

SUNCAL ACTIVITY SINCE MAY 4TH

1. **May 13, 2010 – Alameda and SunCal Negotiation Session.** Alameda met with SunCal to continue discussion items from May 6th. Topics included:
 - a. **Navy status update:** a conference call to discuss Navy questions for SunCal and Veterans Administration Section 7 consultation with USFWS.
 - b. **Project proforma:** City summarized findings from residential market analysis, which found SunCal's revenue and cost assumptions are aggressive; City provided feedback on scope of commercial market study; SunCal clarified which predevelopment expenses they were requesting a to be added to proforma; and SunCal and City discussed City cost recovery budget through July.
 - c. **Project planning:** SunCal and City discussed content of staff presentation at 5/10/2010 Planning Board meeting; City and SunCal discussed project planning issues raised at 5/10/2010 Planning Board meeting and April 20, 2010 City letter; City discussed content of 5/18/2010 City Council staff report and presentation; SunCal committed to LEED Neighborhood Development and Built-It-Green standards.

- **May 10, 2010 – Planning Board Meeting on Alameda Point Entitlement Application and Public Scoping Session for Proposed Alameda Point Project Draft Environmental Impact Report.** The Planning Board held both a scoping session for the EIR and a public hearing on the SunCal Modified OEA. At the meeting, the Planning Board heard public comment on the SunCal item and completed the scoping session part of the meeting. The Planning Board then began to provide comments on the Modified OEA. The meeting was continued to the May 24, 2010 meeting so that the Planning Board could study the Modified OEA more thoroughly and have time to provide additional comments. Numerous members of the community provided public comment at the meeting, most of whom expressed concerns about similarities between the SunCal Modified OEA and Measure B and about a perceived lack of certainty and upfront commitments in the Modified OEA. Some of the initial Planning Board comments about the Modified OEA included the desire for:
 - a better understanding of what the community will receive in land uses, transportation improvements and public benefits phase by phase;
 - more specific guidelines to help ensure that the community knows what the development will look and feel like;
 - more ground-floor retail along Seaplane Lagoon frontage;
 - more specific plans for the Northwest Territories;

- a determination of what is an appropriate balance between jobs and housing;
- protections for the endangered California Least Tern;
- further analysis on historic preservation; and
- the transportation plan to be a part of project, not just an environmental mitigation.

2. **May 6, 2010 – Alameda and SunCal Negotiation Session.** Alameda met with SunCal to continue discussion items from April 29th. Topics included:

- a. **Navy status update:** status of Public Benefit Conveyance of the future sports park; a conference call to discuss Navy questions for SunCal; and Alameda Point environmental update, among other items.
- b. **Project proforma:** City stated 100% of the tax increment is not committed to the project; SunCal committed to performing a commercial market study; City made another request for an accounting of SunCal predevelopment expenses; and SunCal and City discussed City cost recovery budget through July.
- c. **Project planning:** City discussed project planning issues to be raised at 5/10/2010 Planning Board meeting similar to those issues raised in City April 20, 2010 letter.
- d. **EIR transportation analysis.** City and SunCal discussed transportation component of EIR Project Description.

*******Previous Update*******

1. **May 3, 2010 – SunCal Response to City Election Costs Letter.** SunCal provided the following email response to the City’s letter regarding reimbursement of City election costs: In response to the letter from Ann Marie Gallant dated April 20 2010 Re: Special Election Costs, SunCal agrees to include in the DDA executed by the CIC and SunCal a provision that SunCal will reimburse the City for the costs of the election and that such payment will be treated as an approved project predevelopment cost.

2. **April 29, 2010 – Alameda and SunCal Negotiation Session.** Alameda met with SunCal to continue discussion items from April 22nd. Topics included:

- a. Alameda’s feedback on the SunCal plan, including the following: (1) Alameda request from SunCal to state which project they are committed to developing (SunCal committed to Density Bonus Option); (2) how SunCal intends for density transfers to work; (3) density transfers to achieve allowable densities under Density Bonus Option; (4) lack of sustainability principles and commitments (SunCal to provide additional information);

- and (5) request for a plan and market study for commercial development (SunCal to discuss and respond at a later date);
 - b. Alameda cost recovery account (Alameda to provide budget information);
 - c. SunCal reimbursement of election costs (SunCal responded verbally at meeting; see above for written response);
 - d. DDA provisions regarding transfers (SunCal provided draft language for review);
 - e. Project proforma for the Density Bonus Option, including Alameda's concerns about revenue and cost assumptions and public financing assumptions (SunCal to provide information on assumptions);
 - f. Public trust exchange;
 - g. Alameda feedback on the SunCal plan not discussed in detail included: residential uses in the wildlife buffer inconsistent with the United States Fish and Wildlife Services 1999 Biological Opinion; improved and expanded design guidelines; number of Collaborative units to be relocated; need for an affordable housing plan; and request for greater information on transportation plans and improvements, among many other items.
3. **April 22, 2010 – Alameda and SunCal Negotiation Session.** Alameda met with SunCal to continue discussion items from April 15th. Topics included:
- a. Project proforma for the Base Project, including Alameda's concerns about revenue and cost assumptions (SunCal to provide information on assumptions);
 - b. EIR project description, including (1) SunCal's proposed density transfer process to achieve the Density Bonus Option, (2) Density Bonus Application process, (3) SunCal request for Alameda's feedback on SunCal plan, and (4) SunCal comments on previous draft Project Description;
 - c. Alameda cost recovery account (Alameda to provide additional information); and
 - d. Public trust exchange.
4. **April 21, 2010 – Alameda Response to SunCal Reservation of Rights Letter.** Alameda sent a letter that presents Alameda's disagreement with SunCal's statements in its "Reservation of Rights" letter submitted to Alameda as part of its Modified Optional Entitlement Application (Modified OEA) regarding Alameda's issuance of a Notice of Default to SunCal on February 4, 2010.
5. **April 20, 2010 – Alameda Election Costs and Comments on Modified OEA Letters to SunCal.** Alameda sent two letters: (1) Election Cost Letter. In this letter, the City requested a final decision from SunCal on the payment of the City's General Fund costs for the SunCal-sponsored Special Election on February 2, 2010; (2) Comments on Modified OEA. Alameda sent a letter to SunCal, including a non-exhaustive list of questions related to SunCal's proposed Base

Project and Density Bonus Option Project. Alameda's questions pertained to the uncertainty about which project SunCal proposes developing at Alameda Point; sustainability measures and commitments; residential uses that are inconsistent with the United States Fish and Wildlife Service 1999 Biological Opinion; why the number of Collaborative units proposed to be relocated are less than the existing number of units.

6. **April 15, 2010** – Alameda met with SunCal to continue discussion items from April 8th. Topics included: Navy items; PG&E gas system; EIR Project Description, including a Notice of Preparation of an EIR and public scoping session on May 10, 2010 (sent out by Alameda today); preparation of an agenda for an internal Tidelands Trust meeting on April 22, 2010; and fiscal neutrality.
7. **April 13, 2010** – SunCal submitted a letter to Alameda regarding the Alameda Point CEQA Project Description. It included a description of a Base Project as provided in the Modified OEA that may be modified at a future date by a “Density Bonus Option.” As submitted, the project applicant is reserving the right to choose whether to do the Base Project or the Density Bonus Option.
8. **April 8, 2010** – Alameda met with SunCal to continue discussion items from April 1st. SunCal introduced a new team member, Stan Brown of SunCal, who will be attending the weekly meetings with Alameda. SunCal also notified Alameda of additional team members that will be working on the Alameda Point project, none of whom were in attendance:
 - a. Robert Hertzberg of Mayer Brown
 - b. Scott Baugh of Scott Baugh & Associates
 - c. Doug Turner of DW Turner

Other topics discussed included: confidentiality; SunCal bankruptcy on Albuquerque project; SunCal trip to Washington DC; project description for EIR including Base Project and Density Bonus Option; Disposition and Development Agreement, including edits to Tidelands Trust Exchange language and transfer provisions. Agenda items on the Navy and PG&E Gas System were not discussed.

9. **April 1, 2010** – Alameda staff met with SunCal to continue discussion items from March 25th. SunCal indicated it intends to negotiate a DDA/DA provision that provides the Master Developer an option to apply for a density bonus that will permit the land uses, units, and density similar to the Calthorpe Plan contained in Measure B. The EIR would study the Modified OEA plan with and without the density bonus. SunCal will submit a letter to Alameda confirming this intent. Lastly, although SunCal's had indicated at the March 16th City Council meeting that it had assembled new team members, no new SunCal team members have been introduced into the negotiating process.

10. **March 30, 2010** – Alameda staff met internally to discuss the Modified OEA and its compliance with the ENA. Further review and consideration is required. Staff will send a letter to SunCal summarizing its review of the Modified OEA by the end of the month.
11. **March 25, 2010** – Alameda staff met with SunCal to discuss the ongoing entitlement process, including the following items:
 - d. Negotiation of the Disposition and Development Agreement (DDA) and Development Agreement (DA), building on previous efforts.
 - e. Preparation of a project description for the Environmental Impact Report (EIR).
12. **March 22, 2010** – SunCal submitted a Modified OEA in response to Alameda’s NOD, which included modifications to the following sections:
 - f. Application form.
 - g. General Plan text and map amendments.
 - h. Alameda Point Community Plan.
 - i. Zoning text and map amendments.
 - j. Master Plan.
 - k. Comparative Density Analysis.
 - l. Development Agreement
 - m. Withdrawn submittals related to Charter Amendment, Development Plan and Specific Plan.

The land use program proposed in the Modified OEA includes the following project description:

- 3,324 new residential units
 - a. 4 product types (single-family, duplex, zero-lot line single family and live/work units)
 - b. All units with following characteristics:
 - i. 3-story
 - ii. 19 dwelling units/acre [except single-family (18 du/acre)]
 - iii. Minimum lot area of 2,000 square feet [except duplex (4,000 s.f. for two units)]
 - iv. 8’ maximum front setback [except live/work (at property line)]
 - v. 3’ minimum rear setback
 - vi. 0’ minimum side setback
- 186 Collaborative housing units
- 202 residential units in the historic district
 - a. 157 Clayton-Guyton multi-family units
 - b. 45 other reuse of existing residential units
- 4.6 million square feet of commercial uses, including:

- a. 262,000 square feet of retail
 - b. 4.1 million square feet of commercial office and business park uses
 - c. 260,000 square feet of civic/institutional uses.
- 146 acres of public parks
 - Two school sites, totaling 25 acres of land, to be made available to Alameda Unified School District
 - 600 marine boat slips

13. **March 16, 2010** – ARRA, CIC, and City Council (Alameda) held a public hearing to consider SunCal request for a 60-day tolling period of the cure period for the Notice of Default (NOD) for failure to meet the OEA mandatory milestone under the Exclusive Negotiation Agreement ENA between Alameda and SunCal. SunCal withdrew the request at the public hearing.