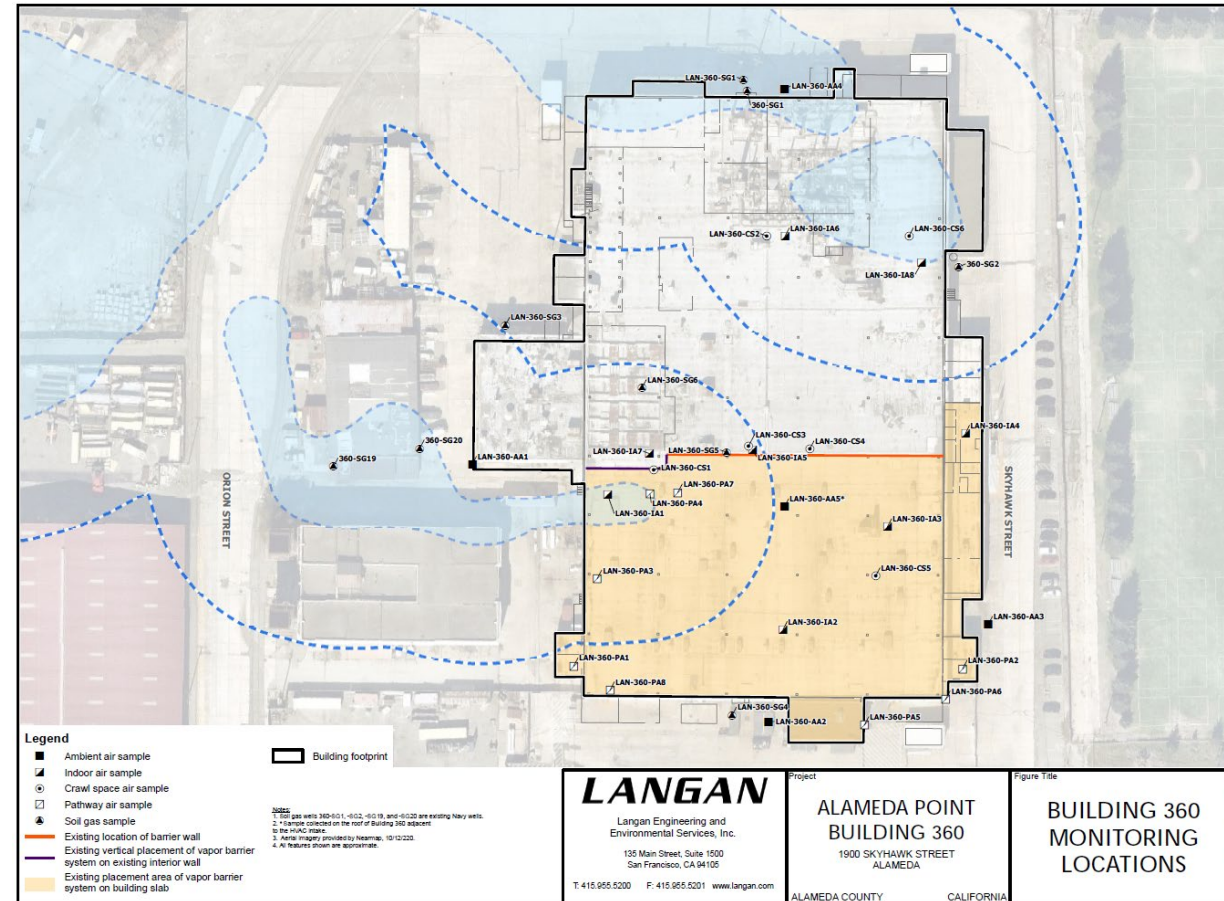
Environmental Remediation: Astra completed building cleanup and building code upgrades on Building 360, conducts regular air testing and installed an engineered vapor mitigation system.

The City has provided a \$2.5 million partial lease credit over the 3 year term to offset this cost.

Noise and Vibrations: Astra maintains noise monitoring and has agreed not to test rockets outside of the hours of 6 am to 10 pm.

Economic Contributions: 130 total employees

- Possible sales tax revenue from spacecraft engine sales.
- Unsecured property tax from equipment.



Map showing VOC plume and 100' buffer near Building 360



Why a Rent Deferral Now?

- Astra went public in 2021
- March 2024: Founders Chris Kemp and Dr. Adam London announced intent to take company private (completed July 2024),
- October 2024: Astra requested rent deferral to allow time to generate sufficient operating revenue following costly process.
- Sunnyvale lease terminates July 2025, would move “spacecraft engine manufacturing” to Alameda (30 additional employees).
- Astra is City’s largest leaseholder. Supporting in a time of instability could have lasting economic and financial benefit.



Photo courtesy of Astra

Astra and City Tentative Deferral Agreement

Tentative Deferral Agreement

- Nine month deferral, October 2024 through June 2025
- 50% of lease and license fees to be deferred (currently ~\$83,000/month) accruing late fees and interest
- Retain leases of B360, B397 and licenses of 397 land, B616, B609
- Continue Pier 3 license until Maritol is relocated
- 12 months of fixed repayments (~\$69,000/month) July 2025-June 2026



Photo courtesy of Astra

Staff Recommendation

1. Approve first reading of ordinance amending lease for Building 360 to address all lease payment and license fee deferrals and incorporate repayment plan
 - If Astra fails to repay, would default on this lease
2. Staff would process new, one-year licenses for all other properties with same payment terms
3. Staff would continue to work with Astra toward relocating Maritol boat and terminating this license upon relocation
4. Astra still obligated to pay 50% of rent and license fees each month through June 2025, then full rent, license fees plus repayment