

**West Midway: Developer Questions**

Alameda Point Partners

May 6, 2019

**Question 1:** *What is your vision for building an inclusive community with your plan and the RESHAP neighborhood that achieves social justice goals, such as housing, education and employment equity? Would you be open to consulting with regional thought leaders (e.g. PolicyLink, Greenlining Institute, San Francisco Foundation) to inform that vision and implement any recommendations?*

Our vision to achieve an inclusive community begins with further education and collaboration by:

- Building on our current relationship and understanding of the Collaborative Partners community, members of our team met with APC to better understand their wants and needs for both the RESHAP project and West Midway.
- We believe the planning, final development plan and design review for both projects should be well coordinated, with regular meetings between the project teams. Needs of all members of the community need to be addressed, but overall design should be harmonized so the market rate and affordable elements are indistinguishable relative to use. Materials, scale, services and pedestrian linkages at project edges need to be coordinated to create a seamless flow and promote inclusivity.
- Our commercial plan includes the development of a broad range of job opportunities across many industries, offering pathways to advancement at all levels. We intend to build on the existing APC workforce development program and work with APC to develop a jobs center that can serve all residents and businesses at Alameda Point. We will endeavor to attract tenants that have progressive hiring practices, support the creation of internships and apprenticeships and encourage community based, local hire programs.
- We will promote a service and entertainment-based retail strategy that includes some services and products affordable to all residents.
- Concurrent with the DDA negotiation we will undertake a phased process to further educate ourselves on how to best promote social justice within our project.
  - Phase 1 (30 days): Thought Leadership: We will meet with local and regional thought leaders on equity and social justice, with the Collaborating Partners joining us in this process if they wish.
  - Phase 2 (30 days): Listening: We will meet with the Collaborating Partners to better understand their priorities and how to address them in our project.
  - Phase 3 (45 days): Synthesis: We will synthesize what we have heard from both thought leadership and the Collaborating Partners, establish priorities and determine how we might incorporate those priorities into the project while taking into consideration all project needs and constraints. Lastly we will incorporate these into a plan for presentation to the community, staff, Planning Board, and City Council.

**Question 2:** *Given that RESHAP is a key priority for the City, describe how your firm will approach the phasing of infrastructure and construction to bring this project forward as soon as possible.*

Based on the experience with Site A, there are economies throughout the DDA documentation, design, permitting and construction stages which will help accelerate RESHAP. In particular, sequencing the West Midway Development in parallel with Site A, Phase 2 can improve schedule and infrastructure cost controls.

Similar to the Site A phasing strategy, we would expedite the delivery of the RESHAP parcel by isolating it from the current infrastructure, demolishing existing buildings and providing a developable pad, which would allow for vertical development while backbone infrastructure is being completed.

In order to fund infrastructure, the first phase will need to be focused primarily on for-sale residential product, including a limited number of single-family homes and more townhomes fronting on West Tower between Main Street and Orion. Subject to final development plan this may include an initial phase of commercial on the vacant land fronting on Pan Am. The exact unit count and mix will be determined based on the infrastructure cost and may shift towards residential over commercial if necessary to fund the infrastructure.

**Question 3:** *Do you foresee anything that could cause delays in completing the infrastructure for RESHAP and the West Midway Development?*

There are a few things that could cause delay to build-out of infrastructure. First, the timing and severity of an economic downturn has the potential to temporarily freeze capital markets. Second, if the infrastructure costs are greater than anticipated, the program will need to be modified in order to support the higher infrastructure costs, which may mean a greater shift towards less dense residential uses. More broadly, continued cost inflation along the same trajectory as the past 24 months could make any construction in the near-term infeasible if revenue projections do not keep pace. Construction cost inflation continues to be a market condition outside of our collective control. Lastly, to the extent there is any uncertainty or change to the funding structure for RESHAP that can have an impact on the configuration of the RESHAP program, final infrastructure design and ability to lock-in cost could be impacted.

At Site A, we have overcome many unanticipated obstacles, including regional construction cost escalations, uncovering unknown utility lines on-site, and variances to the existing infrastructure system. We have shown perseverance, financial commitment, energy, creativity, and passion in resolving issues to achieve the City's development objectives. We bring this experience and perspective to the West Midway Development.

**Question 4:** *How have you programmed financial and market flexibility into your project, in particular your commercial development, to respond to changing financial and market conditions?*

Our program anticipates numerous commercial products of varying scale, from small office-flex spaces to larger floor plates for a variety of R&D, advanced manufacturing and creative office uses, which will be targeted across a broad range of industries. The variation in our product types combined with flexible buildings structures means we plan to have something to offer different tenants and uses – from growth stage companies to more established businesses – and also that we can build incrementally instead of all at once.

**Question 5:** *How does your team respond to the concern that has been expressed about the City putting “all of its eggs in one basket”?*

The structure of our development team, consultants and funding sources continues to be one that has diversification at its core. Each member brings unique, complimentary experience and capability to the table. All members are currently developing and/or operating property in Alameda and understand the unique development considerations associated with redeveloping at Alameda Point. Each member brings their own expertise and experiences, which collectively covers multifamily, commercial and master plan development. We all bring our own perspectives and approaches for the City’s vision for a high-quality, sustainable, mixed-use, mixed-income, transit-oriented development with exceptional design aesthetics.