Board of Directors’ Meeting

Thursday, February 5, 2015 at 1:00 p.m.

AGENDA ITEM 10
MEETING: February 5, 2015
MEMORANDUM
To: Board Members
From: Nina Rannells, Executive Director
Kevin Connolly, Manager, Planning & Development
Mike Gougherty, Senior Planner

Authorize Executive Director to Negotiate and Execute Lease Agreement and Right of Entry Permit with City of Alameda for the Central Bay Operations and Maintenance Facility

Recommendation
Authorize the Executive Director to negotiate and execute a Lease Agreement and a Right of Entry Permit with the City of Alameda and take any other such related actions to acquire property for the Central Bay Operations and Maintenance Facility.

Background/Discussion
The Central Bay Operations and Maintenance Facility is being planned and developed by WETA to serve as one of two maintenance bases for WETA’s existing and future ferry fleet. The Facility will include a 4-story building, diesel fuel storage tanks, upland work yard, and a 12-slip ferry berthing facility extending from the site shoreline into San Francisco Bay. The total project cost is estimated to be between $45 and $50 million including environmental, design, construction, mitigation, shop outfitting, construction management and support activities, which includes approximately $35 million for construction activities.

The project site for the proposed facility is located southeast of the intersection of West Hornet Avenue and Ferry Point Road near Pier 3 on property owned by the City of Alameda. The site includes 0.73 acre of undeveloped upland real property, 3.4 acres of submerged lands on San Francisco Bay, and a 75-vehicle paved parking area.

Staffs representing WETA and the City have drafted terms and conditions of a Lease Agreement that would grant WETA property rights to the proposed Alameda Point site for the purpose of constructing and operating its future Central Bay Operations and Maintenance Facility.

Keys terms of the proposed Lease Agreement are as follows:

• Sixty-year term commencing upon approval of Lease Agreement;
• Initial monthly rent of $5,125, commencing upon receipt of Certificate of Occupancy and subject to annual adjustment based on the Consumer Price Index;
• WETA will provide defined infrastructure improvements in lieu of City Development Impact Fees required for new development at Alameda Point; and
A Right of Entry Permit approved concurrent with approval of Lease Agreement for WETA to construct public access improvements within the adjacent park area as required by BCDC as a part of the project permit. These improvements will be transferred to either the East Bay Regional Park District or City upon completion.

Pending authorization for the Executive Director to execute the Lease Agreement, the Alameda City Council is tentatively scheduled to consider approval of the Lease Agreement in early March. Upon execution of the Lease Agreement by both parties, WETA can proceed with securing project approval from the Bay Conservation Development Commission as early as spring 2015, and potentially release a Request for Proposals to construct the project, subject to subsequent Board approval, by late-summer 2015.

**Fiscal Impact**
The initial monthly base rent payment of $5,125, subject to annual CPI adjustment, will begin when the Certificate of Occupancy is received. Funds to support the annual lease cost for the Central Bay Operations and Maintenance Facility will be budgeted accordingly.

Attachments:
1) Lease Agreement for Central Bay Operations and Maintenance Facility
2) Right of Entry Permit for Construction Work

Excerpt from Lease Agreement:

“Landlord agrees that it shall join Tenant as co-applicant for the required San Francisco Bay Conservation and Development Commission permit (the “BCDC Permit”) required for construction of the improvements on the Premises, subject to Landlord’s review and reasonable approval of the BCDC Permit application.”

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**EXHIBIT G SCHEDULE OF PERFORMANCE**

BCDC Permit Issued – April 2015
Construction Contract Award – September 2015
Start Construction – January 2016
In-Water Construction Start – August 2016
In-Water Construction End – November 2016
End Construction – March 2017
Closeout & Commissioning – May 2017