



SunCal Companies

OAKLAND OFFICE

300 FRANK H. OGAWA PLAZA, SUITE 342
OAKLAND, CA 94612

MAIN 510 251 0711
FAX 510 251 0744

WWW.SUNCAL.COM

October 19, 2009

Ms. Ann Marie Gallant
Interim City Manager
City of Alameda
2263 Santa Clara Avenue, Room 320
Alameda, CA 94501-4477

Re: Cover Letter; Comments to Alameda Development Initiative Election Report
Executive Summary, Part 1

Dear Ms. Gallant,

This letter serves as an introduction to SunCal Companies' comments about the Alameda Development Initiative Election Report, Part 1, which is attached for your review.

Since the City's selection of SunCal Companies in 2007 as Alameda's partner in the effort to redevelop Alameda Point, we have worked in collaboration to create a land plan for the Point that is widely supported. This plan delivers a vibrant, transit-oriented, mixed-use community that provides great public benefits in the way of recreational and sports facilities, access to the waterfront, a new ferry terminal and other public transit improvements.

We were very pleased by the recent certification of signatures that qualifies the Alameda Point Revitalization Initiative for a 2010 ballot. This achieves our goal of allowing the voters to decide the future of Alameda Point. The only way that this plan can be implemented is through a vote of the people.

We understand there have been concerns raised in the election report about the fiscal protections and provisions of the Initiative. In response, we have been working in good faith over the past several months in weekly meetings with you and City staff to address these concerns and incorporate additional commitments by the developer through legally binding agreements prior to the vote on the Initiative.

First, we want to assure you that SunCal is 100% committed to achieving fiscal neutrality as required by City ordinance. There are no provisions in the DA which would modify the City's right to require fiscal neutrality or SunCal's obligation to assure it. As we have indicated on numerous occasions, we are prepared, as is required by the ENA, to address the mechanisms by which to achieve fiscal neutrality in the DDA.

Second, SunCal is fully committed to assuring that the public benefits we have agreed to provide are constructed.

Third, we wish to reiterate the provisions of the DA which require CEQA review of the "whole of the project" as a condition to approval by the City of the first discretionary public approval. In

actuality, we anticipate that the CEQA document will be prepared as a condition of the Alameda agencies approval of the DDA agreement by which they will convey the property to SunCal. We are committed to full compliance with CEQA and understand that, in accordance with State law, the City and its sister agencies will have the right to impose mitigation measures on the project as conditions to development. Nothing in the DA precludes this.

To assure that these commitments are clear, SunCal will include in legally binding agreements the following matters to address the City's concerns:

1. To commit funds in excess of the \$200 million cap on public benefits and agree on standards and specifications to ensure public benefits are constructed.
2. To consent to additional property taxes on the Alameda Point property in excess of the 2% overall tax rate cap on property taxes, to assure adequate funding for construction, operation and maintenance of the project.
3. To ensure that redevelopment funds can be spent outside of the project area if the needs of the project are met and such expenditures further the goals of redevelopment of the project area.
4. To confirm that the project's impacts on the environment will be mitigated through mitigation measures determined during the CEQA process.

We believe that the intensive work currently underway on these issues has been productive and should do much to address the issues expressed in the report. Our goal is to ensure that genuine progress is made on the identified concerns and that the resolution of these points will result in City and community support of the Alameda Point plan.

We look forward to continuing our discussions with staff so that we can resolve these issues and any others that arise, and come to a mutually acceptable agreement that is in the best interests of the City of Alameda.

Sincerely,



Pat Keliher
SCC Alameda Point LLC

cc: Beverly Johnson, Mayor
Doug deHaan, Vice Mayor
Lena Tam, Councilmember
Marie Gilmore, Councilmember
Frank Matarrese, Councilmember