

Amend Site A DDA - Alameda Point

City Council
July 5, 2017



What Has Happened?

- City Council extended closing date for Phase 1 until April 11th
- Costs escalated significantly, especially for apartment blocks - Block 9 residual land value reduced by \$8 million
- Financials no longer work without changes to development plan and to Disposition and Development agreement (DDA)
- Alameda Point Partners (APP) could not meet April 11th closing date
- City issues Notice of Default on April 12th
- APP presents plan to cure default within 120 days allowed in DDA:
Development Plan and DDA Amendments required
- Planning Board unanimously approved Plan Amendment

SLIDE #2

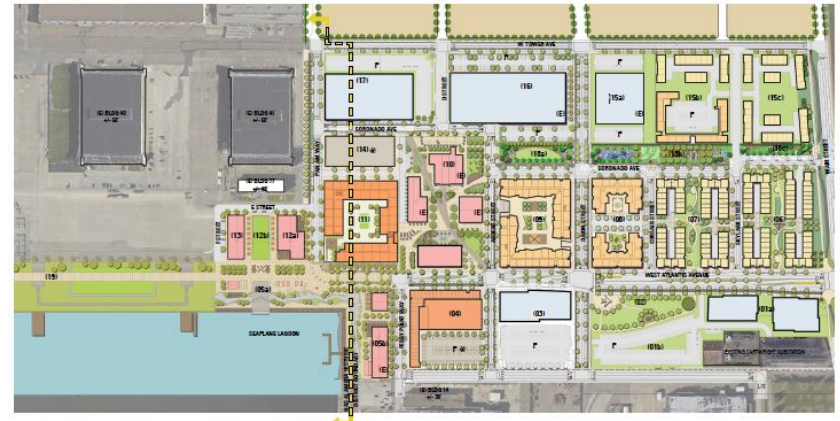
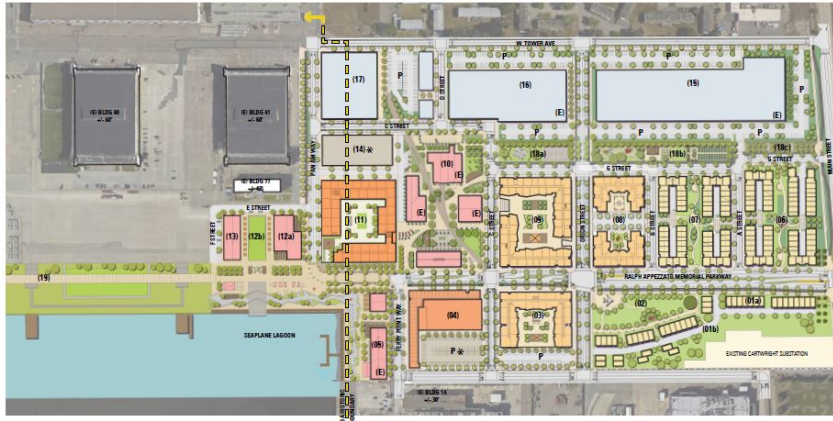
Development Plan Amendment: What Doesn't Change?

- No change to the amount of development and infrastructure package:
 - 800 total housing units
 - 200 affordable units
 - 600,000 square feet of commercial
 - 15 acres of publicly accessible open space
 - Same backbone utility and transportation infrastructure
- No change to transportation improvements and contributions:
 - \$10 million ferry terminal payment at closing – completes ferry terminal capital costs
 - \$600,000 in estimated dedicated revenue for transit operations from all of Site A
 - Extensive dedicated bus and bike lanes

Development Plan Amendment: What Changes?

- Phases 2 and 3 switched to accelerate Phase 2 by almost 4 years and to spread significant upfront Phase 1 infrastructure costs over a larger development program
- Relocation of housing units onto clean property already owned by the City north of Phase 1
- Moderate income units moved out of Phase 1 and into a proposed AUSD employee housing project in Phase 2

Development Plan Changes



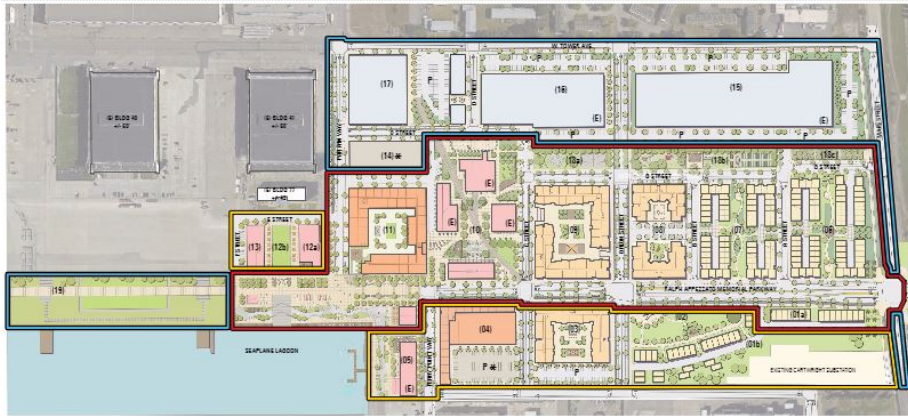
2015

2017

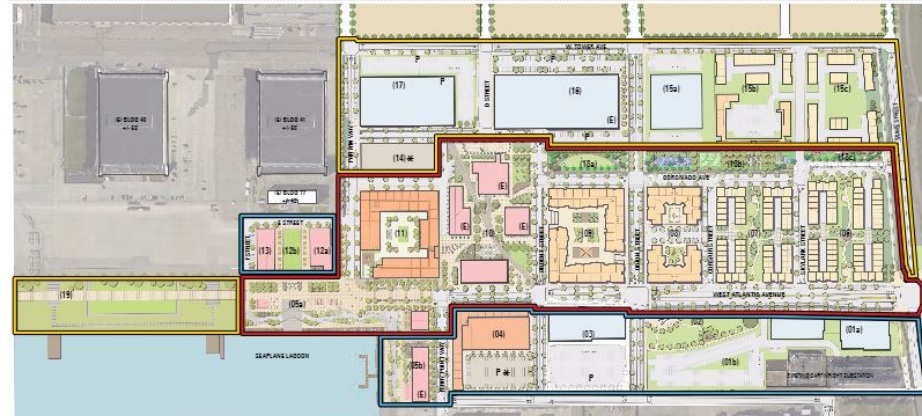
LEGEND

- | | | |
|------|--------------------------|---|
| (E) | EXISTING BUILDING | COMMERCIAL (OFFICE/MANUFACTURING) |
| (##) | BLOCK NUMBER | RESIDENTIAL OVER GROUND FLOOR RETAIL & PARKING |
| P | SURFACE PARKING | RESIDENTIAL OVER ADAPTABLE GROUND FLOOR & PARKING |
| * | POTENTIAL PARKING GARAGE | RESIDENTIAL WALK-UP FLATS |
| ■ | PUBLIC PARKING | RESIDENTIAL TOWNHOME |
| ■ | OPEN SPACE - COLORS VARY | RETAIL (SHOPS & RESTAURANTS) |

Revised Phasing



2015



2017

LEGEND

- PHASE ONE DEVELOPMENT
- PHASE TWO DEVELOPMENT
- PHASE THREE DEVELOPMENT
- (E) EXISTING BUILDING
- (##) BLOCK NUMBER
- P SURFACE PARKING
- * POTENTIAL PARKING GARAGE

- COMMERCIAL (OFFICE/MANUFACTURING)
- RESIDENTIAL OVER GROUND FLOOR RETAIL & PARKING
- RESIDENTIAL OVER ADAPTABLE GROUND FLOOR & PARKING
- RESIDENTIAL WALK-UP FLATS
- RESIDENTIAL TOWNHOME
- RETAIL (SHOPS & RESTAURANTS)
- PUBLIC PARKING
- OPEN SPACE - COLORS VARY

DDA Amendment

1. Deferral of \$4 million of the \$5 million of the sports complex payment to Phase 3 closing estimated in 2024
2. Payment for extension period between April 11th and Phase 1 closing date estimated at approximately \$445,000
 - \$150,000 non-refundable to City for transaction costs
 - Remaining amount of payment credited towards ferry terminal payment once 50% infrastructure completion is achieved
3. Added lender requested clarifications on security financing interests
 - Typical of lenders to request clarifications prior to closing
 - Nothing diminishes City's existing remedies to obtain backbone infrastructure and affordable housing obligations in the event of default

Assessment of Benefits

- Phase 1 infrastructure and amenities
 - 130-unit very-low and low-income affordable housing project and 162 workforce housing units
 - 8 acres of parks and open space
 - \$10 million ferry terminal payment
 - Major catalytic infrastructure improvements
- Expedited infrastructure benefiting Main Street and Adaptive Reuse Areas
- Relocation of housing onto clean property on accelerated schedule
- Improved land use consistency with Enterprise District

Eden Senior Housing Project on Block 8



Assessment of Risks

- Feasibility of Phase 2 and moderate income units – *without AUSD project the market rate housing does not support moderate income units, as planned*
- Feasibility of Phase 3 and Sports Complex Payment – *commercial only phase requires sufficiently strong market to support enhanced commercial values*
- Risk of not moving forward – *significant Phase 1 amenities and affordable housing delayed or unrealized with impacts to all other areas of Alameda Point*

Recommended DDA Amendment

1. Updates Phasing Plan, Performance Milestones, and Infrastructure Package Consistent with Approved Development Plan Amendment
2. Provides Extension Payment to the City for Cure Period
3. Defers \$4 million of the Sports Complex to Phase 3
4. Facilitates Lender Requested Clarifications on Security Financing Interest

Q & A

