

LAW OFFICES
DANIEL F. REIDY
A PROFESSIONAL CORPORATION
270 BLAIR MINE ROAD
MAILING ADDRESS: P.O. BOX 760
ANGELS CAMP, CALIFORNIA 95222
FACSIMILE (209) 736-0714
TELEPHONE (209) 736-0712
dfreidy@pacbell.net



April 4, 2018

Andrew Thomas, City Planner
City of Alameda Community Development Department
2263 Santa Clara Avenue, Room 190
Alameda, California 94501-4477

**RE: DA-89-1: Annual Review on Performance of Obligations Under the
Harbor Bay Development Agreement For Year Ending April 4, 2018**

Dear Mr. Thomas:

Enclosed for your Department's review is the Annual Report on Performance of Obligations under Development Agreement DA-89-1 for the year ending April 4, 2018, which is hereby filed with the City of Alameda on behalf of the Harbor Bay Business Park Association, Harbor Bay Isle Associates, and the Property Owners in the Harbor Bay Business Park.

In response to direction from the Planning Board and your office, as has been the case with Annual Reports filed each year since April 2014, this Annual Report is a Short Form Update focused on the compliance of the Harbor Bay Business Park Association, Harbor Bay Isle Associates and the Property Owners in the Harbor Bay Business Park specifically with respect to the requirements of the Harbor Bay Development Agreement DA-89-1 on which there have been activities or developments or which remain open during this year under review, namely April 5, 2017 through April 4, 2018. For the years 1990-2013, we submitted comprehensive Annual Reports that went through the Development Agreement section by section, but since most of the actions required of the Harbor Bay parties have been completed in prior years, the longer form of Annual Report is no longer required.

Also enclosed is a check for the fee required for the City's review of this Annual Report.

Sincerely,

DANIEL F. REIDY
Representative for the Harbor Bay Business Park Association and HBIA

Enclosures

cc: Joseph Ernst, President of the Harbor Bay Business Park Association (HBBPA)
C. Timothy Hoppen, for Harbor Bay Isle Associates (HBIA)
Marcy Marks, GS Management Company - Property Manager, HBBPA

Exhibit 1
Item 6-B, May 14, 2018
Planning Board Meeting

**ANNUAL REPORT ON PERFORMANCE OF OBLIGATIONS UNDER
DEVELOPMENT AGREEMENT DA 89-1
(APRIL 5, 2017 - APRIL 4, 2018)**

**BY
THE HARBOR BAY BUSINESS PARK ASSOCIATION
AND
HARBOR BAY ISLE ASSOCIATES**



This Annual Report documents the performance by Harbor Bay Isle Associates ("HBIA"), the Harbor Bay Business Park Association ("HBBPA"), and the owners of properties in the Harbor Bay Business Park (the "Harbor Bay Business Park Property Owners") in complying with the requirements of Development Agreement DA 89-1 during the year from April 5, 2017 through April 4, 2018. HBIA, HBBPA and the Harbor Bay Business Park Property Owners are the current remaining Harbor Bay Entities as parties of the Development Agreement.

The Annual Reports presented to the City for the years from 1990 through April 4, 2013 were comprehensive summaries of the performance and compliance of the Harbor Bay Entities on each section of the April 1989 Development Agreement, including references to items that were completed in prior years. This Annual Report, similar to the previous ones presented for the years ending April 4, 2014 through April 4, 2017, focuses on the performance of HBIA, HBBPA, and the Harbor Bay Business Park Property Owners specifically 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 in Parcel 4 of Parcel Map 6024 recorded on February 5, 1991. Funds have been reserved in the Harbor Bay Business Park Assessment District 92-1 to contribute to the costs of

completing the permanent landscaping and public access improvements along the Shoreline Park and along the Bayward edge of Harbor Bay Parkway.

During this year under review, ongoing maintenance of the landscaping and other public access 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 maintenance of the temporary public improvements in Parcel 4 of Parcel Map 6024, was funded 50 percent by the Harbor Bay Business Park Property Owners through a special assessment levied on the Business Park parcels located within the City's Island City Landscaping and Lighting District 84-2 (Zone 5), and the other 50 percent of the costs were borne by the City from sources other than HBIA or the Business park properties per Sections 2.1.2 and 2.1.3 of the Development Agreement. The City's responsibility for maintenance of the landscaping and public access improvements in Phase III-A and Phase III-B of the Shoreline Park was accomplished during this year in review by the maintenance work and management of HBBPA and its subcontractors under the current Landscape Maintenance and Management Contract between HBBPA and the City's Island City Landscaping and Lighting District 84-2 (Zone 5), with the work performed under the supervision of the City's Public Works Department.

Section 2.7 Alameda Harbor Bay Ferry Terminal.

During this year under review, HBBPA continued to arrange for and manage maintenance of landscaping, the parking lot, and public convenience facilities at the Harbor Bay Ferry Terminal on behalf of the City pursuant to an Operation, Maintenance and Management Agreement for the Harbor Bay Ferry Terminal with the City, including fulfilling 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, HBBPA continued to contribute a private maritime subsidy to the operational budget of the San Francisco Ferry Service provided by WETA through special assessments collected from the Harbor Bay Business Park Property Owners calculated on occupied square footage of existing buildings in the Business Park.

3.2 Support of Public Transit

During this year under review, HBBPA has continued to operate its private shuttle bus program that provides bus transport service connecting the Business Park properties with public transit stations at BART and with 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 HBBPA by the Harbor Bay 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 Harbor Bay Business Park Property Owners by HBBPA and is provided by the Association's transportation contractor ALTRANS.

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

There were no development projects or construction work undertaken in the Harbor Bay Business Park within this year under review which exceeded the permitted density or level of intensity or permitted maximum height and size of structures as set forth in Exhibit "D" of the Development Agreement.

5.3 Cooperation in Securing Government Permits

During this year under review, the City staff have been cooperative with the Harbor Bay Property Owners in processing Final Development Plans/Design Review applications and applications for permits for construction of new improvements, for renovations of older buildings in the Business Park, and for updated signage for existing buildings and campuses in the Business Park.

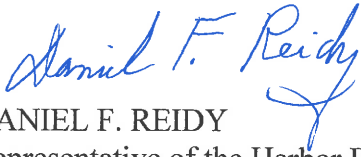
6.1 Annual Review

During this year under review, HBIA and HBBPA jointly filed with the City the required Annual Report for the prior year ending April 4, 2017 for review by City staff.

SUMMARY CONCLUSION

During this year under review, as detailed in the above sections of this Annual Report, Harbor Bay Isle Associates, the Harbor Bay Business Park Association, and the Harbor Bay Business Park Property Owners 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 construction and improvements in the Business Park and in administering landscape maintenance management contracts with the Harbor Bay Business Park Association.

Respectfully submitted,



DANIEL F. REIDY

Representative of the Harbor Bay Business Park Association and HBIA