

CITY OF ALAMEDA ORDINANCE NO. 3127

New Series

AUTHORIZING THE CITY MANAGER TO EXECUTE A DISPOSITION AND DEVELOPMENT AGREEMENT AND ALL OTHER NECESSARY DOCUMENTS BETWEEN THE CITY OF ALAMEDA AND ALAMEDA POINT PARTNERS, LLC TO SELL AND LEASE APPROXIMATELY 68 ACRES OF REAL PROPERTY AT THE SITE A DEVELOPMENT AT ALAMEDA POINT

WHEREAS, the Naval Air Station Alameda and the Fleet and Industrial Supply Center, Alameda Annex and Facility ("**NAS Alameda**"), which encompasses the Naval facilities and grounds comprising the western end of the City of Alameda ("**City**") and consists of approximately 1,546 acres of real property, together with the buildings, improvements and related other tangible personal property located thereon and all rights, easements and appurtenances thereto, was decommissioned by the United States Department of the Navy (the "**Navy**") in 1993 and closed in 1997; and

WHEREAS, the City is desirous of advancing the socioeconomic interests of City and its residents by promoting the productive use of the former NAS Alameda consistent with the NAS Alameda Community Reuse Plan (the "**Reuse Plan**") adopted by the Alameda Reuse and Redevelopment Authority ("**ARRA**") in 1996 and subsequently amended in 1997, and by encouraging quality development and economic growth, thereby enhancing employment opportunities for residents and expanding the City's property tax base; and

WHEREAS, the United States, acting by and through the Navy, approved the ARRA's Economic Development Conveyance Application and subsequently executed that certain Memorandum of Agreement between ARRA and the Navy for the No-Cost Economic Development Conveyance of Portions of the Former NAS Alameda, as such subsequently amended (the "**EDC Agreement**"); and

WHEREAS, by operation of California State law, the Community Improvement Commission, a member of the ARRA joint powers authority, ceased to exist on February 1, 2012. Accordingly, the ARRA, by Resolution No 55, dated January 31, 2012, authorized the ARRA Executive Director to assign to the City of Alameda all of ARRA's rights, assets, obligations, responsibilities, duties and contracts, including the EDC Agreement, subject to the City accepting such Assignment; (ii) Department of Defense designation of the City as the local reuse authority for NAS Alameda; and (iii) execution of documents with the Navy necessary to implement the City as successor to ARRA; and

WHEREAS, pursuant to City of Alameda Resolution No. 14654, dated February 7, 2012, the City authorized the City Manager to accept the Assignment of all of ARRA's rights, assets, obligations, responsibilities, duties and contracts, including the EDC Agreement, subject to the Department of Defense designating the City as the local reuse

authority for NAS Alameda and the Navy executing documents necessary to implement the City as successor to ARRA; and

WHEREAS, by letter dated April 4, 2012, the Department of Defense and the Department of the Navy designated the City as the local reuse authority for NAS Alameda, and accepted the City as the successor to ARRA; and

WHEREAS, on June 6, 2013, the Navy transferred approximately 1,379 acres, including 509 acres of land and 870 acres of submerged land, at the Alameda Point property pursuant to the EDC Agreement; and

WHEREAS, on February 18, 2014, the City and the State of California ("**State**"), acting by and through its State Lands Commission (the "**Commission**"), entered into that certain Naval Air Station Alameda Title Settlement and Exchange Agreement, whereby the State and the City agreed to complete an exchange of property rights (the "**Exchange**") to (1) confirm the Tidelands Trust Restriction on certain lands to be acquired by the City pursuant to the EDC Agreement, (2) confirm that the Tidelands Trust Restriction did not affect certain lands to be acquired by the City pursuant to the EDC Agreement and (3) remove the Tidelands Trust Restriction from certain lands to be acquired by the City pursuant to the EDC Agreement in exchange for the City's agreement to confirm or impose the Tidelands Trust Restriction on certain lands to be acquired by the City pursuant to the EDC Agreement (the "**Exchange Agreement**"); and

WHEREAS, the amended Zoning Ordinance for Alameda Point required that a specific plan be adopted for the Waterfront Town Center zoning sub-district. In conformance with the Zoning Ordinance, the City Council adopted the Town Center specific plan on July 15, 2014 ("**Town Center Plan**"); and

WHEREAS, the City is the fee title owner of (or has the right to acquire under that certain No-Cost Economic Development Conveyance Agreement of Portions of the former NAS Alameda with the United States Navy) that certain portion of Alameda Point known as Site A which is approximately 68 acres and is located at the gateway into Alameda Point along the extension of Ralph Appezato Memorial Parkway located between the Seaplane Lagoon and the West Atlantic entrance to Alameda Point at Main Street (the "**Property**"); and

WHEREAS, on or about May 1, 2014 the City issued a request for qualifications seeking a developer to develop the Property. Alameda Point Partners, LP a Delaware limited partnership ("**Developer**") has demonstrated to the City its experience with successfully developing properties similar to the Property, as demonstrated by its statement of qualifications submitted to the City on June 16, 2014. On December 1, 2014, pursuant to City Council authorization, the City and the Developer entered into the Exclusive Negotiations Agreement (the "**ENA**") for purposes of negotiating this Agreement; and

WHEREAS, the Site A project is a 68-acre mixed-use development at Alameda Point, which consists of approximately: 800 residential units (including 200 affordable

units), 600,000 square feet of commercial uses, 15 acres of parks and open spaces, on-site and off-site infrastructure, and a ferry terminal (the “**Project**”); and

WHEREAS, in furtherance of the Reuse Plan, the City desires to convey fee title to specified portions of the Property and lease interest in specified portions of the Property to Developer through execution of a Disposition and Development Agreement (“**DDA**”) for the future development of the Project and for the creation of economic opportunity; and

WHEREAS, through the DDA, the City is imposing occupancy and affordability restrictions on portions of the Project in compliance with the City's Inclusionary Housing Ordinance, the Renewed Hope Settlement Agreement, and the City's Density Bonus Regulations; and

WHEREAS, the DDA and the Affordable Housing Implementation Plan which is attached to the DDA as Exhibit M will also constitute the Inclusionary Housing Agreement required under the City's Inclusionary Housing Ordinance and the Affordable Housing Implementation Plan required under the Density Bonus Regulations; and

WHEREAS, the DDA is being adopted in an effort to implement a local strategy to increase jobs, create economic opportunity, and generate tax revenue for all levels of government and as such the City has voluntarily complied with the procedures for noticing, hearing, documentation, and findings with reference to Government Code Section 52201; and

WHEREAS, pursuant to Government Code Section 52201, the City has prepared a report (the “**Report**”) regarding the sale and lease of the Property, the notice and availability for inspection of which was given to the public in the manner prescribed by law.

WHEREAS, the City Council has conducted a duly noticed public hearing on the DDA in accordance with Government Code Section 52201(a)(1) for the purpose of receiving public input and comments on the DDA and the Report and the transactions described therein; and

WHEREAS, the City Council finds that the economic interests of the City's residents and the public health, safety and welfare will be best served by entering into the DDA; and

WHEREAS, continued use and development of the Property in accordance with the DDA is anticipated to provide substantial benefits and contribute to the provision of needed infrastructure for area growth; and

WHEREAS, by Resolution No. 14891 the City Council previously certified the Final Alameda Point Environmental Impact Report (“**FEIR**”) (State Clearinghouse No. 201312043) under the California Environmental Quality Act (“**CEQA**”), California Public Resources Code Section 21000 et seq. and adopted written findings and a Mitigation

Monitoring and Reporting Program (“**MMRP**”) on February 4, 2014, for the Alameda Point Project, including the Town Center Plan which contains the project site; and

WHEREAS, the City Council having certified the FEIR for the Alameda Point Project and the Town Center Plan containing the project site, staff has prepared an Environmental Checklist for Streamlined Review, which documents the application of the criteria for streamlining in Public Resources Code Section 21083.3 and CEQA Guidelines Section 15183 and concludes, based on substantial evidence, that no further review under CEQA is required.

NOW THEREFORE, BE IT ORDAINED by the City Council of the City of Alameda (“**City Council**”) that after hearing all qualified and interested persons and receiving and considering all relevant evidence, finds and determines as follows:

Section 1.

An Environmental Impact Report for the proposed development of Alameda Point was certified by the City Council in February 2014 pursuant to CEQA. An environmental compliance checklist pursuant to Public Resources Code Section 21083.3 and CEQA Guidelines Section 15183 was prepared and the City has determined that no further environmental review is necessary as part of the approval of the DDA, Lease Agreements and Trust Lease Agreement.

Section 2.

a. Pursuant to Government Code Section 52201(b)(1) the sale or lease of the Property as described in the DDA will assist in the creation of economic opportunity at Alameda Point because the transfer will effectuate the Reuse Plan by facilitating the Project which:

1. Includes facilities, improvements, programs and activities that support and promote job-generating uses within Site A and Alameda Point, in general, and help to replace the approximately 18,000 jobs lost by the departure of the United States Navy in 1997.

2. Develops and renovates 600,000 square feet of permanent commercial space, including specialty manufacturing, light industrial, retail, and hotel uses, resulting in approximately 1,472 permanent commercial jobs.

3. Implements a project labor agreement with the Building Trades of Alameda County that will cover approximately \$400 million in construction work, generating approximately 2,570 full-time equivalent construction jobs over the construction life of the Project with preferences for Alameda residents.

4. Includes a \$2.5 million commitment to rehabilitate and lease the existing 100,000-square-foot Building 117 for light industrial and manufacturing uses by the end of Phase 1 occupancy. This would be in addition to the development and renovation of 100,000 square feet of retail uses planned for Phase 1, 600,000 square feet

of commercial / retail amenities, a diversity of housing types for a wide range of income levels, and waterfront parks.

b. Pursuant to Government Code Section 52201(b), the City Council hereby finds and determines that the sale or lease of the Property and the resulting development of the Property pursuant to the DDA will assist in the creation of economic opportunity, as that term is defined in Government Code Section 52200.2. The finding and determination is based on the facts and analysis set forth in the Recitals, the DDA Summary Report, the public comment, which includes, but is not limited to:

1. Upon completion, the project to be developed pursuant to the DDA will generate an estimated 1,048 full-time equivalent permanent jobs without further investment of City funds under the terms of the DDA;

2. The DDA will result in an increase in the real property tax revenues to all property tax collecting taxing entities of significantly more than 15%. Currently tax entities are receiving negligible amounts of property tax revenue because the Property is under public ownership. Upon full implementation of the Project, and an estimated \$6.9 million of annual property tax revenues will be divided by the tax collecting taxing entities based on their applicable tax rates; and

3. The project will result in the creation of approximately two hundred (200) residential units permanently restricted to occupancy by Very Low Income Households, Low Income Households and Moderate Income Households, which will meet the demonstrated affordable housing need of the City of Alameda, as defined and described in the City's General Plan housing element.

4. The project meets the goals set forth in the adopted sustainable communities strategy and is a project that specifically implements the goals of the adopted sustainable communities strategy.

### Section 3.

a. The City Council hereby finds and determines that the conveyance of the Property to the Developer pursuant to the DDA will assist in the elimination of blight, will provide affordable housing. These findings and determinations are based on the facts and analysis set forth in the Recitals and supporting documentation, including:

1. Development of the Property pursuant to the DDA will eliminate blight by replacing underutilized and deteriorating buildings and infrastructure with a high quality, mixed-use "urbanistic" development which will include approximately 800 residential units (including 200 affordable units), 600,000 square feet of commercial uses, 15 acres of parks and open spaces, on-site and off-site infrastructure, and a ferry terminal.

2. Development of the Property will result in local economic opportunity, creation of affordable housing and serve as a catalyst for the redevelopment of and revitalization of the former NAS Alameda pursuant to the Reuse Plan.

3. The development of the Project on the Property pursuant to the DDA will implement the goals of the Reuse Plan by: (i) developing facilities, improvements, programs and activities that support and promote job-generating uses within Site A and Alameda Point, in general, and helping to replace the approximately 18,000 jobs lost by the departure of the United States Navy in 1997; (ii) developing and renovating 600,000 square feet of permanent commercial space, including specialty manufacturing, light industrial, retail, and hotel uses, resulting in approximately 1,472 permanent commercial jobs; (iii) implementing a project labor agreement with the Building Trades of Alameda County that will cover approximately \$400 million in construction work, generating approximately 2,570 full-time equivalent construction jobs over the construction life of the Project with preferences for Alameda residents, and graduates of the Alameda Unified School District; and (iv) including a \$2.5 million commitment to rehabilitate and lease the existing 100,000-square-foot Building 117 for light industrial and manufacturing uses by the end of Phase 1 occupancy. This would be in addition to the development and renovation of 100,000 square feet of retail uses planned for Phase 1, 600,000 square feet of commercial / retail amenities, a diversity of housing types for a wide range of income levels, and waterfront parks.

#### Section 4.

The City Council hereby finds and determines that the execution and implementation of the DDA, the sale of the property to the Developer and the development of the project pursuant to the DDA constitutes a "common benefit" as defined in Government Code Section 37350.

#### Section 5.

The City has the authority to dispose of the Property in accordance with the terms of the DDA under Government Code Section 52201, authorizing disposition of property for economic opportunities; and pursuant to Government Code Section 37350, authorizing disposition of property for the common benefit of the community.

#### Section 6.

a. The DDA, attached as Exhibit A, is hereby adopted and the City Manager is authorized to sign it on or after the effective date of this Ordinance.

b. The Lease Agreements attached to the DDA as Exhibit L, that provide for the interim use of Buildings 117 and 118 (and certain surrounding land) for commercial space outside of the State tidelands areas before they are transferred to Developer are hereby adopted and the City Manager is authorized to sign them on or after the effective date of this Ordinance.

c. The Trust Lease Agreement attached to the DDA as Exhibit R, that governs the long-term use of land and existing and new buildings within the State tidelands area is hereby adopted and the City Manager is authorized to sign them on or after the effective date of this Ordinance.

Section 7.


If any portion, section, subsection, paragraph, subparagraph, sentence, clause, phrase or application of this Ordinance is held invalid or inapplicable by a final judgment of a court of competent jurisdiction, such decision shall not affect the validity or applicability of any other part of this Ordinance.

Section 8.

This Ordinance shall be in full force and effect from and after the expiration of thirty (30) days from the date of its final passage.

  
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Mayor of the City of Alameda

Attest:

  
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Lara Weisiger, City Clerk

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I, the undersigned, hereby certify that the foregoing Ordinance was duly and regularly adopted and passed by the Council of the City of Alameda on the 7<sup>th</sup> day of July, 2015, by the following vote to wit:

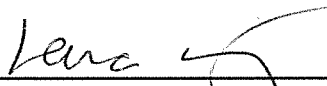
AYES: Councilmembers Daysog, Ezzy Ashcraft, Matarrese, Oddie and Mayor Spencer – 5.

NOES: None.

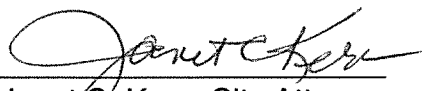
ABSENT: None.

ABSTENTIONS: None.

IN WITNESS, WHEREOF, I have hereunto set my hand and affixed the official seal of said City this 8<sup>th</sup> day of July, 2015.

  
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Lara Weisiger, City Clerk  
City of Alameda

APPROVED AS TO FORM:

  
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Janet C. Kern, City Attorney  
City of Alameda