



October 13, 2020

Mr. Andrew Thomas  
Community Development Director  
Planning Department  
2263 Santa Clara Avenue  
Alameda, CA 94501  
Via email: [athomas@alamedaca.gov](mailto:athomas@alamedaca.gov)

RE: Annual Review of Development Agreement for 1501 Buena Vista Avenue, Alameda, CA

Dear Andrew,

Alta Buena Vista Owner, LLC, a Delaware limited liability company ("Developer") hereby requests that the City conduct and approve an annual review for the Development Agreement for the Del Monte Warehouse Project, dated January 15, 2015 (the "Development Agreement").

As background, the City of Alameda, a municipal corporation of the State of California (the "City"), and TL Partners I, LP, a California limited partnership ("TLP") entered into the Development Agreement in 2015. In 2019, Developer acquired from TLP the land, entitlements, and building permits for the Del Monte Warehouse Project located at 1501 Buena Vista Avenue. In connection with the transaction, TLP assigned and Developer assumed certain rights and obligations under the Development Agreement, pursuant to the Partial Assignment and Assumption of Development Agreement dated December 5, 2019 ("Partial Assignment"). The City granted its written consent to the Partial Assignment in a letter to TLP and Developer dated October 9, 2019.

Developer submits this annual review document in accordance with the Development Agreement and pursuant to the requirements of Government Code Section 65865.1 and Alameda Municipal Code Section 30-95.1. This document reports on activities and developments on the Del Monte Warehouse Project

between January 1, 2019 and December 31, 2019 ("Annual Review Period") and summarizes TLP's and Developer's efforts toward good faith compliance with the terms of the Development Agreement.

Specific commentary is required on the status of the Jean Sweeney Contribution (Section 6.a), Clement Extension (Section 6.b), Transit Demand Management Program (Section 6.c), Retail /Commercial Space leasing (Section 6.d), execution of the Beneficial Transfer Fee Agreement (Section 6.e) and an Affordable Housing Agreement (Section 6.g). When the project's Transportation Management Agency (TMA) publishes an annual report, that TMA annual report shall satisfy the annual reporting requirement for the Transit Demand Management Program (Section 6.c).

#### **JEAN SWEENEY OPEN SPACE PARK:**

Developer was obligated to pay a total of \$2 million to fund portions of the Jean Sweeney Open Space Park ("JSOSP"), a 23-acre planned park. Prior to the Annual Review Period, TLP made the required \$300,000 Soft Cost Contribution and made additional payments totaling \$1,700,000, thereby fully funding the \$2 million obligation.

Using TLP's \$2 million contribution as matching funds, the City secured a \$2 Million grant from the California Department of Parks and Recreation, and when combined, these funds covered approximately half of the improvements required to complete the JSOSP. The City also received \$2.3 million from the Regional Active Transportation Program, specifically for completion of the portion of the Cross Alameda Trail that runs the length of JSOSP.

With TLP's contributions, the Recreation and Parks Department constructed the easterly portion of JSOSP and the Cross-Alameda Trail, leading to its Grand Opening in December 2018.

The Developer's obligation for the funding of JSOSP has been satisfied.

**CLEMENT EXTENSION:**

Developer is required to complete improvements to a portion of Clement Avenue from Atlantic Avenue to Entrance Road, including construction of a new intersection and signal at Sherman, Clement, and Atlantic, and installation of stop signs at the Buena Vista/Entrance Road and Clement/Entrance Road intersections (the "Clement Extension"). Prior to the Annual Review Period, TLP acquired all property needed to complete these improvements from Wind River. Plan check is complete for these improvements and construction permits have been issued.

The Development Agreement required Developer to complete the Clement Extension by the earlier of the 250th occupancy or 4 years after execution of the Development Agreement, which would have been January 2019. Difficulties in completing the financing for the construction of the improvements forced TLP to seek relief from this obligation. After discussions with the City Manager, the City and TLP agreed to the following:

- TLP complied with the Development Agreement's requirement of recording an offer of dedication to the City for the entire public right of way required to construct the Clement Avenue Extension roadway, sidewalks, and Cross Alameda Trail from Atlantic Avenue to Entrance Road.
- Pursuant to Section 11(a)(i) of the Development Agreement, the City extended the deadline for Developer to commence construction of the Clement Extension to January 15, 2020, and it extended the deadline for Developer to complete the Clement Extension to January 15, 2021.

Upon closing on 1501 Buena Vista Avenue, Developer paid the outstanding permit issuance fees to the City on December 23, 2019. The City then issued final building permits on January 8, 2020, and Developer commenced construction of the Clement Extension on January 13, 2020, in compliance with the new deadline.

Construction was progressing well during the months of January and February 2020. However, in March 2020 the COVID-19 crisis resulted in a complete construction shutdown of approximately two (2) weeks and caused a reduction in labor for an extended period of time, delaying the completion of the project for three (3) months. Enhanced safety measures were put into place and work has ramped back up in accordance with Bay Area health department orders.

Additionally, the East Bay Municipal Utilities District (“EBMUD”) is drastically behind schedule in reviewing and approving the new water main line that will run under Clement Avenue. The design was originally approved in 2017, but expired due to construction inactivity by TLP. The same design was re-submitted in September 2019 and EBMUD initially advised Developer that it would be finalized by June 2020. However, as of the date of this report, they are still not completed with their review and are also attributing this to COVID-19 related issues. This unanticipated delay will make it impossible for Developer to complete the Clement Extension by January 15, 2021. Without permits from EBMUD, Developer is able to complete rough grading and can only install 35% of required underground utilities.

Taking these constraints into account, the work completed on Clement Avenue has consisted of utilities, grading, and demolition. As of the date of this report, the storm drain, manholes, and sewer lines have been installed along Clement Avenue and Atlantic Avenue, which have all been inspected and are now in service. Storm drain work has started on Sherman Avenue, consisting of manhole and storm drain field inlet installation. Rough grading is partially complete on Clement Avenue and will be finishing in the next few weeks. Joint trench demolition has started on Entrance Road and excavation should start in October.

Due to COVID-related construction delays and further EBMUD delays, Developer will seek a further extension of the completion deadline from the City due to circumstances beyond its control.

#### **TRANSPORTATION DEMAND MANAGEMENT PROGRAM:**

Developer is obligated to implement its Transportation Demand Management (TDM) Program prior to the first certificate of occupancy. Since the first certificate of occupancy has not yet been issued, none of the implementation measures, which include establishment of the Transportation Management Association (TMA), provision of a shuttle service to BART and to provide AC Transit passes to each household, were required to be completed in 2019.

Prior to the Annual Review Period, TLP began implementation of the TDM Program ahead of schedule. TLP worked with the City and other developers to create a new transportation demand management entity, the Alameda Transportation Management Association (ATMA), which now operates the TDM programs for two project areas, Alameda Point and the Northern Waterfront. The Del Monte Warehouse is a member of the Northern Waterfront project area.

In 2016, TLP worked with the City and AC Transit to reinstate Line 19 to Buena Vista Avenue, which now provides 20-minute service during commute periods. During the previous Annual Review Period, TLP helped to subsidize the Line 19 implementation by making a voluntary contribution of \$40,000. TLP and ATMA then secured gap funding from the City Council to continue subsidy of the operation of Line 19 until the ATMA funding is sufficient to pay the subsidy. The Line 19 continued to operate quite successfully through the current Annual Review Period.

The Developer will continue to track the TDM Program as construction advances.

**RETAIL/COMMERCIAL LEASING:**

The Master Plan requires a minimum of 30,000 square feet of non-residential development, comprised of retail and commercial space and the ground floor area of work/live units. The City confirmed that the Project meets the requirement for 30,000 square feet of non-residential development (Planning Board Staff Report for July 8, 2019; Reso. No. PB-19-15). Leasing will commence with building completion.

**BENEFICIAL TRANSFER FEE AGREEMENT:**

The Beneficial Transfer Fee Agreement was executed concurrently with the Development Agreement in 2015. Accordingly, this requirement has been satisfied.

**AFFORDABLE HOUSING AGREEMENT:**

Prior to issuance of the first building permit for the Project, TLP was obligated to submit for the City Council's review and approval an Affordable Housing Agreement for the provision of fifty five (55) affordable housing units, consistent with the requirements of the Master Plan and in a form acceptable to the City Attorney.

Prior to the Annual Review Period, the Planning Board approved the Development Plan and Design Review for the 31-unit low- and very low-income senior affordable building (2015), and the City Council approved the Affordable Housing Agreement and the agreement to convey the City-owned portion of the property (which contains the senior affordable building) to the Housing Authority of the City of Alameda ("the Housing Authority"). Additionally, TLP made a subsidy payment of \$3.6 million in 2016.

The Housing Authority commenced construction of the low- and very low-income units in 2017, while TLP provided support for completion of the improvements necessary to serve the building. In the fall of 2018, construction was completed, and first occupancies and a grand opening of the now-named Littlejohn Commons occurred. The Developer has maintained a good relationship with Littlejohn Commons and The Housing Authority upon closing and will continue to do so throughout the duration of the construction period.

Per the First Amendment to Affordable Housing Agreement, the City acknowledged and agreed that the Developer has constructed or caused to be constructed the 14 Low Income Units and 17 Very Low Income Units as provided in Section 2.1 of the Original Affordable Housing Agreement. Additionally, "The parties acknowledge that the Low Income Units and Low Income Land were separately developed by the Authority or an affiliate thereof pursuant to Section 2.3 of the Original Affordable Housing Agreement and that therefore Developer has no remaining obligations with respect to the Low Income Units or Low Income Land." Accordingly, this requirement has been satisfied.

As part of its project, the Developer will include 24 Moderate Rate Income Units within the Del Monte Warehouse and will submit a marketing plan to be approved by the Housing Authority Executive Director at least six (6) months prior to delivery of the first unit.

#### **ADDITIONAL INFORMATION:**

Developer has been in regular contact with City staff during and after the closing process with TLP to ensure that the Development Agreement and all subsequent approvals were being implemented. During the Annual Review Period, TLP and Developer worked with City staff to complete the plan check process for both the building construction and the infrastructure improvements. Permits were issued to the Developer on January 8, 2020 upon payment of building permit issuance fees on December 23, 2019.

Upon closing on the land, the Developer worked to clean up the exterior of the site in order to address concerns by Planning staff about the visual condition and its cohabitation with the Littlejohn Commons. Additionally, new temporary fencing was installed and a new security plan was put in place in order to minimize the potential of vagrancy and crime. Neighbors were notified of the work being performed on-site and the Developer has been proactive in engaging the community to address concerns by sending out a monthly newsletter on construction progress. Construction commenced on January 13, 2020 on the building and is expected to take three (3) years to complete.

Please let us know if you require additional information for the Annual Review.

Sincerely,

DocuSigned by:  
  
147456CED4D44AC...

Julia Wilk  
Vice President