

**ANNUAL REPORT ON PERFORMANCE OF OBLIGATIONS UNDER  
DEVELOPMENT AGREEMENT DA 89-1  
(APRIL 5, 2014 - APRIL 4, 2015)  
BY  
THE HARBOR BAY BUSINESS PARK ASSOCIATION  
AND  
HARBOR BAY ISLE ASSOCIATES**

Since the last Annual Report presented to the City of Alameda for the annual review of performance under Development Agreement DA 89-1 which was accepted and approved by the Planning Board on May 12, 2014 by Resolution No. PB-14-05, this Annual Report documents the performance by Harbor Bay Isle Associates ("HBIA" herein), the Harbor Bay Business Park Association, and the owners of properties in the Harbor Bay Business Park (the "Business Park Property Owners" herein) on activities and developments during the year ending April 4, 2015. The Annual Reports presented to the City for the years from 1990 through April 4, 2013 were comprehensive summaries of the performance of the Harbor Bay Entities on each section of the April 1989 Development Agreement, including items that were completed in prior years. This Annual Report, similar to the previous one presented for the year ending April 4, 2014, focuses on the performance of HBIA, the Harbor Bay Business Park Association, and the Business Park Property Owners during this year under review.

**Section 2.1 Shoreline Park**

Dedication of portions of the Shoreline Park to the City and completion of the public access improvements therein were substantially completed in prior years. An area of 345 lineal feet in Phase III-B of the Shoreline Park contains temporary bicycle paths and pedestrian paths and landscaping which will be replaced with permanent improvements in conjunction with development of the adjacent Shoreline Parcel, as provided for in the Development Agreement and in the relevant BCDC Agreements and approvals. Funds have been reserved in the Harbor Bay Business Park Assessment District 92-1 to complete the permanent landscaping and public

access improvements along the Shoreline Park and the edge of Harbor Bay Parkway in connection with development of a commercial building structure and other improvements on the privately owned Shoreline Parcel. During this year under review, the property owner of the Shoreline Parcel has applied to the City for development of a hotel on that site, and City staff and the Planning Board have been reviewing and processing a Final Development Plan and Design Review application for the proposed hotel development and related improvements, including completion of the permanent landscaping and public access improvements in the adjacent Shoreline Park.

During this year under review, ongoing maintenance of the landscaping and other improvements in Phases III-A and III-B of the Shoreline Park which run along the Business Park and into the Harbor Bay Ferry Terminal, including repairs of the bike and pedestrian paths, was funded 50 percent by the Business Park Property Owners through a special assessment levied on the Business Park parcels pursuant to the City's Island City Landscaping and Lighting District 84-2 ("LLD"), and the maintenance and repair of the landscaping and other improvements in these areas was performed and managed by the Harbor Bay Business Park Association through a management contract with the LLD under the supervision of the City's Public Works Department.

## **Section 2.7 Alameda Harbor Bay Docking Facility.**

During this year under review, the Harbor Bay Business Park Association continued to maintain and manage the land-based facilities at the Harbor Bay Ferry Terminal on behalf of the City per the updated Agreement for Operation, Maintenance and Management of the Harbor Bay Ferry Terminal and to fulfill the requirements of the Mitigations Monitoring Program related to the land-based portions of the Harbor Bay Ferry Terminal. Also, during this year under review, the Harbor Bay Business Park Association continued to contribute funding to the operational budget of the San Francisco Ferry Service provided by WETA through special assessments collected from the Harbor Bay Property Owners.

### **3.2 Traffic Improvement Fund & Implementation of the Infrastructure Agreement**

During this year under review, representatives of HBIA and the City's Public Works Department agreed that \$500,000.00 from the Harbor Bay Traffic Improvements Fund (the "TIF") would be utilized to contribute a portion of operational subsidies for the San Francisco Ferry Service operated by WETA in and out of the Harbor Bay Ferry Terminal. Also, during this year under review, the Harbor Bay Business Park Association has continued to operate its Shuttle bus program that provides bus transport service connecting the Business Park with public transit stations at BART and the Harbor Bay Ferry Terminal during morning and afternoon rush hours. This service is provided free to passengers and is funded out of the assessment dues paid to the Harbor Bay Business Park Association by the Business Park Property Owners. This transport service is part of the Harbor Bay Business Park's traffic mitigation – TSM program which is managed on behalf of the Business Park Property Owners by the Harbor Bay Business Park Association. During this year under review, the number of passengers utilizing this service continued to increase as it did in the prior year, and the Harbor Bay Business Park Association agreed to pay for the expansion of bus service by its transportation contractor ALTRANS to serve the increased number of passengers using this TSM service program.

### **4.2 & 4.3 Compliance with Development Standards for Density, Maximum Height and Size**

During this year under review, no new buildings were constructed on parcels in the Business Park or elsewhere within Harbor Bay Isle subject to the Development Agreement, and so there were no development projects undertaken which exceeded the permitted density or level of intensity or permitted maximum height and size of structures as set forth in Exhibit "D."

### **5.3 Cooperation in Securing Government Permits**

During this year under review, the City staff and the Planning Board have been cooperative with the Harbor Bay Property Owners and HBIA in processing applications for proposed new buildings on properties in the Harbor Bay Business Park, for renovations of older

buildings in the Business Park, and for new or revised signage for existing buildings and campuses in the Business Park.

#### **6.1 Annual Review**

During this year under review, HBIA and the Harbor Bay Business Park Association jointly filed the required Annual Report for the prior year ending April 4, 2014, and the Planning Board reviewed and approved it in Resolution PB-14-05 passed on May 12, 2014.

#### **SUMMARY CONCLUSION**

During this year under review, as detailed in the above sections of this Annual Report, the Harbor Bay Entities and the successor property owners in the Harbor Bay Business Park have continued to fulfill their obligations and to conduct development and property management activities in compliance with the applicable terms and conditions of the April 1989 Development Agreement, and the City has been cooperative in processing applications for proposed development projects and improvements in the Business Park.

Respectfully submitted,

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Representative of the Harbor Bay Business Park Association and HBIA