ELECTIONS CODE SECTION 9212 REPORT

PREPARED FOR
THE ALAMEDA CITY COUNCIL
JANUARY 2, 2019

REGARDING THE FOLLOWING INITIATIVE MEASURE:
Initiative Measure to Change the Land Use Designation for an approximately 3.65 Acre Site on McKay Avenue, by Amending the General Plan Designation from Office to Open Space, and by Amending the Zoning Ordinance from Administrative-Professional District to Open Space District

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A. Introduction

This Report evaluates the potential impacts of the "Initiative for Expansion of Open Space at Crab Cove", an initiative that has qualified for the ballot in the City of Alameda, California. The Notice of Intention to Circulate Petition and full text of the proposed Initiative are included as Appendix I.

If passed, the Initiative would amend portions of the City of Alameda's General Plan and Zoning Ordinance. The specifics of the Initiative are summarized in Section D of this Report.

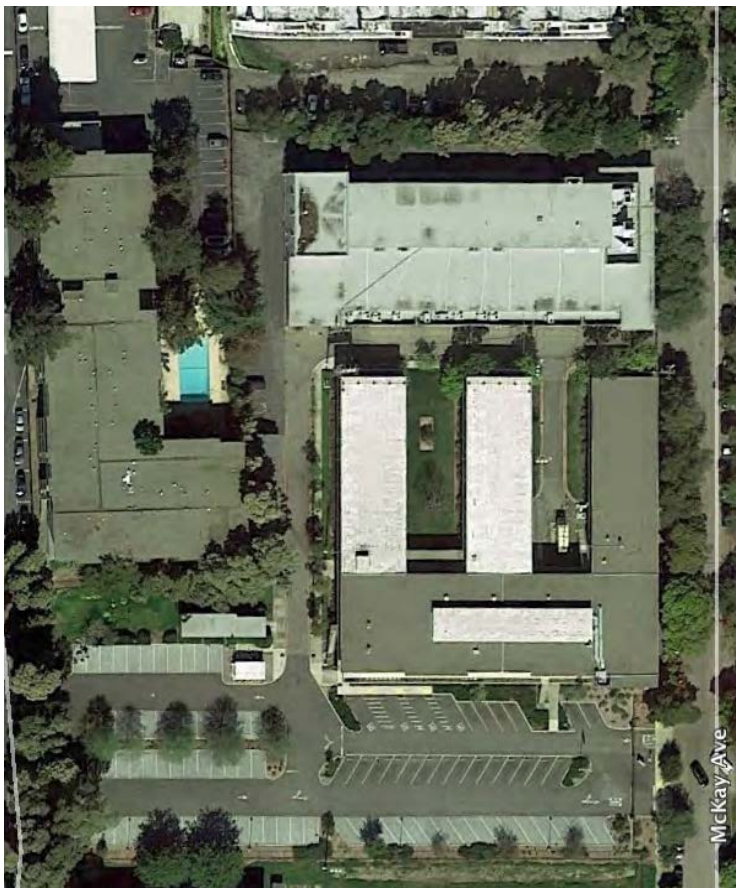
When an initiative is circulated and qualifies for the ballot, Section 9212 of the California Elections Code authorizes a city to request a report regarding the potential impacts of the initiative prior to deciding whether to adopt the initiative or to order an election of the voters to approve or reject it. Section 9212 is reproduced in full in Appendix II.

On December 4, 2018, the City Council of Alameda requested that City staff prepare an analysis of the proposed Initiative specifically addressing the Initiative's potential impacts on other land uses in Alameda, potential fiscal and economic impacts, and possible legal issues associated with the Initiative's language and implementation. This Report will be presented to the City Council at its regularly scheduled meeting of January 2, 2019.

B. Description of the Site

An approximately 3.65 acre property located on McKay Avenue south of Central Avenue in Alameda, California ("the Site") is the subject of the "Initiative for Expansion of Open Space at Crab Cove" ("the initiative"). The property is owned by the United States of America (the Federal Government). The property is currently leased to Alameda Point Collaborative (APC) for homeless assistance purposes, and is improved with eleven (11) buildings totaling approximately 79,880 square feet, wrought iron fencing to restrict access to the site, and 93 paved parking spaces. The Site is designated as Assessor's Parcel Number 074-1305-026-2.

The eleven buildings on the site were originally constructed in 1942 to support a training facility and barracks for the U.S. Maritime service during World War II. The most recent predominant uses were as offices and a laboratory for testing meat and dairy products by the U.S. Department of Agriculture (USDA).



The site is situated on the west side of McKay Avenue, approximately 200 feet south of Central Avenue and approximately 450 feet north of the City's southern waterfront. Access is from McKay Avenue, a road owned by the State of California with access easements in favor of the Federal Government. There are existing waste water (sewer) and water lines located under McKay Avenue. The Site is bounded by multi-family residential uses to the west, north, and east. A vacant former federal property, which is currently owned by the East Bay Regional Park District (EBRPD), is located directly adjacent and to the south of the site, and the EBRPD visitor center and parking lot are located to the southeast of the property. Crown Memorial State Beach is approximately 475 feet southeast of the project site, across from McKay Avenue.

The East Bay Regional Park District has determined that the site is <u>not</u> suitable for park expansion.

C. Current Ownership of the Site

The Site is currently owned by the Federal Government and leased to APC, a nonprofit organization. The Site was part of a 100-acre federal facility developed in 1942 as the U.S. Maritime Officer Training School. In 1961, the Federal Government sold the majority of the federal facility to the State of California, retaining 7.6 acres as the Alameda Federal Center. In 2011, the Federal Government consolidated the remaining operations at the federal facility on to the northerly portion (the Site) and placed the southern four acres (commonly known as Neptune Pointe) for sale. In 2015, EBRPD acquired Neptune Pointe by quitclaim deed, and in 2016, the USDA abandoned its use of the federal buildings on the Site.

In April 2017, the U.S. Department of Housing and Urban Development (HUD) determined the Site to be suitable for use as a facility to assist the homeless under the Stewart B. McKinney Homeless Assistance Act, and the federal General Services Administration (GSA) issued a Combined Notice of Determination of Homeless Suitability and Availability and Notice of Surplus Determination for the Site (Combined Notice). Two homeless provider organizations submitted an expression of interest to the Combined Notice. No applications were submitted by non-Federal public agencies.

In December 2017, the Federal Government conditionally agreed to convey the Site to APC for assisted living, medical respite, and supportive service facilities for the homeless, subject to completion of an Environmental Assessment and removal of the City of Alameda's G Special Government Combining District (G) overlay. In June 2018, the Federal Government notified APC of its acceptance of the Environmental Assessment, and in September 2018, the Federal Government entered into a lease with APC (Lease Contract No. 09-CA-2332). Upon satisfaction of the rezoning condition, APC must submit a request to the Federal Government to acquire the property by quitclaim deed and the Federal Government is required to convey the property by quitclaim deed without undue delay. As of the date of this Report, ownership remains with the Federal Government.

The Combined Notice, Federal Government approval documents, and lease are included as Appendix III.

D. What the Initiative Does and How the Initiative Would Impact the City's General Plan and Zoning Ordinance

The Initiative proposes to modify the future use of the Site, by changing the site's General Plan designation and Zoning designations. Effective January 17, 2019, the Site will be designated for "Office" use in the General Plan and Administrative Professional use in the Zoning Ordinance. The Office General Plan designation and Administrative Professional Zoning designations allow for APC's proposed use of the Site for a Wellness Center. The Initiative would change the Site's General Plan Land Use Element designation from Office to Parks and Public Open Space and the Zoning designation from Administrative Professional to Open Space. APC's proposed Wellness Center would not be consistent with Open Space General Plan and Zoning designations.

The Initiative:

- Will not change the ownership of the Site. By itself, changing the Zoning and General Plan designations will not cause the land to be transferred to the City of Alameda, EBRPD, or any other governmental entity for public use as a park.

- Will not establish a funding source to purchase the land or make the necessary improvements to create a public park.

- Will not create a public park. The changes in the Zoning Ordinance and General Plan will not change the physical conditions on the Site. Even with the changes in the Zoning Ordinance and General Plan, the Site will remain occupied with vacant buildings and paved parking fenced off from the public.

E. Impact of the Initiative on Future Use of the Site

If approved by the voters, the initiative's changes to the Zoning Ordinance and General Plan designations for the property would limit the future use and development of the Site by any owner subject to the City's laws. The Open Space designation limits uses to public and private parks, parkways, playgrounds, golf courses, country clubs, and land reserves. With a conditional use permit approved by the Planning Board, a structure or building located in the park, playground, golf course or country club may be approved, and a public and/or commercial concessionaire activity or a small craft marina facility may be approved. Additional uses such as parking lots and maintenance facilities would require a conditional use permit be issued by the City after a public hearing.

Any activities, operations, services, or businesses that have been legally operating under valid City of Alameda permits at the time the zoning is changed to open space would become legal non-conforming uses. Under the City of Alameda Zoning Ordinance, legal non-conforming uses may remain in operation on the property indefinitely. However, legal non-conforming uses may not be expanded, and if they are destroyed by fire or natural disaster, depending on the circumstances, they may not be reinstated on the property. Although the property owner would not be able to acquire building permits to expand any legal non-conforming use, any construction that has begun based on valid City of Alameda building permits may be completed, even if the site is rezoned to Open Space prior to occupancy of the building under construction.

As noted above, the Initiative does not create a public park; it does not change the ownership of the Site and it does not provide funding to purchase the property and improve the property for a park. However, the Initiative will impact the future use of the site, depending on decisions made by the property owner. For that reason, this analysis considers three different land use scenarios that might occur if the initiative is approved by the voters.

Scenario #1: Alameda Point Collaborative Wellness Center

Under this scenario, the Federal Government has transferred ownership of the Site to APC. Private, non-governmental entities, such as APC, are subject to the City's Zoning Ordinance and General Plan. The primary effect of the Initiative on APC and its proposed use centers on whether APC has obtained a vested right, which is the right to complete development or construction without complying with subsequently enacted laws. The basic common law rule in California is that, in order for a property owner to build a project under prior land use regulations, he or she must have (1) obtained a valid building permit and (2) performed substantial work and incurred substantial liabilities (3) in good faith reliance upon the permit.

If APC has not acquired a vested right before the Site is rezoned from Administrative Professional to Open Space District, APC will be subject to any newly adopted rules and regulations, including any change to the zoning designation. That is, the Initiative would preclude APC from operating a Wellness Center for formerly and current homeless individuals by changing the current land use designations from those that permit the Wellness Center to those that do not.

If APC has acquired a vested right before the Site is rezoned by initiative, then any subsequently adopted rules and regulations, including rezoning of the property, would

not affect the Wellness Center operations (i.e., those that existed before the zoning change). The Wellness Center would be considered a legal non-conforming use, and APC would be allowed to continue its existing operations indefinitely on the Site. APC would not be able to acquire City permits to expand its operations after the zoning change.

APC could also sell the property to another entity that seeks to operate a similar facility. The new owner would be able to continue the use, but the new owner would not be able to acquire City permits to expand the legal non-conforming use.

Under Alameda Municipal Code (AMC) Section 30-20.2, the City may grant a use permit to allow a nonconforming use of a building to be changed to another nonconforming use of the same or more restricted use classification. For example, the City could grant a use permit to replace a legal non-conforming rehabilitation center with a legal non-conforming clinic or medical facility if a finding can be made that the new use is the same or more restricted use classification.

Rezoning the Site to Open Space District would still permit the use of the Site by APC for public and private parks, parkways, playgrounds, golf courses, country clubs, and similar uses. In addition to continuing its existing operations, APC could apply for permits to create private facilities, similar to those permitted by the zoning code, including recreational facilities, clubs, campgrounds, or similar facilities to serve formerly homeless families and individuals on the Site. Such uses are expressly authorized by the Open Space District zoning (AMC 30-4.19).

Scenario #2 (Variant A): Federal Government Ownership, Homeless Use

Under this scenario, the Federal Government retains ownership of the land, and continues to lease the Site to APC (or another homeless provider) for homeless assistance purposes. Generally, under the Supremacy Clause and the Property Clause of the U.S. Constitution, Congress has preemptive powers over state and local control of federal lands and thus the Federal Government does not have to comply with a city's zoning ordinance. For instance, local zoning regulations would not apply to either the U.S. Department of Veterans Affairs or U.S. Department of Health and Human Services or their lessees to provide services for homeless veterans, families, or individuals on land owned or leased by the Federal Government.

Therefore, if the Federal Government retains ownership of the Site, the Initiative would have no impact on the Federal Government's use of the land. The Federal Government would be able to use the Site indefinitely for any use that the Federal Government determines to be necessary. The Federal Government would not need to obtain City approval or permits for any improvements at the Site.

Scenario #2 (Variant B): Federal Government Ownership, Land Remains Vacant

Under this scenario, the Initiative causes APC to abandon its plans for a Wellness Center, and the Federal Government retains ownership of the property. In this scenario, the Site remains vacant and could become a long term blight on the community.

If the Federal Government retains ownership of the Site, City regulations regarding blight and property maintenance would not be enforceable against the Federal Government.

Scenario #3: City Purchases Site for Public Park

Under this scenario, the City either voluntarily agrees, or is required by court order, to use public tax dollars to purchase the land from APC or the Federal Government. In order to use the land for a park, the City would have to incur the cost to demolish the existing buildings and improvements, which will require asbestos and lead abatement. The estimated cost to purchase the land, demolish the existing buildings and

improvements, and develop the park is estimated to be more than **$11.7 million** to Alameda taxpayers, which includes $5.6 million estimated to acquire the land, $3.2 million to remove asbestos and demolish buildings, and $2.9 million to build the park.

As discussed in Section F of this Report, if the City is ordered by a court to reimburse the current property owner for investments made in the property, the cost to Alameda taxpayers could far exceed the estimated cost of $11.7 million.

The funds for this expense would need to be raised by either approval of a citywide tax assessment, a McKay neighborhood tax assessment, or by diverting future funds need to complete existing public park projects such as Jean Sweeney Open Space Park and Estuary Park, or from the City's General Fund, which is used to pay for essential municipal services such as police, fire and 911 emergency calls. For comparison purposes, $11.7 million in capital costs is equivalent to approximately 4 years of annual City of Alameda Recreation and Park Department operating expenses.

The East Bay Regional Park District has determined that the site is "not suitable for park expansion" and that the Park District is not interested in purchasing the site for park purposes. (See EBRPD Letter included as Appendix IV.) Bond Measure WW, a 2008 ballot measure that authorized EBRPD to issue and sell up to $500 million in bonds to complete the Park District's Master Plan for parklands and open space, did not require EBPRD to acquire the Site, and did not require the Site to be designated open space. Specifically, Measure WW identified the need for funding to improve existing facilities and "acquire *appropriate* surplus property". The following is an excerpt from the Sample Ballot:

Exhibit I
2008 Regional Parks Bond Project List

#	Location	Project	Description	Total $
18	Crown Beach	Improve visitor center, restore beach, complete park boundary	$6.5 million to replace and expand the Crab Cove interpretive center, currently located in an outdated military building. Expand and restore Alameda Beach to increase space for beach recreation and protect the shoreline. Acquire appropriate surplus federal property if it becomes available.	$6,480,000

For these reasons and based upon the EBRPD correspondence is should be expected that EBRPD will <u>not</u> fund acquisition of the property for the City or for the District.

F. Potential Legal Impacts of the Initiative and Estimated Costs

Passage of the Initiative could potentially lead to litigation against the City. Depending on the state of development, passage of the Initiative could preclude APC from operating a Wellness Center by changing the current land use designations from those that permit the Wellness Center to those that do not. As a result, APC or the Federal Government could bring litigation against the City for damages and the loss in value of the property.

In December 2018, and in response to an application submitted by APC, the City Council changed the land use designations to allow for private use of the Site for a Wellness Center. As a result, the General Plan designation is Office and, effective January 17, 2019, the Zoning Ordinance designation will be Administrative Professional. APC is currently leasing the property from the Federal Government. However, the lease provides that once the property has been rezoned to permit APC's program, as it now has, APC "shall submit a request to Lessor [the federal government] to acquire the property by Quitclaim Deed which will be processed by the Lessor without undue delay. The request shall include a statement that the Lessee is ready, willing and able to fully implement the Lessee's program of use…." Lease Contract No. 09-CA-2332 at 6-7. Thus, it is possible that at the time the Initiative is considered by the voters, APC will have title to the property.

It is not the intent of this Report to undertake a full legal analysis of all the possible legal claims that could be brought with regard to the Initiative. The City would defend against any such claim and, regardless of whether the City ultimately prevailed, the City would incur legal defense costs. Legal defense costs are likely to amount to hundreds of thousands of dollars. Damages, if the City were to lose in court, could amount to millions of dollars, and require the City to incur ongoing expenses to maintain the property and to incur additional expenses to convert the property for use as a park.

In brief, APC or the Federal Government potentially could bring an inverse condemnation action (a takings claim) against the City claiming that the City, through the Initiative, deprived APC or the Federal Government of substantially all economically beneficial or productive use of the Site, and could seek damages for certain costs expended in building the Wellness Center and in the loss of value in the property. In such a claim, APC or the Federal Government would allege that the City committed a "taking" of a valuable property right in violation of the Fifth and Fourteenth Amendments of the United States Constitution and Article I, Section 19 of the California Constitution. APC or the Federal Government could claim the City should purchase the site at its fair market value.

Generally, to prove such a claim, the property owner must show that it has been deprived of economically viable use of his or her property. The California Supreme Court held in a 1997 decision in the case of *Kavanau v. Santa Monica Rent Control Board* that when a regulation does not result in a physical invasion and does not deprive the property owner of all economic use of the property, the court can still find that a taking has occurred after evaluating the following factors when challenging a zoning regulation:

1. The economic impact of the regulation on the property owner;

2. The extent to which the regulation has interfered with distinct investment-backed expectations;

3. The character of the governmental action;

4. Whether the regulation interferes with interests that are sufficiently bound up with the reasonable expectations of the claimant to constitute property for Fifth Amendment purposes;

5. Whether the regulation affects the existing or traditional use of the property and thus interferes with the property owner's primary expectation;

6. The nature of the government's interest in the regulation, and, particularly, whether the regulation is reasonably necessary to the effectuation of a substantial public purpose;

7. Whether the property owner's holding is limited to the specific interest the regulation abrogates or is broader;

8. Whether the government is acquiring resources to permit or facilitate uniquely public functions such as government's entrepreneurial operations;

9. Whether the regulation permits the property owner to profit and to obtain a reasonable return on investment;

10. Whether the regulation provides the property owner benefits or rights that mitigate whatever financial burdens the law has imposed;

11. Whether the regulation prevents the best use of the land;

12. Whether the regulation extinguishes a fundamental attribute of ownership; and

13. Whether the government is demanding the property as a condition for the granting of a permit.

In such a case, APC or the Federal Government would have to prove that the permitted uses under the Open Space designation, such as parks and playgrounds, unreasonably impairs the economic viability of the Site. *See Lockaway Storage v. County of Alameda,* 216 Cal.App.4th 161, 182-185 (2013). It is beyond the scope of this Report to analyze the chances of success for such a lawsuit. The City would oppose any such claim. However, in addition to incurring substantial expense for its own legal fees, in the event such a lawsuit were successful, the City would be potentially liable for a range of damages and expenses including: (1) the costs incurred to build the Wellness Center once discretionary approvals have been issued by the City; (2) the cost of delaying the use of the Wellness Center; (3) the loss of value in the property; and (4) attorney's fees and costs to the prevailing party. In a takings case, a court could determine the fair market value of the property which is likely to be in the millions of dollars.

Additionally, if the City is required by court order to purchase the property, it would have to maintain the Site while it is under its control. Estimated costs for maintenance and security are approximately $20,000 per month or $240,000 per

year for evening security and grounds and facility maintenance. These costs would only keep the property in status quo condition. Any demolition of existing buildings or construction of new improvements or landscaping for a new park, are not estimated here nor are they currently included in the City budget.

G. Fiscal Impact of the Proposed Land Use Alternatives at the Site

The City retained Keyser Marston Associates (KMA), a firm with a statewide reputation for analyzing and advising municipal and private entities in real estate development projects, to prepare a summary "order of magnitude" assessment of the fiscal impacts of the alternative scenarios described in Section E. A summary of that analysis follows. It is stressed that the below results are coarse estimates rather than exact calculations.

In summary, the fiscal impacts of the three scenarios are as follows:

Scenario #1: Alameda Point Collaborative Wellness Center

Under this scenario, the fiscal impacts of the operation of a Wellness Center on the site are limited to one-time subsidies that the City may choose to provide in support of the services and on-going service costs provided by the City in the amount of approximately **$185,000 per year**. General Fund City service costs are driven by the 140 new residents and patients and 48 employees. Police and Fire / Emergency Medical Service (EMS) costs for the 90-bed assisted living component are estimated based on existing calls for service to the Oakmont of Cardinal Point assisted living facility. Public safety costs for the 50-bed medical respite component are estimated based upon public safety calls for service to two medical recovery facilities in Alameda, Bay View Rehabilitation Hospital and Crown Bay Nursing and Rehabilitation Center. Due to the fragile medical condition of the patients these recovery facilities serve, they generate a significant number of Fire/EMS calls for service. An adjustment is made to account for the roughly 10% of Wellness Center occupants expected to be existing homeless residents of the City whose service demands would not be net new. APC is a non-profit exempt from property and business taxes but would generate an estimated $19,000 in annual revenue through utility user taxes and franchise fees, partially offsetting service costs.

Scenario #2: Federal Government Ownership, Vacant

The existing vacant federal office / lab use is estimated to generate a negative fiscal impact to the City in the range of **$9,000 annually**. The property is vacant and not on the tax rolls; as a result, it does not generate any revenue to the City. However, the City is estimated to have some limited service costs as a result of Police and Fire/EMS calls for service to the property.

Scenario 3: City Purchases Land and Builds Public Park – Creation of a new City park will cost the City of Alameda at least **$11.7 million** in capital expenditures to acquire the land, demolish the buildings and build a new park. In addition, the ongoing costs to maintain the park and provide emergency and other city services to the park is expected to result in a net annual expense of **$140,000 per year** in General Fund expenditures. The property would remain off the tax rolls and would not generate any revenues to the City. Park maintenance costs. Police and Fire/EMS service costs were estimated based upon existing calls for service over the past year to similar sized parks in Alameda per acre basis for purposes of estimates for a new park.

A description of the approach and key assumptions made is attached as Appendix V.

NOTICE OF INTENTION TO CIRCULATE PETITION

Notice is hereby given by the persons whose names appear hereon of their intention to circulate the petition within the City of Alameda for the purpose of amending the zoning of the excess federal property adjacent to Crab Cove, specifically the Alameda County Assessor's parcel number APN 74-1305-026-2, which is currently zoned G (Special Government Combining District) which overlays an A P (Administrative Professional District) to O (Open Space District).

The 3.671 acre parcel contains the Federal Building Complex and vehicle parking lot. It is Alameda County Assessor's parcel number APN 74-1305-026-2. It is located on the Northwest side of McKay Avenue across from Crab Cove and adjacent to the Robert W. Crown Memorial State Beach.

In September 2008, the Alameda City Council endorsed Measure WW, which authorized funds for the acquisition of the surplus federal property adjacent to Crab Cove for the purpose of expanding Crown Beach. A 71.9% super majority of Alameda voters overwhelmingly approved Measure WW in the November 2008 general election. To implement the clear will of the voters, the excess federal property adjacent to Crab Cove needs to be zoned Open Space (O). The City of Alameda must be compelled to uphold, fulfill and enforce the will of the super majority of voters who approved Measure WW.

This initiative petition provides Alameda with a unique opportunity to expand the recreational and natural resources of Crown Beach next to Crab Cove. This measure reaffirms the expressed will of the 71.9% of the votes who voted for the expansion of Crown Beach.

This initiative is to be submitted directly to the voters.

Doug deHaan

Angela Fawcett

Eduardo Vargas

FILED
APR 26 2018
CITY OF ALAMEDA
CITY CLERK'S OFFICE

To: Elections Official, City of Alameda

From: Doug DeHaan, Angela Fawcett, Eduardo Vargas

Date: April 26, 2018

Pursuant to California Election Code Section 9203(a) please prepare a ballot title and summary for the attached proposed Initiative to be Submitted to the Voters of the City of Alameda. Our addresses are listed below. Accompanying this is a check made payable to the City of Alameda in the amount of $200.00 as a deposit pursuant to Elections Code Sec. 9202(b).

Doug deHaan

1305 Dayton Avenue
Alameda, CA 94501

Angela Fawcett

1327 Webster Street #B304
Alameda, CA 94501

Eduardo Vargas

1321 Webster Street #D114
Alameda, CA 94501

FILED
APR 26 2018
CITY OF ALAMEDA
CITY CLERK'S OFFICE

INITIATIVE FOR EXPANSION OF OPEN SPACE AT CRAB COVE

The People of the City of Alameda do hereby ordain as follows:

SECTION 1. TITLE

This Initiative shall be known and referred to as the "Second Initiative for Expansion of Open Space at Crab Cove."

SECTION 2. FINDINGS

A. In November of 2008, more than 70% of the City and County of Alameda voters and Contra Costa County voters, voted in favor of East Bay Regional Park District's Measure WW, a taxing measure covering projects in both Alameda and Contra Costa Counties, thus approving the East Bay Regional Park District's acquisition of the federal property on McKay Avenue for expansion of Crab Cove as it became available and authorizing funding for acquisition and improvement of this federal property.

B. At the time of the vote on Measure WW, the federal property on McKay Avenue, Alameda, consisted of a single parcel consisting of approximately 7.57 acres of land identified as Alameda County Assessor's Parcel No. 74-1305-**026**.

C. After the passage of Measure WW, the federal government caused the original 7.57 acre parcel to be split into two parcels, Alameda County Assessor's Parcel Nos. 74-1305-**026-1**, approximately 3.899 acres, and 74-1305-**026-2**, approximately 3.671 acres.

D. Alameda County Assessor's Parcel 74-1305-**026-1**, was rezoned by the City of Alameda for residential development in July 2012.

E. Subsequent to the rezoning of Alameda County Assessor's Parcel 74-1305-**026-1**, the People of the City of Alameda prepared and circulated a duly authorized initiative, "Initiative for Expansion of Open Space at Crab Cove" to rezone Alameda County Assessor's Parcel 74-1305-**026-1** to Open Space to implement the intent of the voters in passing Measure WW. (That was the first Initiative concerning the original 7.57 acre parcel, therefore, this is the Second Initiative concerning the original 7.57 acre parcel.)

F. When the circulators of the first "Initiative for Expansion of Open Space at Crab Cove" obtained sufficient qualifying voters' signatures to place the initiative on the ballot, the City Council, by a vote of 5 in favor, to 0, against, passed Ordinance No. 3102, which rezoned the first 3.899 acre portion of the original parcel, now identified as Alameda County Assessor's Parcel 74-1305-**026-1**, to Open Space District.

G. On or before June 2016, the United States Department of Agriculture, abandoned its use of the remaining federal buildings on McKay Avenue. The United States Marshal's Office remained until December 2017. On or before December 2017, the federal government sought to dispose of the remaining approximately 3.671 acres of the original parcel, now contained in Alameda County Assessor's Parcel 74-1305-**026-2**.

H. The United States of America is the owner of Alameda County Assessor's Parcel 74-1305-**026-2**, and Alameda Point Collaborative has filed an application with the City of Alameda with the stated objective of removing the Special Government Combining District zoning overlay while allowing the Administrative - Professional District zoning to remain on this parcel. This is prior to or concurrent with the parcel being transferred to a private non-governmental party to start new uses permitted under the Administrative - Professional District zoning.

I. By lifting the Special Government Combining District zoning overlay and permitting private, non-governmental Administrative - Professional District uses to begin again, the Federal government will frustrate the will of the People of the City of Alameda as well as the voters of both Alameda and Contra-Costa Counties.

J. This federal property is adjacent to the Robert W. Crown Memorial State Beach and is uniquely suitable for park facilities.

K. The expansion of Crown Beach for open space use is the highest and best use of the remaining portion of the original parcel.

L. The designation of the remaining portion of the original parcel of federal land as Open Space provides for uses permitted by the City of Alameda's Municipal Code.

SECTION 3. PURPOSE

The purpose of this Second Initiative for Expansion of Open Space at Crab Cove is:

A. To implement the will of the Alameda and Contra Costa County voters as expressed by their approval of Measure WW in the November 2008 general election.

B. To preserve land particularly suited for open space so that it can be used for park and recreation uses.

C. To protect the unique plant and animal life at Robert W. Crown Memorial State Beach.

D. To implement the provisions of Sections 2, 3, 5, and 6, of the City of Alameda General Plan, as those sections pertain to the planning for, and designation of, Open Space District in the City of Alameda.

E. To amend the City of Alameda General Plan, and General Plan Map so that the land use designation for the approximately 3.671 acre parcel of federal property identified as Alameda County Assessor's Parcel No. 74-1305-**026-2**, is changed from Administrative - Professional District with a Special Government Combining District overlay, to Open Space District.

F. To amend the Alameda Zoning Ordinance and Zoning Map so that the land use designation of the approximately 3.671 acre parcel of federal property which is Alameda County Assessor's Parcel No. 74-1305-**026-2**, is changed from Administrative - Professional District with Special Government Combining District overlay, to Open Space District. Note: The Zoning Map does not contain the Special Government Overlay for this parcel, although the General Plan Map for this parcel contains the Special Government Overlay.

SECTION 4. AMENDMENT OF THE GENERAL PLAN, ZONING PLAN, AND ZONING MAP OF THE CITY OF ALAMEDA.

A. The City of Alameda's General Plan Map is shown herein as follows:

1) The approximately 3.671 acre parcel of federal land which is identified as Alameda County Assessor's Parcel 74-1305-**026-2**, identified in Exhibit 1, which is incorporated herein by this reference, is currently zoned Administrative - Professional District with Special Government Combining District overlay.

B. The City of Alameda's General Plan Map is hereby amended as follows:

1) The blue color on Alameda County Assessor's Parcel No. 74-1305-**026-2**, currently indicating Special Government Combining District overlay, over Administrative - Professional District, is hereby changed to dark green (indicating Open Space (as shown in Exhibit 2), which is hereby incorporated by this reference.)

C. The City of Alameda's Zoning Plan is hereby amended as follows:

1) Section 30-4.19 "O", Open Space District is hereby amended to include a new subsection "f" that provides that "The 3.671 acre federal property which is Alameda County Assessor's Parcel No. 74-1305-**026-2**, is hereby zoned Open Space District." (As shown in Exhibit 5, underlined, which is incorporated herein by this reference).

The (First) "Initiative for Expansion of Open Space at Crab Cove included "SECTION C. 1) Section 30-4.19 O, Open Space District is hereby amended to include a new subsection "e" that provides that "The 3.899 acre surplus federal property which is a portion of Alameda County Assessor's Parcel No. 74-1305-**026**, is hereby zoned Open Space."

Note: The new subsection "e" as contained above, in the first "Initiative for Expansion of Open Space at Crab Cove" has not been incorporated in the Alameda Zoning Ordinance, hence the sequential labeling of the next subsection is referred to herein as "f". Should the continued omission of subsection "e" be deemed an error of intention, this subsection may be renamed "e" in its place.

D. The City of Alameda's Zoning Map is hereby amended as follows:

1) Alameda County Assessor's Parcel 74-1305-**026-1** is reflected in Exhibit 7 which is incorporated herein by this reference as light lavender pink for Administrative Professional. There is no Government Overlay depicted on City of Alameda Zoning Map Effective 7/29/2014, Corrected June 2016.

2) An approximate 3.671 acre parcel of federal land which is identified as part of the original 7.57 acres identified as Alameda County Assessor's Parcel 74-1305-**026**, and now further described as Alameda County Assessor's Parcel 74-1305-**026-2**, is hereby rezoned from Administrative Professional to Open Space as shown in Exhibit 8, which is incorporated herein by this reference. There is no Government Overlay on City of Alameda Zoning Map Effective 7/29/2014, Corrected June 2016, on Alameda County Assessor's Parcel 74-1305-**026-1** which is reflected in Exhibit 8, which is incorporated herein by this reference, Administrative Professional.

SECTION 5. EFFECTIVE DATE

This initiative shall become effective upon passage.

SECTION 6. INITIATIVE LANGUAGE SUPERCEDES THE LANGUAGE OF ANY EXISTING CONFLICTING CITY OF ALAMEDA LAW

This Initiative language supercedes the language of any existing City of Alameda law to the extent such existing language is in conflict with the language of this Initiative.

SECTION 7. LIBERAL CONSTRUCTION

This Initiative shall be liberally construed to effectuate its purposes.

SECTION 8. SEVERABILITY

It is the intent of the people that the provisions of this initiative are severable and that if any section or provision of this Initiative or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect any other provisions or application of this Initiative which can be given effect without the invalid provision or application.

SECTION 9. CONFLICTING BALLOT MEASURES

In the event that this measure and another measure or measures relating to the federal property known as Alameda County Assessor's Parcel No. 74-1305-**026-2**, adjacent to Crab Cove or Robert W. Crown Memorial Beach, appear on the same city-wide ballot, the provisions of the other measure or measures shall be deemed to be in conflict with this measure. In the event that this measure receives a greater number of affirmative votes that the other measure or measures, the provisions of this measure shall prevail over conflicting provisions of any other measure, and the conflicting provision of the other measure or measures shall be null and void.

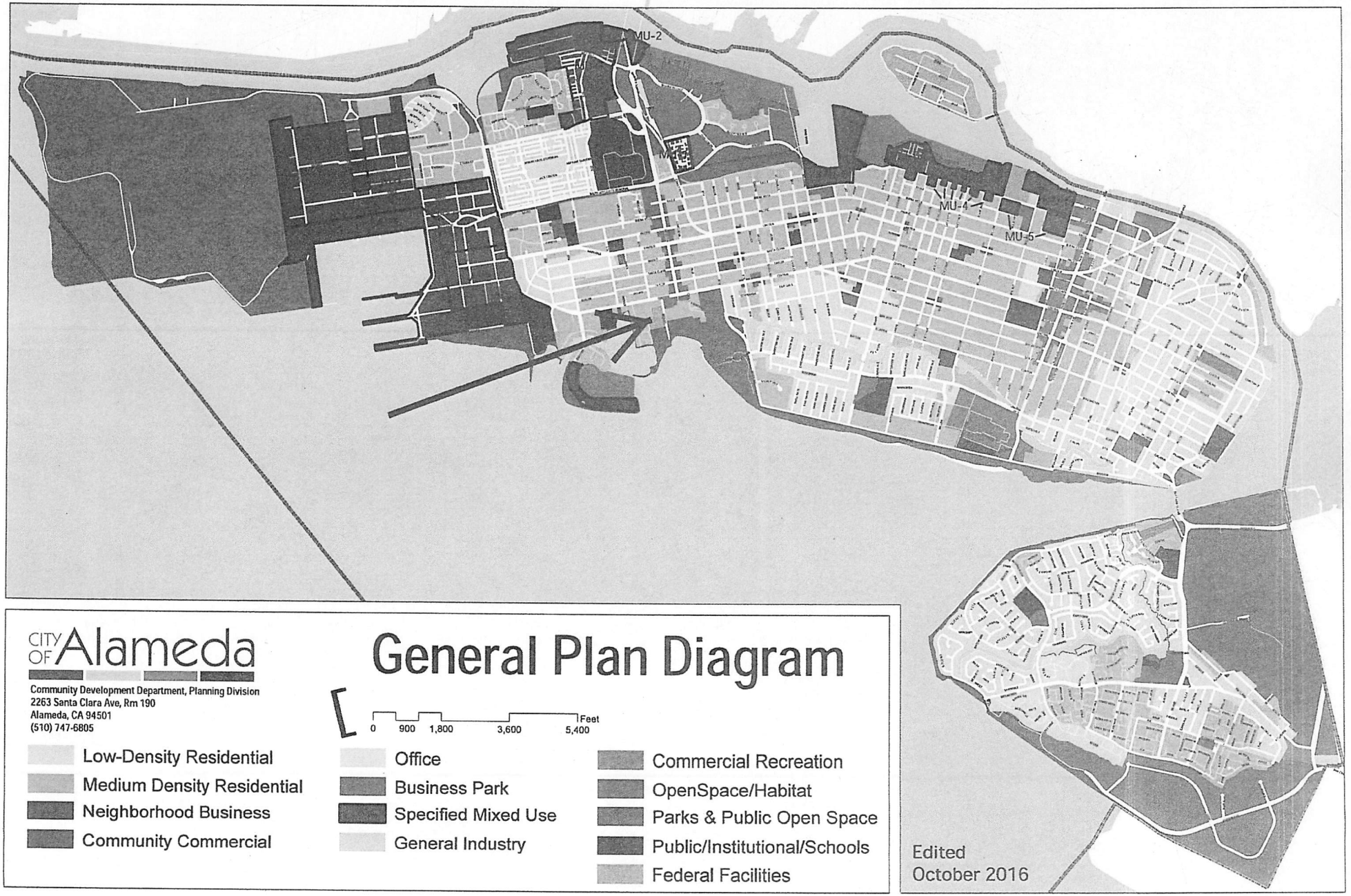
SECTION 10. AMENDMENT OR REPEAL

This initiative measure may be amended or repealed only by a majority of the voters voting in an election thereon.

EXHIBIT 1

City of Alameda General Plan Map

(showing subject parcel as currently zoned)



CITY OF Alameda

Community Development Department, Planning Division
2263 Santa Clara Ave, Rm 190
Alameda, CA 94501
(510) 747-6805

General Plan Diagram

0 900 1,800 3,600 5,400 Feet

- Low-Density Residential
- Medium Density Residential
- Neighborhood Business
- Community Commercial
- Office
- Business Park
- Specified Mixed Use
- General Industry
- Commercial Recreation
- OpenSpace/Habitat
- Parks & Public Open Space
- Public/Institutional/Schools
- Federal Facilities

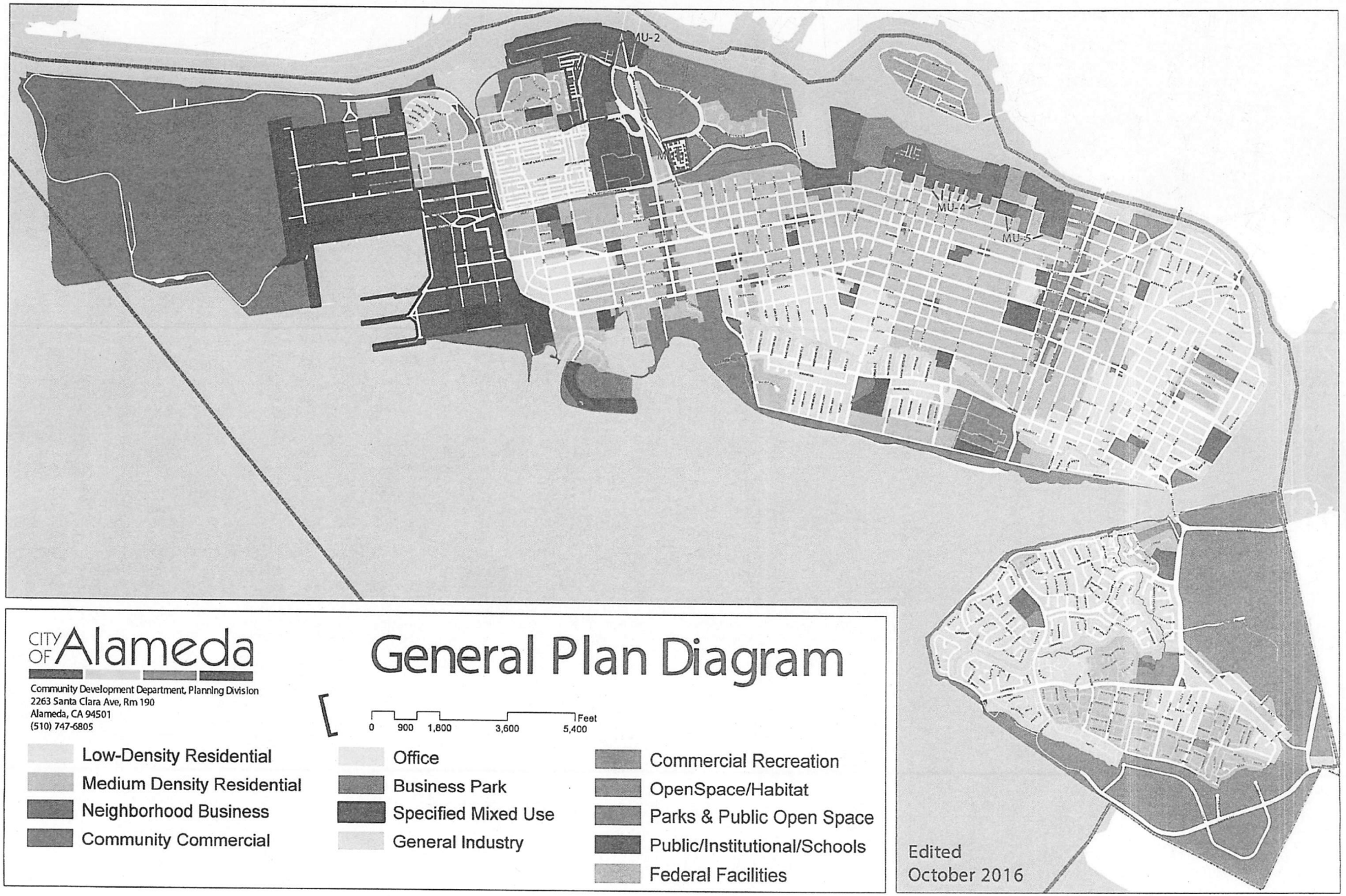
Edited
October 2016

EXHIBIT 2

City of Alameda General Plan Map

(showing subject parcel as it

would be zoned by this Initiative)



CITY OF Alameda

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- Public/Institutional/Schools
- Federal Facilities

Edited
October 2016

EXHIBIT 3

City of Alameda Municipal Code

January 4, 2018

CHAPTER XXX Development Regulations

ARTICLE 1-ZONING DISTRICTS AND REGULATIONS

30-4.7 - A-P, Administrative—Professional District.

(not amended by this Initiative)

ALAMEDA MUNICIPAL CODE January 4, 2018

CHAPTER XXX Development Regulations

ARTICLE 1-ZONING DISTRICTS AND REGULATIONS

30-4.7 - A-P, Administrative—Professional District.

a. General. The following specific regulations and the general rules set forth in Section 30-5 shall apply in all A-P Districts, as delineated and described in the zoning map(s). It is intended that this district classification be applied in areas where administrative and professional offices, medical and related facilities are the proper uses as indicated by the General Plan.

b. Uses Permitted.

1. Offices of an administrative and professional nature including, but not limited to the following:

(a) Accountants,
(b) Architects,
(c) Artists,
(d) Attorneys,
(e) Authors,
(f) Doctors and dentists,
(g) Engineers,
(h) Insurance agencies,
(I) Real estate offices,
(j) Hypnotherapists and hypnotists,
(k) Optometrists,
(l) Psychic services (subject to permit requirements of sections 6-46.4 and 6-46.5 of the Alameda Municipal Code.

2. Medical facilities, including, but not limited to the following:

(a) Dental clinics,
(b) Hospitals,
(c) Medical clinics,
(d) Medical laboratories,
(e) Nursing and convalescent homes,
(f) Radiologist laboratories,
(g) Rest homes,
(h) Sanitariums.

3. Incidental or accessory buildings and uses on the same or adjacent lots which are necessary for the operation of any permitted use.

4. Signs: Those pertaining directly to a permitted use on the property, and as further regulated in Section 30-6 of these regulations.

c. Uses Requiring Use Permit.

It is the intent of this paragraph that the following uses shall be reviewed by the Planning Board for their appropriateness in a specific location, or for such other Board for their appropriateness in a specific location, or for such other factors as safety, congestion, noise, and similar considerations.

1. Mortuaries.
2. Underground or above ground public utility facilities for primarily local service such as substations, gas regulators, manned or unmanned communications equipment buildings, and similar uses, excluding City owned utilities.
3. Uses compatible and incidental to those designated in paragraph b.

d. Minimum Height, Bulk and Space Requirements:

1. Lot Area: Ten thousand (10,000) square feet.
2. Lot Width: Seventy-five (75') feet.
3. Maximum Main Building Coverage: Forty (40%) percent of lot area.
4. Building Height Limit: Two (2) stories, but not to exceed forty (40') feet.
5. Front Yard: Twenty (20') feet.
6. Side Yard: Side yards shall total not less than twenty (20%) percent of the lot width as measured at the front yard (as defined in Section 30-2—Definitions), and no side yard may either be less than seven (7') feet or be required to be more than twenty (20') feet. The side yard on the street side of a corner lot shall not be less than ten (10') feet.
7. Rear Yard: Twenty (20') feet. Not more than forty (40%) percent of any rear yard may be occupied by accessory buildings or structures.
8. Yards for Corner Lot Adjacent to Key Lot: The side-yard setback on the street side of the corner lot, within twenty (20') feet of the side property line of the key lot, shall be equal to the front-yard of the key lot, as defined in Section 3-2, "Yard, front," and no structure, excluding barriers, may be permitted within five (5') feet of the rear property line on the corner lot.
9. Off-Street Parking and Loading Space: As regulated in Section 30-7.

(Ord. No. 535 N.S. §§ 11-1325—11-1328; Ord. No. 1277 N.S.; Ord. No. 1359 N.S.; Ord. No. 2289 N.S.; Ord. No. 2290 N.S.; Ord. No. 2416 N.S. § 1; Ord. No. 2428 N.S. § 9; Ord. No. 2511 N.S. § 1; Ord. No. 2560 N.S. § 8; Ord. No. 2920 N.S. § 7; Ord. No. 2943 N.S. § 9)
(Ord. No. 3168, § 2, 11-15-2016)

EXHIBIT 4

City of Alameda Municipal Code

January 4, 2018

CHAPTER XXX Development Regulations

ARTICLE 1-ZONING DISTRICTS AND REGULATIONS

30-4.17 - G, Special Government Combining District.

(not amended by this Initiative)

ALAMEDA MUNICIPAL CODE January 4, 2018

CHAPTER XXX Development Regulations
ARTICLE 1-ZONING DISTRICTS AND REGULATIONS

30-4.17 - G, Special Government Combining District.

a. General. The G District classification shall be combined with the district classifications applied to all lands in the ownership of the U.S. Government or the State of California.

b. Prior to the use of any lands by any private or public entity other than the United States or State of California, through purchase or pursuant to lease from the U.S. Government or State of California, rezoning procedures shall be completed to remove the G classifications and to consider further appropriate district classification changes.

c. The 37.36 acre U.S. Government property identified by assessor's parcel numbers APN74090501002 and APN 74090501202 shall be developed consistent with the Community Reuse Plan Amendment (2009), and any use of the property by a private or public entity shall limit the number of housing units on the property to a maximum of 435 units, unless an affordable housing density bonus is granted pursuant to Section 30-17, in which case the maximum number of units may be increased consistent with Section 30-17.

d. Notwithstanding the provisions in subsection (b) herein, interim uses by private or public entities other than the United States or State of California of lands owned by the U.S. Government or State of California may be allowed, subject to a use permit, pursuant to subsection 30-21.3, if the following additional findings can be made:

    1. The interim use is approved for a limited time, not to exceed the maximum time frame set forth in the interim leasing program criteria;
    2. The interim use utilizes existing facilities and does not require substantial new development;
    3. The interim use will not disrupt on-going operations of the governmental entity should the interim use occur concurrent with continuing operations by a governmental entity;
    4. The interim use will not be detrimental to the ultimate redevelopment of the property or the potential resumption of use of the property by the governmental agency; and
    5. The interim use is consistent with an interim leasing program adopted by the City. e. An interim leasing program shall be adopted by the City prior to interim use, as provided in subsection (c) herein. The interim leasing program shall be for a specific parcel or parcels, shall specify permitted land uses, consistent with the underlying zoning district, and shall specify the maximum time frame for which a use permit may be granted. In the absence of an adopted interim leasing program, all interim leases shall require rezoning.

(Ord. No. 2658 N.S. § 1: Ord. No. 535 N.S. § 11-1374; Ord. No. 1277 N.S.)
(Ord. No. 3130 N.S., § 1, 7-7-2015)

EXHIBIT 5

City of Alameda Municipal Code

January 4, 2018

CHAPTER XXX Development Regulations

ARTICLE 1-ZONING DISTRICTS AND REGULATIONS

30-4.19 - O, Open Space District

(as it exists now before this Initiative)

ALAMEDA MUNICIPAL CODE January 4, 2018

CHAPTER XXX Development Regulations

ARTICLE 1-ZONING DISTRICTS AND REGULATIONS

30-4.19 - O, Open Space District.

a. General . The following specific regulations shall apply in all O Districts as delineated and described in the zoning map(s). It is intended that this district classification be applied on lands, tide lands and water areas suitable for recreational and aesthetic resources, and that the regulations established will promote and protect recreational uses, scenic vistas or reservation of land or water against the intrusion of improper uses.

b. Uses Permitted.

1. Public and private parks, parkways, playgrounds, beaches, lagoons or lakes, excepting buildings or structures thereon.
2. Public and private golf courses, country clubs, excepting buildings or structures thereon.
3. Public and private land or water preserves. 4. Underground utility installations for local service.

c. Uses Permitted, Subject to Minor Design Review . Subject to the adjacent property owner's ability to lease portion(s) of the public tidal lands within the "O" District, minor structures that are accessory to the adjacent residential use for the purpose of either: a) waterfront access, including but not limited to docks, and fences/gates not to exceed eight feet (8') in height above the dock, or b) landscape amenities, such as arbors, gazebos, and similar unenclosed structures not to exceed ten feet (10') in height, are permitted subject to approval process for improvements requiring minor design review, as outlined in Section 30-37 Design Review Regulations.

d. Uses Requiring Use Permits . It is the intent of this paragraph that the following uses shall be reviewed by the Planning Board for their appropriateness in a specific location or for such other factors as safety, sanitation, design and visual attractiveness.

1. Any structure or building (other than those described in subsection c. of this section) located within areas described in paragraphs b.1., 2. and 3.
2. Above ground utility installations for local service.
3. Publicly owned small craft marinas and related installations. 4. Public and commercial concessionaire activities, uses and buildings.

(Ord. No. 1601 N.S.; Ord. No. 1992 N.S.; Ord. No. 2407 N.S. §§ 11, 12; Ord. No. 2920 N.S. § 10)

EXHIBIT 6

City of Alameda Municipal Code

January 4, 2018

CHAPTER XXX Development Regulations

ARTICLE 1-ZONING DISTRICTS AND REGULATIONS

30-4.19 - O, Open Space District

(as amended by this Initiative)

ALAMEDA MUNICIPAL CODE January 4, 2018

CHAPTER XXX Development Regulations

ARTICLE 1-ZONING DISTRICTS AND REGULATIONS

30-4.19 - O, Open Space District.

a. General . The following specific regulations shall apply in all O Districts as delineated and described in the zoning map(s). It is intended that this district classification be applied on lands, tide lands and water areas suitable for recreational and aesthetic resources, and that the regulations established will promote and protect recreational uses, scenic vistas or reservation of land or water against the intrusion of improper uses.

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1. Any structure or building (other than those described in subsection c. of this section) located within areas described in paragraphs b.1., 2. and 3.
2. Above ground utility installations for local service.
3. Publicly owned small craft marinas and related installations. 4. Public and commercial concessionaire activities, uses and buildings.

(Ord. No. 1601 N.S.; Ord. No. 1992 N.S.; Ord. No. 2407 N.S. §§ 11, 12; Ord. No. 2920 N.S. § 10)

f. <u>The 3.67 acre federal property which is Alameda County Assessor's Parcel No. 74-1305-026-2, is hereby zoned Open Space."</u>

EXHIBIT 7

City of Alameda Zoning Map 7/29/2014, Corrected June 2016

(showing subject parcel as an undivided part of a 7.57 acre parcel currently zoned Administrative - Professional with no Government Overlay)

CITY OF Alameda

Zoning Map

EXHIBIT 8

City of Alameda Zoning Map 7/29/2014,

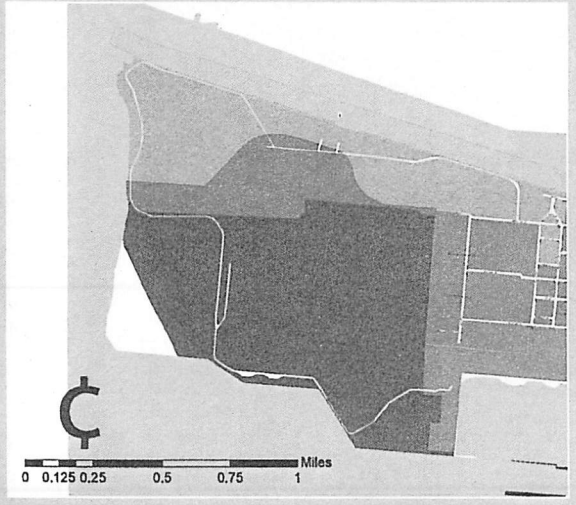
Corrected June 2016

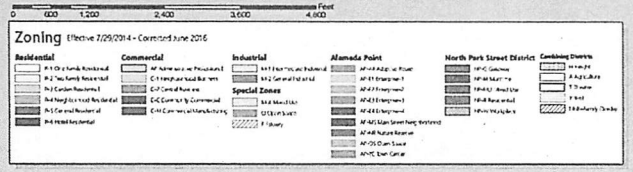
(showing entire 7.57 acre parcel

as Open Space)

CITY OF Alameda

Zoning Map





State of California

ELECTIONS CODE

Section 9212

9212. (a) During the circulation of the petition, or before taking either action described in subdivisions (a) and (b) of Section 9215, the legislative body may refer the proposed initiative measure to a city agency or agencies for a report on any or all of the following:

(1) Its fiscal impact.

(2) Its effect on the internal consistency of the city's general and specific plans, including the housing element, the consistency between planning and zoning, and the limitations on city actions under Section 65008 of the Government Code and Chapters 4.2 (commencing with Section 65913) and 4.3 (commencing with Section 65915) of Division 1 of Title 7 of the Government Code.

(3) Its effect on the use of land, the impact on the availability and location of housing, and the ability of the city to meet its regional housing needs.

(4) Its impact on funding for infrastructure of all types, including, but not limited to, transportation, schools, parks, and open space. The report may also discuss whether the measure would be likely to result in increased infrastructure costs or savings, including the costs of infrastructure maintenance, to current residents and businesses.

(5) Its impact on the community's ability to attract and retain business and employment.

(6) Its impact on the uses of vacant parcels of land.

(7) Its impact on agricultural lands, open space, traffic congestion, existing business districts, and developed areas designated for revitalization.

(8) Any other matters the legislative body requests to be in the report.

(b) The report shall be presented to the legislative body within the time prescribed by the legislative body, but no later than 30 days after the elections official certifies to the legislative body the sufficiency of the petition.

(Amended by Stats. 2017, Ch. 748, Sec. 5. (AB 765) Effective January 1, 2018.)

GSA

GSA Pacific Rim Region
Office of Real Property Utilization and Disposal

UNITED STATES GOVERNMENT REAL PROPERTY

COMBINED
NOTICE OF DETERMINATION OF HOMELESS SUITABILITY AND AVAILABILITY
AND
NOTICE OF SURPLUS DETERMINATION

ALAMEDA FEDERAL CENTER NORTHERN PARCEL
620 CENTRAL AVENUE
ALAMEDA, ALAMEDA COUNTY, CALIFORNIA(CA) 94501
GSA CONTROL NO. 9-G-CA-1604-AD

HUD PROPERTY NO. 54201630019

APRIL 28, 2017

About the Property

The former Alameda Federal Center is located at 620 Central Avenue, Alameda, Alameda County, California 94501 (APN: 074-1305-026-2). The Property is a flat, irregular-shaped parcel containing 3.65 acres. The Property is improved with 11 buildings totaling approximately 79,880 square feet, wrought iron fencing, and 93 paved parking spaces. All utilities are available to the site; however, water, sewer (and some electrical) lines are shared with an adjacent parcel (APN: 074-1305-026-1) owned by East Bay Regional Parks District ("EBRPD"). The new owner of the Property will be required to separate the utilities.

The Property is zoned Administrative Professional Government ("APG"), allowing for general office development with a current government use. The Property is located mere yards from the San Francisco Bay in an established, mixed-use neighborhood that includes single and multi-family residential, retail and other commercial property, and EBRPD's Crab Cove. Alameda is accessible via I-880, bay ferry service, and AC Transit bus service. Oakland International Airport ("OAK") is approximately 7.2 miles away.

The buildings were originally constructed in 1942 for World War II-era training of officers in the U.S. Maritime Service. The most recent, predominant Property use was as a laboratory for testing meat and dairy products by the U.S. Department of Agriculture ("USDA").

The U.S. Marshal Service ("USMS") will remain in a small portion of the Property until construction for their new off-site space is completed and they are able to relocate. Any award or conveyance of the Property to a new owner will be conditioned upon an agreement allowing USMS to remain in their current space until they relocate in late 2017 or early 2018.

Building details, photos, and a map are included with these notices.

NOTICE OF DETERMINATION OF HOMELESS SUITABILITY

Notice is hereby given that the ALAMEDA FEDERAL CENTER NORTHERN PARCEL has been determined suitable for homeless use by the U.S. Department of Housing and Urban Development (HUD). The above determination was published on April 28, 2017 on the Title V webpage of the following HUD Exchange site:

https://www.hudexchange.info/programs/title-v/suitability-listing/

Under the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11411, as amended), public bodies and eligible nonprofit organizations and institutions that are concerned with providing assistance to the homeless may apply to acquire Government property (through permit, lease, or deed) that has been determined suitable by HUD for homeless use. Public bodies are identified as states and their political subdivisions and instrumentalities and tax-supported institutions. Eligible nonprofit organizations and institutions are identified as those held exempt from taxation under Section 501(c)(3) of the 1954 Internal Revenue Code.

Interested parties will have thirty (30) calendar days from the date of this notice (due on or before May 29, 2017) to submit a written expression of interest and obtain necessary application instructions from the U.S. Department of Health and Human Services (HHS). Public bodies and eligible nonprofit organizations wishing to apply for the property must contact the following HHS representative:

Theresa Ritta
Program Manager, Federal Real Property Assistance Program
Real Property Management Services
Program Support Center
U.S. Department of Health and Human Services
7700 Wisconsin Avenue, 10th Floor
Bethesda, Maryland 20814
Phone: (301) 443-6672
Theresa.Ritta@psc.hhs.gov

The General Services Administration (GSA) administers a program for the donation of Federal surplus personal property through a network of State Agencies for Surplus Property (SASP). For program and contact information, visit the following GSA online site at **http://www.gsa.gov/sasp**.

If your agency wishes to receive notice of property availability, please go to the GSA Real Property Utilization and Disposal online site at **http://disposal.gsa.gov** then either click on the *McKinney-Vento Program* tab and then click on *Email Alerts* to sign up for email notifications, or click on *Email Updates* in the blue banner at the bottom of the page, right-hand corner.

In order for this information to be disseminated as widely as possible, we request that you provide a copy of this notice to any other public body or nonprofit organization/institution concerned with providing assistance to the homeless.

It should be noted that interest may have been expressed by Federal, state, and local governmental units and eligible nonprofit institutions in acquiring the property for other public uses.

If no expression of interest for homeless use is received by HHS within the time frame specified, above, then the property will be considered for disposal as surplus property according to the regulations cited under "Notice of Surplus Determination" on the following pages.

An inspection appointment or more information about the property may be obtained by contacting the following GSA representative:

Rhonda Rance, Realty Specialist/Project Manager
Real Property Utilization and Disposal (9PZ)
U.S. General Services Administration
Mailbox 9
50 United Nations Plaza, 4th Floor NW, Room 4345
San Francisco, California 94102-4912
rhonda.rance@gsa.gov

NOTICE OF SURPLUS DETERMINATION

Notice is hereby given that the ALAMEDA FEDERAL CENTER NORTHERN PARCEL has been determined to be Government surplus real property and available for disposal pursuant to certain provisions contained under Title 40 U.S.C., Chapter 5 (40 U.S.C. 5). The Property is offered "AS IS" and "WHERE IS" without representation, warranty, or guaranty as to quantity, quality, title, character, condition, size, or kind, or that the same is in condition, or fit, or allowed by law or regulation to be used for the purpose for which intended.

The U.S. Department of Housing and Urban Development (HUD) has determined that the property is suitable for use as a facility to assist the homeless under the terms of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11411, as amended). The above suitability determination was published April 28, 2017 on the Title V webpage of the HUD Exchange website at:
https://www.hudexchange.info/programs/title-v/suitability-listing/

Homeless interests have priority over other non-Federal public agencies when HUD has determined that a property is suitable for homeless use.

This surplus property is available for disposal pursuant to certain provisions of 40 U.S.C. 5 and applicable regulations. The applicable regulations provide that non-Federal public agencies shall be allowed a reasonable period of time to submit a formal application for surplus real property in which they may be interested. Disposal of this property, or portions thereof, may be made to public agencies under the statute and public use, listed below, whenever the Government determines that the property is available for such use and that disposal thereof is authorized by the statute cited and applicable regulations.

If a public agency desires to acquire the property under the cited statute, written notice of such interest must be filed with the appropriate Federal Sponsoring Agency Contact, listed below, no later than close of business thirty (30) calendar days from the date of this Notice (due on or before May 29, 2017). An inspection appointment or more information about the Property may be obtained by contacting GSA project manager Rhonda Rance via rhonda.rance@gsa.gov.

Statute	Type of Disposal or Public Use	Federal Sponsoring Agency Contact
40 U.S.C. 545(b)(8)	**Negotiated Sale** to public bodies for general purposes	U.S. General Services Administration ATTN: David Haase, Director Real Property Utilization & Disposal (9PZ) Mailbox 9 50 United Nations Plaza, 4NW, Room 4345 San Francisco, CA 94102-4912 (415) 522-3426 david.haase@gsa.gov

SUCH WRITTEN NOTICE FROM APPLICANT SHALL:

1. **Disclose the contemplated use of the property.**

2. **Contain a citation of the applicable statute under which the public agency desires to acquire the property.**

3. **Disclose the nature of the interest, if an interest less than fee title to the property is contemplated.**

4. **State the length of time required to develop and submit a formal application for the property. Where a payment to the Government is required under the statute, include a statement as to whether funds are available and, if not, the period of time required to obtain funds.**

5. **Give the reason for the length of time required to develop and submit a formal application.**

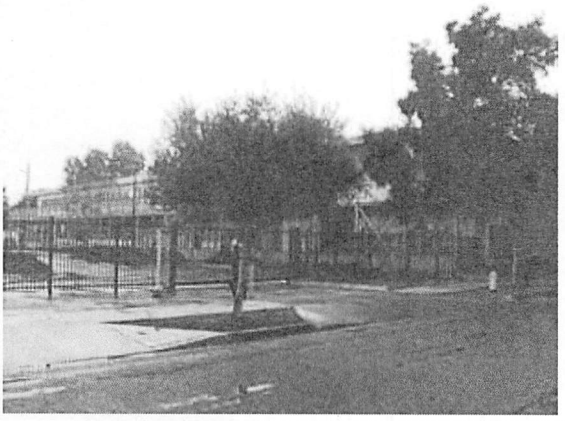
When the appropriate Federal agency receives the written notice, the public agency applicant shall be promptly informed concerning the period of time that will be allowed for submission of a formal application. In the absence of such written notice, or in the event a public use proposal is not approved, the regulations issued pursuant to authority contained in 40 U.S.C. 5 and applicable regulations provide for offering the property for public sale.

Federal sponsoring agencies may reject an application for a variety of reasons including any requirements imposed by the Government. Any planning for the stated public use of the property sought to be acquired subject to negotiated sale must be coordinated with the appropriate Federal Sponsoring Agency Contact listed on the above page. An application form to acquire property for the stated use, and instructions for the preparation and submission of an application, may also be obtained from that same Federal Sponsoring Agency Contact.

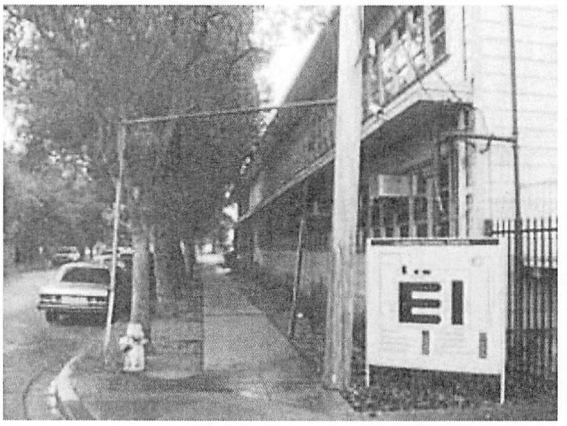
If any public agency considers that the proposed disposal of this property is incompatible with its development plans and programs, written notice of such incompatibility must be forwarded to the above GSA office within the same 30-day time frame prescribed above.

If your agency wishes to receive subsequent notice of surplus property availability, please go to online to the GSA Real Property Utilization and Disposal site at **http://disposal.gsa.gov** and click on *Email Updates* in the blue banner at the bottom of the page, right-hand corner.

GSA #	Building #	Description	Floors	Most Recent Use	GSF
CA0761	Building 1	Wood frame	2	Lab, Office	26,412.44
CA0762	Building 2A	Wood frame	2	Office	8,672.86
CA0763	Building 2B	Wood frame	2	Office	8,754.67
CA0765	Building 2C	Wood frame	2	Office	9,119.17
CA0773	Building 2D	Wood frame	2	Storage/Workshop/Storage	24,082.18
CA0774	Building 8	Wood frame	1	Storage	817.68
CA0775	Building 10	Wood frame	1	Storage	776.55
CA0776	Building 9	Wood frame	1	Trash Facilities	254.58
CA0777	Building 12	Cinder block	1	Sewage Pumping Station	695.32
CA0779	Building 13	Cinder block	1	Hydraulic Elevator Equipment	75.04
N/A	N/A	Metal	1	USDA Hazardous Materials	220.00
				TOTAL	**79,880.49**

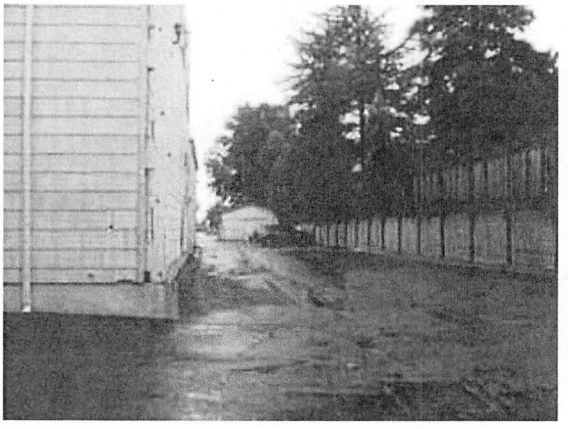


View of entrance to the subject property from McKay Ave. Southern portion of the subject property..

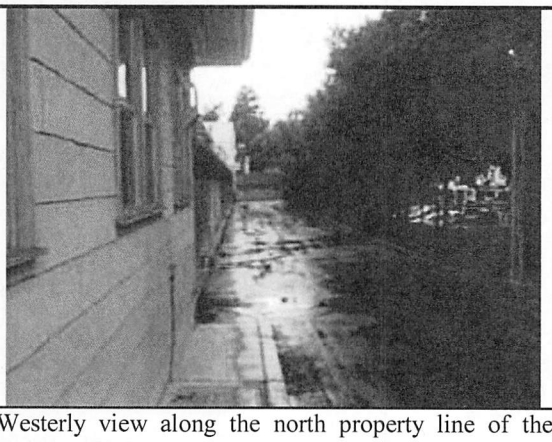


Southerly view of McKay Avenue, existing improvements, and a secondary gate and access identified as Cressy Drive.

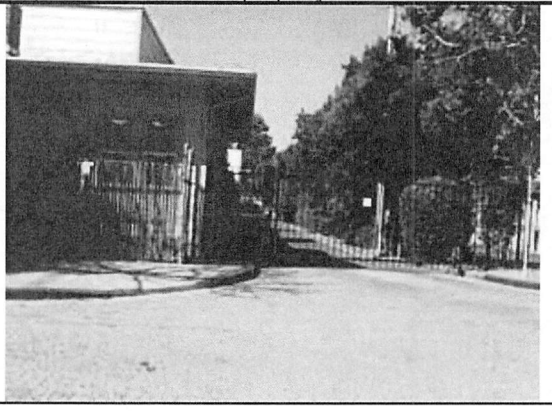
Subject property – Cressy Drive access.



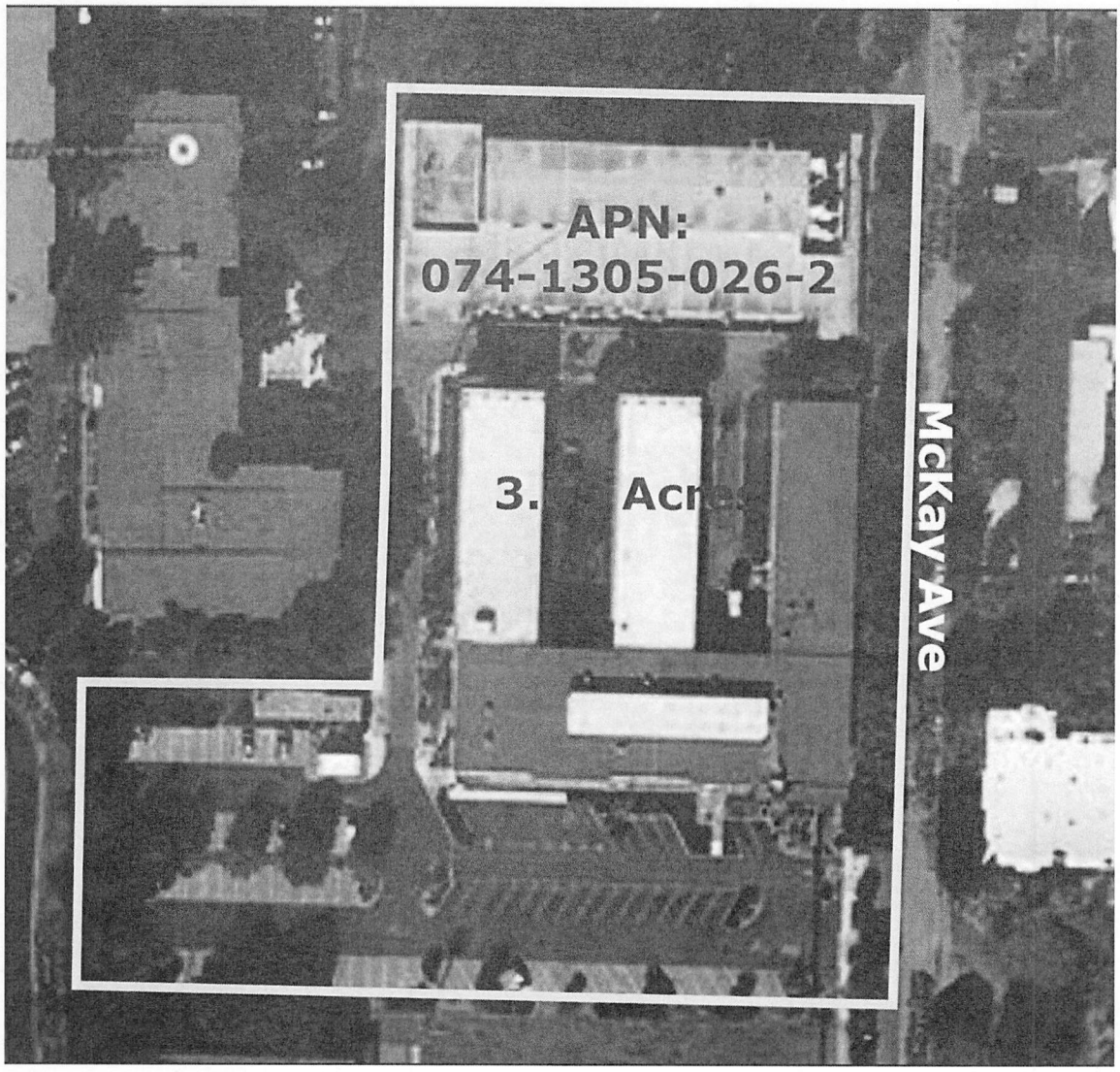
Southern view of the subject along the west property line, from the northwest property corner.



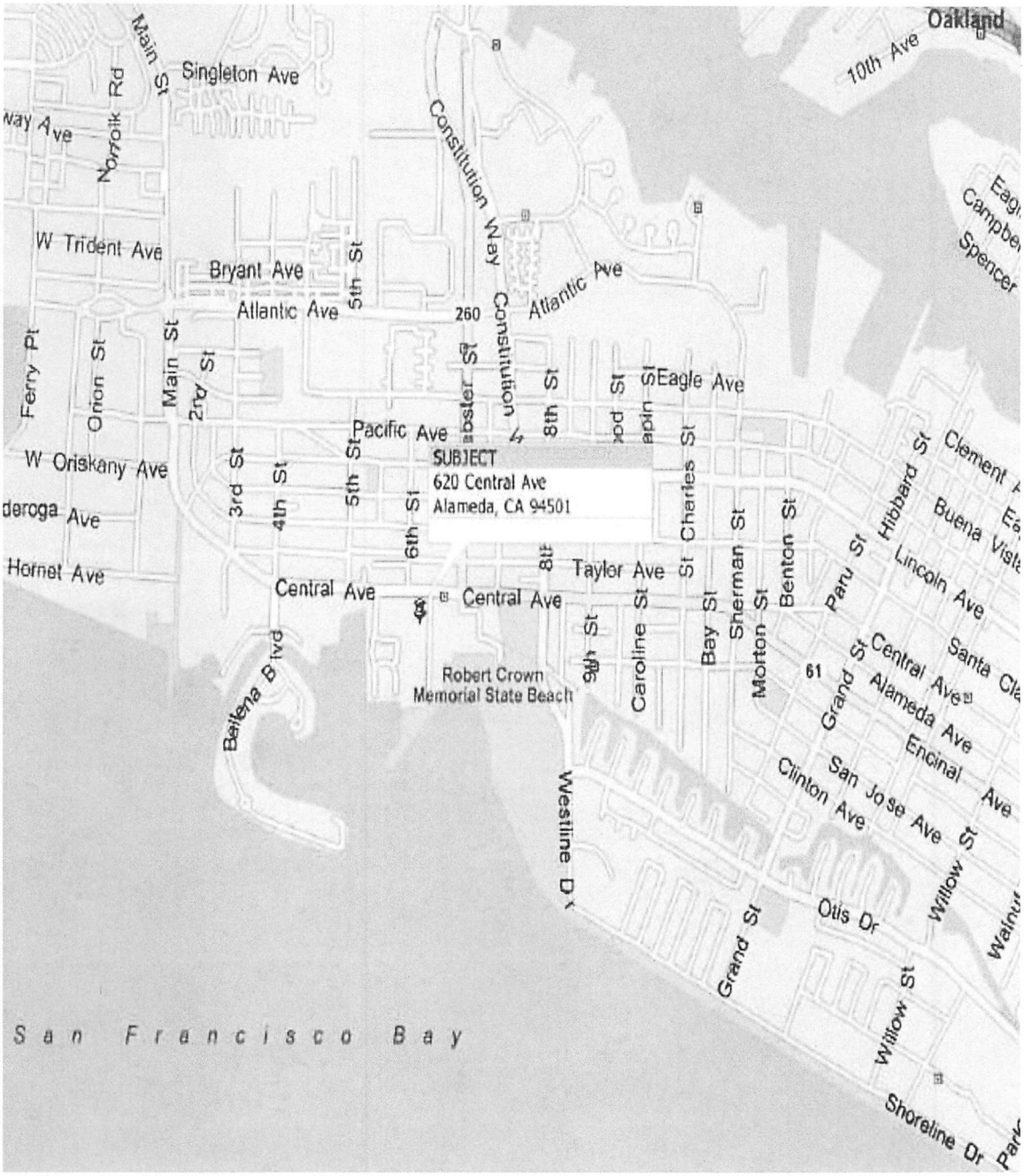
Westerly view along the north property line of the subject. The Neptune Apartments are adjacent to the right, with the metal fence marking the property line.



View of northerly property line of subject property, from McKay Avenue.


APN:
074-1305-026-2
3. Acr
McKay Ave

NEIGHBORHOOD MAP



DEPARTMENT OF HEALTH & HUMAN SERVICES

Program Support Center
Rockville MD 20857

December 13, 2017

Transmitted via Email

Mr. Doug Biggs
Executive Director
Alameda Point Collaborative
677 W. Ranger Avenue
Alameda, California 94501

Re: Alameda Federal Center
620 Central Avenue
Alameda, California
GSA No.: 9-G-CA-1604-AD

Dear Mr. Biggs:

This is in regards to part II, financial plan, of the Title V McKinney-Vento Homeless Assistance Act application submitted by Alameda Point Collaborative (Applicant). The application was submitted on November 14, 2017 and subsequently amended on December 2, 2017. The Department of Health and Human Services (HHS) has determined that Alameda Point Collaborative's application, is conditionally approved for 3-year lease acquisition, with renewal options not to exceed a period of twenty (20 years). Approval is subject to the Applicant's acknowledgement and acceptance of the following.

HHS determined that the Applicant's financial plan was reasonable as proposed based on current tax law and the Applicant's previous successes financing similar development and rehabilitation projects for permanent supportive housing for the homeless. However, HHS cannot officially approve the financial proposal, within the allotted application review period, without conducting further due diligence to protect the Federal government's interest in the subject property. Therefore, the Applicant shall not enter into any use agreements, partnerships, etc., or property encumbrances, whether or not mentioned in said application and subsequent amendments, without first receiving official written approval from HHS. This will require that the Applicant provide copies of any and all proposed documents that potentially affect title to the property, including, but not limited to, property parcelization, leases and ground leases, partnership and use agreements, encumbrances (i.e., mortgages, liens, grants), etc. to HHS for review, revision (as necessary), and approval.

HHS also recognizes that the Applicant's proposed programs are permitted or conditionally permitted uses within the AP Zoning District; however, the Applicant must petition the City of Alameda to remove the G (government) overlay. The Applicant must provide evidence that the G overlay was officially removed before the property can be conveyed by Quitclaim Deed.

Upon making a showing of the Applicant's ability to obtain the needed funding in line with HHS's requirements and proof of zoning compliance, the Applicant can request that the lease be converted to a Quitclaim Deed. However, should the Applicant fail to obtain all necessary funding or be unable to comply with HHS's requirements, the lease will be immediately cancelled.

Given the Applicant's proposal of major renovation of the subject property and utilization as an "Assisted Living," Medical Respite, and supportive service facility for the homeless, the Applicant must submit an Environmental Assessment (EA), within sixty (60) days of this letter, to assist this Department in completing our environmental review pursuant to the National Environmental Policy Act of 1969. The EA must provide the basis for a determination whether to prepare an Environmental Impact Statement or a Finding of No Significant Impact. The EA must be prepared by a qualified, licensed individual or agency, and in accordance with the requirements set forth in this Department's General Administration Manual at Part 30-50-40 (copy attached).

Upon our satisfactory receipt of the EA, we will advise you accordingly and subsequently request assignment of the property from the United States General Services Administration (GSA). Please note, however, that our approval is not the final authority for the disposition of the property. The ultimate assignment decision is within the authority of GSA. Should we receive an acceptable assignment from GSA, we will execute a lease agreement with Alameda Point Collaborative for the property. A standard lease template is enclosed for your reference; however, please note that other conditions and restrictions may be incorporated.

Please sign and date below, to indicate your understanding, acknowledgement, and acceptance of HHS' requirements/conditions, and have your signature acknowledged by a Notary Public. Return a PDF copy of the fully executed letter to rpb@psc.hhs.gov within the next seven (7) days.

Should you have any questions concerning this letter or anything contained herein, please do not hesitate to contact me by telephone on (202) 823-1348, or by email, Theresa.Ritta@psc.hhs.gov.

Sincerely,

Theresa M. Ritta -A

Digitally signed by Theresa M. Ritta -A
DN: c=US, o=U.S. Government, ou=HHS, ou=PSC, ou=People, 0.9.2342.19200300.100.1.1=2000003750, cn=Theresa M. Ritta -A
Date: 2017.12.13 11:17:45 -05'00'

Theresa Ritta, Program Manager
Real Property Management Services
Program Support Center

Enclosures

Accepted By:

Date: 12/27/17

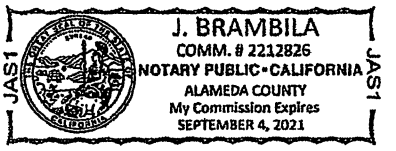
Mr. Doug Biggs
Executive Director, Alameda Point Collaborative

ACKNOWLEDGEMENT

STATE OF CALIFORNIA)
COUNTY OF Alameda)

Signed and sworn to before me this 27 day of DEC 2017.

Witness my hand and seal.



Notary Public

My commission expires: September 4, 2021

DEPARTMENT OF HEALTH & HUMAN SERVICES

Program Support Center
Rockville MD 20857

June 13, 2018

Transmitted via Email

Mr. Doug Biggs
Executive Director
Alameda Point Collaborative
677 W. Ranger Avenue
Alameda, California 94501

Re: Alameda Federal Center
620 Central Avenue
Alameda, California
GSA No.: 9-G-CA-1604-AD

Dear Mr. Biggs:

This is to acknowledge receipt of an Environmental Assessment (EA), submitted by Alameda Point Collaborative (APC), in accordance with this Department's December 13, 2017 letter relating to your application and subsequent amendments for lease acquisition of the above-referenced property. We have reviewed the EA and found it to be acceptable.

This Department has issued a finding of no significant impact concerning APC's approved use of the property provided APC complies with all applicable Federal, State and local environmental laws, regulations, policies, and standards, as well as, permit and licensing requirements. Further, the approved use of the property may be subject to other governmental requirements and our assessment should not be construed as a determination that the approved program meets those requirements. Use of the property for any other activities beyond those approved in the above-mentioned application and amendments is prohibited unless prior written approval is obtained from this Department. Failure to utilize the property in accordance with the governing legal authorities and your application is cause for administrative action, including cancellation of the lease. Additionally, please note that the other conditions of the above-referenced December 13, 2017 letter are still in effect.

We have requested assignment of the property from the U.S. General Services Administration (GSA). Please note that this Department is not the final authority for the disposition of the property and that the ultimate assignment decision is within the authority of GSA. As soon as we receive the GSA's determination, we will advise.

Should you have any questions concerning this matter, please feel free to contact me by telephone, (301) 443-6672, or email, Theresa.Ritta@psc.hhs.gov.

Sincerely yours,

Theresa M. Ritta -S

Digitally signed by Theresa M. Ritta -S
DN: c=US, o=U.S. Government, ou=HHS, ou=PSC, ou=People, 0.9.2342.19200300.100.1.1=2000003750, cn=Theresa M. Ritta -S
Date: 2018.06.13 14:38:58 -04'00'

Theresa Ritta, Program Manager
Real Property Management Services
Program Support Center

Contract No. 09-CA-2332

LEASE

THIS LEASE, made this 27th day of September 2018, between the United States of America, acting through the Secretary of Health and Human Services, by the Program Manager, Real Property Management Services, Program Support Center, U.S. Department of Health and Human Services (hereinafter referred to as "Lessor"), under and pursuant to the power and authority delegated by the 40 U.S.C. §550, as amended (hereinafter referred to as "the Act"), and regulations promulgated pursuant thereto at 45 C.F.R. Part 12, and Title V of the McKinney-Vento Homeless Assistance Act (42 U.S.C. §11411), as amended, and regulations promulgated thereto at 45 C.F.R. Part 12a, and Alameda Point Collaborative, a private nonprofit organization, with a physical address of 677 W. Ranger Avenue, Alameda, California 94501, (hereinafter, including its successors or assigns, called the Lessee).

WITNESSETH

WHEREAS, the Lessee has made application for the transfer, by lease, of certain surplus real property consisting of +/-3.712 acres of land, more or less, improved with eleven (11) structures, including a sanitary sewer pump station, paved parking and wrought iron fencing (hereinafter called the Property), for public health purposes; and

WHEREAS, the Lessee acknowledges that, at a minimum, water and sanitary sewer systems that serve the Property are also used by adjacent property owner;

WHEREAS, the Lessee acknowledges the Agreement between the State of California, the East Bay Regional Park District and the United States of America, effective as of October 21, 2015 (a copy of which is attached), may provide certain rights and responsibilities to the Lessee related to the use of the Property (referred to in the Agreement as the Retained Parcel);

WHEREAS, the Lessor has determined that said Property is needed and is usable by the Lessee for said purposes and has requested the assignment of the Property for transfer to the Lessee; and

WHEREAS, by letter dated June 29, 2018 and modified on August 2, 2018 the Administrator of General Services has assigned the Property to the Lessor for public health purposes.

NOW, THEREFORE, the Lessor, for and in consideration of the foregoing and of the observance and performance by the Lessee of the covenants, conditions and restrictions hereinafter contained, hereby leases to the Lessee for a period of three (3) years beginning this 27th day of September, 2018, renewable with mutual consent for a total lease term not to exceed twenty years, the Property, consisting of five (5) parcels,

situate, lying, and being in the City of Alameda, County of Alameda, State of California described as follows:

PARCEL ONE:

Commencing at the intersection of the southern line of Central Avenue with the direct production southerly of the western line of Webster Street, 80 feet wide; run thence along said southern line, south 88° 25' East, 319 feet, 2 inches; thence south 1° 35' West, 160 feet to the true point of beginning of the parcel herein described; running thence from said true point of beginning, North 88° 25' West, 75 feet; thence North 1° 35' East, 16 feet; thence North 88° 25' West, 164 feet, 2 inches thence North 1° 35' East, 10 feet; thence North 88° 25' West, 511.80 feet to a line drawn South 1° 35' West from a point on said line of Central Avenue, distant thereon South 88° 25' East 284 feet from the direct extension southerly of the center line of 6th Street, 60 feet wide; thence South 1° 35' West, 51 feet; thence North 88° 25' West, 264.93 feet to a line drawn South from Post 290 in the line of ordinary high tide, as shown on "Map No. 2 of Salt Marsh and Tide Lands situated in the County of Alameda, State of California", on file in the Office of the Department of Finance, State Lands Commission (formerly the Office of the Surveyor General) of the State of California; thence South 296.36 feet, thence West 182.82 feet to a point distant 7.23 chains East and 10 chains South of a granite monument set at the quarter section corner between Sections 10 and 11 in Township 2 South, Range 4 West, Mount Diablo Base and Meridian; thence south 10 chains; thence West 7.23 chains to the West line of Said Section 11; thence along said West line North 15.55 chains to the shore line of San Francisco Bay at ordinary high tide, distant on the line between said Sections 10 and 11, South 4.45 chains from said granite monument; thence along said shore line, South 82° West, 5.49 chains; thence across tide lands, South 4.81 chains; thence West 4.47 chains; thence South 17.36 chains to the Northern line of Alameda Basin, as said line is shown on "Sale Map No. 10", hereinafter referred to; thence along the last named line, South 54° 51' East 44.19 chains to the most Southern corner of Lot 6 in Section 14 Township 2 South, Range 4 West, Mount Diablo Base, and Meridian as said lot is shown on "Sale Map No. 10 of Salt Marsh and Tidelands, situated in the County of Alameda, State of California", Etc., filed June 09, 1888, in the Office of the County Recorder of Alameda County; thence North 1995.96 feet to a point distant North 270.72 feet from the Southeastern corner of Lot 22 in said Section 11; thence West 126.60 feet; thence North 180.04 feet; thence North 89° 19' West, 202 feet; thence North 181.73 feet; thence North 67° 45' West 27.01 feet, thence North 22° 15' East 42.05 feet to a line drawn South 1° 35' West from the true point of beginning; thence North 1° 35' East 269.92 feet to the true point of beginning.

Being a point of the Aughinbaugh 223 acre tract (so-called) and a tract of Tide Lands designated as Lots 25, 26, and 27 and a portion of Lots 22, 23, and 24 in Section11, and Lot 6 in Section 14, all in Township 2 South, Range 4 West, Mount Diablo Base and Meridian, as said Lots are shown on "Sale Map No. 10 of

Salt Marsh and Tide Lands, situated in the County of Alameda, State of California' filed June 09, 1888, in the Office of the County Recorder of Alameda County and Lot 32 and a portion of Lot 17 in Section 10, Township 2 South, Range 4 West, Mount Diablo Base and Meridian, as all said lots are shown on "Map No. 2 of Salt Marsh and Tidelands, situated in the County of Alameda, State of California" on file in the Office of the Department of Finance, State Lands Commission (Formerly the Office of the Surveyor General) of the State of California.

Excepting therefrom, that portion described in the Deeds to State of California, recorded December 14, 1961, Reel 474, Image 203 Official Records, and May 20, 1969, Reel 2405, Image 896, Official Records.

Also excepting therefrom all that portion thereof conveyed in the Deed to Morrison Brothers Improvement Company a Co-Partnership recorded January 17, 1961, in Reel 246, Image 960 Official Records.

Also excepting therefrom that portion lying Easterly of the Westerly line of Parcel 2 in the Deeds to the State of California recorded December 14, 1961 in Reel 474, Image 203 Official Records and May 20, 1969 Reel 2405, Image 896, Official Records.

Also excepting therefrom that portion of land conveyed in the Deed to the East Bay Regional Park District, a California Special District recorded November 16, 2015 as Instrument No. 2015305533, Official Records.

PARCEL TWO:

Non-exclusive right to use for street purposes over the following parcel:

That portion of Tideland Lot 23, Section 11 and that portion of Upland in Section 11, Township 2 South, Range 4 West, Mount Diablo Base and Meridian, Alameda County, California, as said Lot and Section are shown on "Map No. 2 of Salt Marsh and Tidelands, situate in the County of Alameda, State of California, 1871", filed in the Office of the Department of Finance, State Lands Commission, known as McKay Avenue, 60 feet wide, the boundaries of which being particularly described as follows:

Commencing at a point on the South line of said Lot 23, distant thereon South 88° 57' 42" East, 662.94 feet from the Southwest corner of Lot 24; thence North 02° 49' 16" East 132.88 feet; thence South 87° 09' 06" East 220.12 feet to the West line of said McKay Avenue and the true point of beginning; thence from said true point of beginning, along said West line, North 02° 50' 56" East 817.20 feet; thence North 87° 09' 04" West 17.00 feet North 02° 50' 56" East 51.00 feet South 87° 09' 04" East 17.00 feet North 02° 50' 56" East 140.30 feet to the South line of Central Avenue in the City of Alameda; thence South 87° 09' 04" East along

said Avenue a distance of 60.00 feet to the East line of McKay Avenue; thence South 02° 50' 56" West along said East line a distance of 1008.50 feet; thence North 87° 09' 06" West 60.00 feet to the true point of beginning.

PARCEL THREE:

A non-exclusive easement for installation, maintenance and operation of utilities in, over and under the property described in Parcel Two above, as long as may be required to serve government-owned property, as reserved in the Quitclaim Deed recorded December 14, 1961 in Reel 474, Image 203, Alameda County Official Records.

PARCEL FOUR:

Non-exclusive easements for drainage, access and existing water infrastructure, as reserved in the Quitclaim Deed recorded November 16, 2015 as Instrument No. 2015305533, Official Records.

APN: 074-1305-026-2 (containing 3.650 acres)

PARCEL FIVE:

A portion of Parcel 1, as said parcel is described in the final judgment of the Declaration of Taking done June 5, 1944 and Recorded September 18, 1944, at page 384, Book 4595, official records of Alameda County, and further described as follows:

For a point of reference, commence at the intersection of the southern line of Central Avenue with the direct production southerly of the eastern line of Webster Street, 80 feet wide; thence South 1° 35' West, 134.0 feet to a point; thence North 88° 25' West, 434.80 feet to point of beginning; thence South 1° 35' West, 60.0 feet to a point; thence South 88° 25' East, 40.0 feet to a point; thence North 1° 35' East, 60.0 feet to a point; thence North 88° 25' West, 40.0 feet to point of beginning.

APN: 074-1328-34 (containing 0.062 acres)

The Lessee, by acceptance of this Lease, covenants and agrees for itself, its successors and assigns, that the Property is transferred on an "as is, where is," basis, without warranty of any kind, either expressed or implied, including as to the condition of the Property. The Lessee also covenants and agrees for itself, its successors and assigns, that the Lessor has no obligation to provide any maintenance, additions, improvements, or alterations, including separation of utilities, to the Property.

TO HAVE AND TO HOLD the Property, subject, however, to each of the following conditions subsequent, which shall be binding upon and enforceable against the Lessee, its successors and assigns, as follows:

1. For the period of this lease or any renewal thereof, the Property herein conveyed shall be used continuously for homeless assistance purposes in accordance with the proposed program and plan of the Lessee as set forth in its application to lease dated August 7, 2017, and amended on August 24th, October 30th, November 9th, November 14th, November 16th, and December 2, 2017, and for no other purpose except such as may be agreed to in writing by the Lessor.

2. The Lessee will not sublease any part of the Property or any interest therein except as the Lessor may authorize in writing. Nor will Lessee permit any person or entity to use any part of the Property or any interest therein except as the Lessor may authorize in writing.

3. Where construction or major renovation is not required or proposed, the Property must be placed into use within twelve (12) months from the date of this lease. Where construction or major renovation is contemplated at the time of transfer, the Property must be placed into use within thirty-six (36) months from the date of this lease.

4. One year from the date of this lease and annually thereafter for the period of this lease and any renewal thereof, the Lessee will file with the Lessor a report on the operation and maintenance of the Property and will furnish, as requested by the Lessor, such pertinent data evidencing continuous use of the Property solely for the authorized purpose.

5. During the period of this lease and any renewal thereof, the Lessee will at all times remain a tax-supported or a private nonprofit organization.

6. That, for the period during which the Property is used for the purpose for which the Federal assistance is hereby extended by the Lessor or for another purpose involving the provision of similar services or benefits, the Lessee hereby agrees that it will comply with the requirements of section 606 of the Act (40 U.S.C. § 476); the Fair Housing Act (42 U.S.C. § 3601-19) and implementing regulations; and as applicable, Executive Order 11063 (Equal Opportunity in Housing) and implementing regulations; Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d to d-4) (Nondiscrimination in Federal Assisted Programs) and implementing regulations; Title IX of the Education Amendments of 1972 (20 U.S.C. § 1681) and implementing regulations; and the prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. § 6101-07) and implementing regulations; and the prohibitions against otherwise qualified individuals with handicaps under

Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794) and implementing regulations, and all requirements imposed by or pursuant to the Regulations of the Lessor (45 CFR Parts 12, 12a, 80, 84, and 91) issued pursuant to said Acts and now in effect, to the end that, in accordance with said Acts and Regulations, no person in the United States shall, on the ground of race, color, national origin, sex, age, or handicap, be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under the program and plan referred to in condition numbered 1 above.

7. Lessee covenants and agrees that the Property will be used for secular purposes, with no more than a de minimis level of other activity.

8. Lessee covenants and agrees that the Property will be used for homeless assistance purposes throughout the duration of the lease. However, in the event Lessee proposes to use any part of the Property for a nonconforming use, and Lessor approves that nonconforming use in writing, Lessee shall pay Fair Market Rent (FMR) for that portion of the Property.

   The Administrator of General Services has determined that current Fair Market Rent for the entire Property is $21,450 per month. The actual rental payment will be determined should the Lessee's nonconforming use proposal be approved. Upon execution of a written agreement memorializing the terms of that approval, the initial prorated payment shall be made within thirty (30) calendar days. All subsequent rental payments for the period of nonconforming use shall be made on or before the first day of each month, in such a manner as may be specified by Lessor. Lessor reserves the right to cancel its approval of the nonconforming use upon thirty (30) days written notice.

9. Lessee covenants and agrees that the leasehold interest will not be used as collateral unless prior approval, in writing, is obtained from the Lessor. Lessee further covenants and agrees that it will promptly pay all costs associated with its use of the Property including, but not limited to, taxes, assessments, fees, maintenance and utilities costs (including any costs that may accrue due to use by adjacent property owners), and that it will not cause, either by action or inaction, any liens or other potential encumbrances on title to the Property.

10. Lessee covenants and agrees that upon proper rezoning of the property for the Lessee's program of use as set forth in its approved application dated August 7, 2017, and amended on August 24th, October 30th, November 9th, November 14th, November 16th, and December 2, 2017, Lessee shall submit a request to Lessor to acquire the property by Quitclaim Deed which will be processed by the Lessor without undue delay. The request

shall include a statement that the Lessee is ready, willing and able to fully implement the Lessee's program of use as set forth in its approved application dated August 7, 2017, and amended on August 24th, October 30th, November 9th, November 14th, November 16th, and December 2, 2017 and an updated financial plan which demonstrates Lessee's ability to fully implement and sustain the program.

In the event of a breach of any of the conditions subsequent set forth above, or in the event of a breach of any other terms or conditions of this lease, whether caused by legal or other inability of the Lessee to perform any of such terms and conditions as herein set forth, the Lessor will, at its option, have an immediate right of reentry thereon, and to terminate this lease.

The failure of the Lessor to insist, in any one or more instances, upon performance of any of the terms, conditions, or covenants of this lease, shall not be construed as a waiver or relinquishment of the Lessor's right to the future performance of any such terms, conditions, or covenants, and Lessee's obligations with respect to such future performance shall continue in full force and effect.

Lessee, at its own expense, shall so protect, preserve, maintain, and repair the leased property that the same will at all times be kept in as good a condition as when received hereunder; subject, however, to ordinary wear and tear and loss or damage for which the Lessee is not liable hereunder.

Lessee, at its own expense, shall obtain any necessary service from local utility providers within thirty (30) calendar days from the date of this lease. Lessee acknowledges that water, sewage, and some electrical lines are shared with an adjacent southern parcel (APN: 074-1305-1) owned by the East Bay Regional Parks District ("EBRPD"). Pursuant to a deed recorded as Document Number 2015305533 on November 16, 2015, the Lessee will be required to separate the water infrastructure from the EBRPD parcel within one (1) year after issuance of building permits.

During the period of this lease or any renewal thereof, Lessee shall have the right to install such of its own machinery and equipment to make such (minor) improvements and additions and to attach such removable fixtures in or upon the leased premises as may be necessary for its use of the leased property pursuant to this lease and in accordance with program(s) of use set forth in its application to lease dated August 7, 2017, and amended on August 24th, October 30th, November 9th, November 14th, November 16th, and December 2, 2017 and the further right to remove same at any time prior to the expiration of this lease or any renewal thereof; PROVIDED HOWEVER, the Lessee shall not demolish any existing structures or construct new improvements without the expressed written approval of the Lessor; and PROVIDED, that in the event of termination of this lease or any renewal thereof upon less than thirty days notice, Lessee may remove such items within thirty days from the receipt of notice of termination. All property not so removed shall be deemed abandoned by the Lessee and may be used or disposed of by the Government in any manner whatsoever without liability to account to

the Lessee therefor, but such abandonment shall in no way reduce any obligation of the Lessee for restoration under the terms of this lease.

It is expressly understood and agreed that Lessee will make no substantial alterations, additions, or betterments to, or installations upon, the leased property without the written approval of the Lessor; and then, only subject to the terms and conditions of such approval, which may include an obligation of removal and restoration upon the expiration or termination of this lease, including any extension or renewal thereof. Except insofar as said terms and conditions may expressly provide otherwise, all such alterations, additions, betterments, or installations made by the Lessee shall become the property of the Lessor when annexed to the leased property or any part thereof.

Lessee shall bear all risk of loss of or damage to the leased Property arising from any cause whatsoever, with or without fault of the Lessee; provided, however, that Lessee's liability for any loss or damage from risks expressly required to be insured against under the lease shall not exceed the amount of insurance so required or the amount actually procured and maintained, whichever shall be the greater; provided further that the maintenance of the required insurance shall effect no limitation on Lessee's liability with respect to any loss or damage resulting from the willful misconduct, lack of good faith, or negligence of the Lessee or any of its officers, agents, servants, employees, subtenants, licensees, or invitees.

The Lessee agrees that, for such period as the Lessee is in possession of the leased Property pursuant to the terms and conditions of this lease or any renewal thereof, the Lessee shall procure and maintain at its sole cost standard fire and extended coverage policy or policies on the leased Property to the full insurable value thereof. The Lessee shall procure such insurance from any responsible company or companies, and furnish to the Lessor either the original policy(ies) or certificate(s) of insurance on or within five days from the date of the execution of this lease or any renewal thereof. The policy or policies evidencing such insurance shall name the United States of America, acting by and through the Secretary of Health and Human Services (or successor in function) as an additional insured and shall provide that, in the event of loss, damage, or destruction of the Property thereunder, the proceeds of the policy or policies, at the election of the Lessor, shall be payable to the Lessee to be used solely for the repair, restoration, or replacement of the Property damaged or destroyed. If not so used, there shall be paid to the United States that part of the insurance proceeds that is attributable to the Government's residual interest in the property lost, damaged, or destroyed in the case of leases, attributable to the fair market value of the leased facilities. In the event that Lessor does not elect by notice in writing to the insurer, within sixty days after the damage or destruction occurs, to have the proceeds paid to the Lessee for the purposes hereinabove set forth, then such proceeds shall be payable to the Lessor; provided, however, that the insurer, after payment of any proceeds to the Lessee in accordance with the provisions of the policy or policies shall have no obligation or liability with respect to the use or disposition of the proceeds by the Lessee. Nothing herein shall be construed as an obligation upon the Lessor to repair, restore, or replace the leased Property or any part thereof.

The Lessee covenants that it will indemnify and save and keep harmless, the United States of America, its officers, agents, and employees against any and all loss, cost damage, claim, expense or liability whatsoever due to personal injury or death or damage to property of others directly or indirectly arising out of the condition, state of repair, or the use or operation of the Property, including all acts or omissions of its officers, agents, servants, employees, subtenants, licensees, or invitees in the use or occupancy of the Property. In furtherance hereof, the Lessee shall procure and maintain at its sole cost and expense, during the terms of this lease or any renewal thereof, General Public Liability insurance, covering the occupancy, use, operation, or work in connection with the leased Property, with limits of not less than $200,000.00 for each person, and $500,000.00 for each occurrence; and Property Damage Liability of not less than $25,000.00 for each accident. This insurance shall be procured by the Lessee from any responsible company or companies, and either the original policy(ies) or certificate(s) of insurance for such policy or policies shall be furnished to the Lessor on or within five days from the date of execution of this lease or any renewal thereof.

The Lessee, its successor or assigns, shall be solely liable for all costs relating to any damage to the property, personal injury, illness, disability or death, of the Lessee, or the Lessee's successors, assigns, employees, invitees, or any other person, including members of the general public, arising from or incident to the purchase, transportation, handling, storage, use, release, or disposal, or other activity causing or leading to contact of any kind whatsoever with hazardous or toxic substances, during use of the property by said Lessee, its successors or assigns.

The lease is subject to all outstanding easements and rights-of-way for the location of any type of facility or system in, on, under, over, across, or upon the leased Property or any portion thereof, and to the right of the Lessor to grant such additional easements or rights-of-way, in, on, under, over, across, or upon the leased Property as it may be determined to be in the public interest; PROVIDED that any such additional easement or right-of-way shall be conditioned upon the assumption by the Lessee thereof of liability to the Lessee for such damages as Lessee shall suffer for property destroyed or property rendered unusable on account of Lessee's exercise of its rights thereunder. There is hereby reserved to the holders of such easements and rights-of-way as are presently outstanding or which may hereafter be granted; to any persons officially engaged in the construction, operation, repair, or replacement of facilities or systems located thereon; and to any Federal, State, or local officials engaged in the official inspection thereof, such reasonable rights of ingress and egress over the leased Property as shall be necessary for the performance of their duties with regard to such facilities or systems.

During the period of this lease or any renewal thereof, the Lessor shall have access to the leased Property at all reasonable times for any purposes not inconsistent with the quiet use and enjoyment thereof by the Lessee, including, but not limited to, the purpose of inspection.

This lease may be renewed by mutual agreement upon written application by the Lessee, at least sixty days before the end of the period of this lease or any renewal thereof.

The Lessee, by acceptance of this lease, covenants and agrees for itself, its successors and assigns that, upon the expiration of this lease, any extension thereof or the prior termination of this lease or extension thereof by either party, Lessee shall quietly and peacefully remove itself and its property from the leased Property and surrender possession thereof to the United States of America; Provided, in the event the Lessor shall terminate this lease upon less than thirty days notice, Lessee shall be allowed a reasonable period of time, as determined by the Lessor, but in no event to exceed thirty days from the receipt of notice of termination, in which to remove all of its property from and terminate its operations on the leased Property. During such period prior to surrender, all obligations of the Lessee under this lease shall remain in full force and effect, and the Lessee will continue to provide protection and maintenance of the leased Property until such time as actual possession is taken by the United States of America, including the period of any notice of cancellation. Such protection and maintenance shall, at a minimum, conform to the standards prescribed by the General Services Administration in its regulations, FMR (41 CFR §102-75.965-98) in effect as of the date of this lease and a copy of which is attached hereto and made a part hereof as Exhibit "A."

The Lessee shall comply with all applicable Federal, State, municipal, and local laws, rules, orders, ordinances and regulations, except for local zoning regulations, in the occupation, use, and operation of the Property.

No member of or delegate to the Congress or resident Commissioner shall be admitted to any share or part of this lease contract or to any benefit that may arise therefrom, but this provision shall not be construed to extend to the contract of lease if made with a Corporation for its general benefit.

The Lessee warrants that it has not employed or retained any person or agency to solicit or secure this contract upon any agreement or understanding for a commission, percentage, brokerage, or contingent fee excepting bona fide employees or bona fide commercial agencies maintained by the Lessee for the purpose of securing business. Breach or violation of this warranty shall give the Lessor the right to annul the contract without liability or, in its discretion, to recover from the Lessee the amount of such commission, percentage, brokerage, or contingent fee in addition to the consideration herein set forth, if any.

Lessee is hereby notified and does acknowledge that the buildings on the Property were constructed prior to 1978 and a lead-based paint hazard may exist. According to the Consumer Product Safety Commission and the President's Council on Environmental Quality, lead is a special hazard to small children. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also

poses a particular risk to pregnant women. The Property is being transferred "as is" and the Lessee shall be responsible for any and all liabilities, damages, loss, expenses or judgments arising out of or related to health problems which are the result of exposure to lead-based paint where the exposure occurred after the Property was transferred to Lessee. The Lessee shall not permit the use of any buildings for residential habitation unless and until all lead-based paint has been abated in accordance with any Federal, State, and local laws and regulation.

Asbestos-containing materials ("ACM's") are present in the buildings. Lessee covenants and agrees, on behalf of itself, its successor(s) and assign(s), that in its use and occupancy of the Property, or any part thereof, it will comply with all Federal, state and local laws relating to asbestos. The United States of America assumes no liability for damages for personal injury, illness, disability or death to the Lessee, or to Lessee's successor(s), assign(s), employees, invitees, or to any other person subject to the control or direction of Lessee, its successor(s) or assign(s), or to any other person, including members of the general public, arising from or incident to the purchase, transportation, removal, handling, use, disposition, other activity causing or leading to contact, of any kind whatsoever, with asbestos on the Property described in this lease, whether the Lessee, its successor(s) or assign(s) has or have properly warned or failed to properly warn the individual(s) injured. Reports entitled, Inspection Report: Bulk Asbestos Survey and Asbestos Action Plan and the Facility Asbestos Action Plan for Asbestos Containing Materials at the Alameda FSC Buildings, prepared by SCA, October 2007, for the GSA Safety and Environmental Health Branch, are available to Lessee.

The Property falls within the California coastal zone. The San Francisco Bay Conservation and Development Commission ("BCDC") is the coastal management agency for the San Francisco Bay. Lessee shall comply with the State of California's federally approved Coastal Management Plan and with applicable regulatory standards established by the State of California for coastal zones.

IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names as of the date first above written.

UNITED STATES OF AMERICA
Acting by and through the Secretary
of Health and Human Services

By: Theresa Ritta

Theresa Ritta, Program Manager
Federal Real Property Assistance Program
Real Property Management Services
Program Support Center

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ACKNOWLEDGMENT

STATE OF MARYLAND)
COUNTY OF FREDERICK) SS

On this 27th day of September 2018, before me the undersigned officer, personally appeared Theresa Ritta, known to me to be the Program Manager, Real Property Management Services, Program Support Center, Department of Health and Human Services, and known to me to be the person who executed the foregoing instrument on behalf of the Secretary of Health and Human Services, for the United States of America, and acknowledged to me that she subscribed to the said instrument in the name of the Secretary of Health and Human Services and on behalf of the United States of America.

Witness my hand and official seal.

AMANDA KAY MAIN
Notary Public
Frederick County
Maryland
My Commission Expires Nov 10, 2020

(SEAL)

Notary Public

My commission expires Nov 10 2020

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ACCEPTANCE

Alameda Point Collaborative hereby accepts this lease and thereby agrees to all the terms, covenants, conditions and restrictions contained therein.

By _____
Douglas Biggs, Executive Director
Alameda Point Collaborative

ACKNOWLEDGMENT

STATE OF CALIFORNIA)
COUNTY OF ALAMEDA) SS

On this 27th day of September 2018, before me, a Notary Public in and for the County of Alameda, State of California, personally appeared Mr. Doug Biggs, known to me to be the Executive Director, Alameda Point Collaboration, and known to me to be the person who executed the foregoing instrument on behalf of Alameda Point Collaborative, and acknowledged to me that he executed the same as the free act and deed of Alameda Point Collaborative.

Witness my hand and official seal.

(SEAL)

See Attached Acknowledgment _____
Notary Public

My commission expires Dec 8, 2021

CALIFORNIA ACKNOWLEDGMENT CERTIFICATE

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State Of: **California**
County Of: **Alameda**

On September 27, **2018** before me, **Jonesha L. Harris,** Notary Public, personally appeared, Douglas Biggs who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that she/he/they executed the same in her/his/their authorized capacity(ies), and that by her/his/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: **Jonesha L. Harris**

JONESHA L. HARRIS
COMM. # 2224656
NOTARY PUBLIC • CALIFORNIA
ALAMEDA COUNTY
Commission Expires DEC 8, 2021

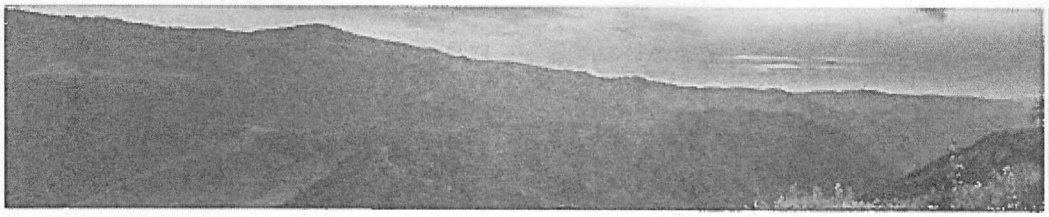
Seal

Title of Document: Lease

Total Number of Pages including Attachment: 14

Notary Commission Expiration Date: December 8, 2021

Notary Commission Number: 2224656



East Bay Regional Park District

2950 PERALTA OAKS COURT P.O. BOX 5381 OAKLAND CALIFORNIA 94605-0381 T: 1-888-EBPARKS F: 510-569-4319 TRS RELAY: 711 WWW.EBPARKS.ORG

June 6, 2018

Mayor Trish Herrera Spencer
City Council Members
City of Alameda

RE: Crown Memorial State Beach

Dear Mayor Spencer and Council Members,

East Bay Regional Park District shares a proud 50-year history with Alameda in protecting its shoreline and providing access to the beautiful Robert Crown Memorial Beach and Crab Cove Visitor Center. Our $2.18 million purchase of the 3.89 acre former GSA parcel on McKay Avenue in 2015 reinforced the Park District's commitment to this community and fulfilled our promise to voters who supported Measure WW. We greatly appreciate the Friends of Crown Beach and the Alameda City Council for the support and advocacy for that purchase.

EBRPD is aware of Alameda Point Collaborative's proposal to develop a senior residential homeless facility on the northern end of McKay Avenue. The Park District has not expressed any interest in acquiring this developed property as it is not suitable for park expansion. However, the Park District will review the current proposal to ensure Crown Memorial State Beach and Crab Cove Visitor Center are not adversely impacted.

Sincerely,

Robert E. Doyle
General Manager

cc. EBRPD Board Members

KEYSER MARSTON ASSOCIATES
ADVISORS IN PUBLIC/PRIVATE REAL ESTATE DEVELOPMENT

MEMORANDUM

To: Celena H. Chen, Assistant City Attorney
Andrew Thomas, Interim Planning Building and Transportation Director
City of Alameda

From: David Doezema

Date: December 20, 2018

Subject: Order of Magnitude Fiscal Impact Analysis Addressing the Initiative Measure to Change the Land Use Designation for an Approximately 3.65-acre Site on McKay Avenue

In accordance with your request, Keyser Marston Associates, Inc. (KMA) has prepared a "high level" fiscal impact analysis addressing three alternative land uses for an approximately 3.65-acre property located on McKay Avenue in Alameda. The three land use scenarios for the subject property addressed in this analysis are:

- **Scenario 1 – Wellness Center:** Redevelopment of the property into a Wellness Center serving elderly homeless and formerly homeless individuals as proposed by Alameda Point Collaborative (APC). The Wellness Center is proposed to include 50 medical respite beds, 90 assisted living units for seniors, a 7,000 square foot primary care clinic serving and 1,000 square foot resource center. The medical respite facility provides rehabilitation services to support recovery of homeless individuals who have recently been discharged from local hospitals.

- **Scenario 2 – Existing Vacant Federal Office / Lab:** the property is currently improved with vacant federal office and laboratory structures. These facilities were in use by the U.S. Department of Agriculture (USDA) through 2016.

- **Scenario 3 – City Park:** Conversion of the property to a new 3.65-acre City park.

For each of the three scenarios, the analysis provides an order of magnitude estimate of:

- **One-time costs** to be incurred by the City of Alameda to implement each alternative; and

- **On-going net fiscal impacts** to the City of Alameda General Fund.

One-Time Upfront Implementation Costs

Table 1 summarizes the estimated one-time upfront implementation costs associated with each of the three scenarios.

Table 1 – Order of Magnitude Estimate of One-Time Upfront Implementation Cost to City of Alameda

	Scenario 1 Wellness Center	Scenario 2 Vacant Federal Office/Lab	Scenario 3 Park
Estimated Upfront Implementation Cost to City (one-time)	**$50,000** [previously funded]	**None** [existing condition]	**+/- $11,700,000** [to acquire, remove asbestos, demolish and create new park]

Scenario 1: Wellness Center – Funding for the Wellness Center will come from a variety of County, State, Federal and private funding sources. The City previously contributed $50,000 in pre-development funding. Any additional gap funding contributions by the City, if any, would be at the City's sole discretion and could be expected to represent a fraction of total funding sources for the Wellness Center. No such funding is committed at this time.

Scenario 2: Vacant Federal Office / Lab – This is the existing condition and would have no upfront cost of implementation.

Scenario 3: Park – City costs to create the park are estimated to total $11.7 million and include the estimated cost of acquisition ($5.6 million), demolition and asbestos abatement ($3.2 million) and development of a new City park ($2.9 million). These costs can be expected to be borne by the City. East Bay Regional Park District (EBRPD) has issued a letter stating that it is not interested in acquiring the subject parcel because it is not suitable for park expansion. EBRPD has also contractually agreed not to interfere with conveyance and development of the property by other parties. The estimated acquisition cost of $5.6 million equates to approximately $70 per square foot of building area or $35 per square foot of land and represents the estimated "as is" value of the property considering the age and condition of the existing buildings. APC is acquiring the

approximately 3.65-acre property at no cost under the McKinney-Vento Homeless Assistance Act which provides for suitable surplus federal property to be made available specifically for homeless assistance. For use as a park, it is anticipated that the Federal government would demand fair value for the property, as was the case with the 2015 sale of the adjacent property to EBRPD. Analysis supporting the estimated park acquisition and improvement cost is provided in Appendix A.

On-Going Net Fiscal Impacts to City General Fund

The projected on-going fiscal impacts to the City's General Fund of the three scenarios are presented in Table 2. As shown, the Wellness Center is projected to result in a net expense of $185,000 per year; the existing vacant federal office / lab is estimated to generate a $9,000 net expense per year; and the Park is projected to result in a net expense of $140,000 per year. All figures are considered coarse estimates rather than precise calculations.

Table 2 – Order of Magnitude Estimate of On-Going Fiscal Impacts to City General Fund

	Scenario 1 Wellness Center	Scenario 2 Vacant Federal Office/Lab	Scenario 3 Park
Revenues (annual)	$24,000	$0	$0
Expenditures (annual)	($209,000)	($9,000)	($140,000)
Net Annual Expense to City	**($185,000)**	**($9,000)**	**($140,000)**

A discussion of the analysis and findings for each alternative follows:

Scenario 1: Wellness Center – The Wellness Center is estimated to generate a net annual expense of $185,000 per year to the City. General Fund City service costs are projected to total $209,000 and are driven by the 140 new residents and patients and 48 employees. Police and Fire / Emergency Medical Service (EMS) costs for the 90-bed assisted living component are estimated based on existing calls for service to the Oakmont of Cardinal Point assisted living facility. Public safety costs for the 50-bed medical respite component are estimated based upon public safety calls for service to two medical recovery facilities in Alameda, Bay View Rehabilitation Hospital and Crown Bay Nursing and Rehabilitation Center. Due to the fragile medical condition of the patients these recovery facilities serve, they generate a significant number of Fire/EMS calls for service. An adjustment is made to account for the roughly 10% of Wellness Center occupants expected to be existing homeless residents of the City whose service demands would not be net new. APC is a non-profit exempt from property and business taxes but would generate an estimated $24,000 in annual revenue through utility user taxes and franchise fees, partially offsetting service costs.

Scenario 2: Existing Vacant Federal Office / Lab – The existing vacant federal office / lab use is estimated to generate a negative fiscal impact to the City in the range of $9,000 annually. The property is vacant and not on the tax rolls; as a result, it does not generate any revenue to the City. However, the City is estimated to have some limited service costs as a result of Police and Fire/EMS calls for service to the property.

Scenario 3: Park – Creation of a new City park is projected to result in a net annual expense of $140,000 per year. The property would remain off the tax rolls and would not generate any revenues to the City. Park maintenance costs are the primary City service cost and are estimated using representative per acre maintenance costs provided by the City's Recreation and Parks Department. Police and Fire/EMS service costs were estimated based on calls for service to an existing City park (Lincoln Park) adjusted to a per acre basis. Data for the adjacent Crown Memorial State Beach was not used because public safety responsibilities are shared with EBRPD, which differs from a City park for which the City is solely responsible for public safety.

Analysis supporting the above fiscal impact analysis findings is provided in Appendix B.

Discussion of Approach and Key Assumptions

The analysis estimates one-time costs of implementation and on-going fiscal impacts to the City's General Fund generated by the three alternative land uses for the approximately 3.65-acre site. Key inputs and assumptions used for purposes of the analysis are as follows:

A. Estimated One-Time Park Acquisition and Improvement Costs

1. Estimated acquisition cost for the property is based on its existing "as is" value assuming lease of the existing office buildings. The Building 1 laboratory facilities are not assumed to contribute to the value of the property given the specialized lab facilities may not be useable by a new tenant and the space may not be readily leasable without making improvements that are costlier than justified based on rents achievable for the space.
2. Demolition and asbestos abatement costs are estimated based upon actual costs incurred by EBRPD to demolish a building on the adjacent property that previously was part of the same facility.
3. Park improvement costs are estimated using a representative per acre park improvement cost provided by the City's Recreation and Parks department and drawn from estimates prepared for purposes of a draft development impact fee update.

The technical analysis supporting the park acquisition and improvement cost is presented in Appendix A-1 to A-7.

B. On-Going Fiscal Impacts

1. Estimates are in current 2018/19 dollars;
2. Revenue and cost factors are derived from the City's FY 2018/19 Mid-cycle budget update based on projected revenues and expenses for FY 2018/19;
3. One-time revenues and fee for service revenues, such as building permit and impact fee revenues are excluded;
4. The property will be exempt from property and business taxes under all three scenarios;
5. Police and Fire / EMS service costs are based on the estimated number of calls for service to be generated based on comparable existing facilities in Alameda as identified in Appendix Table B-7. The number of service calls was combined with the existing fully loaded cost per Police and Fire/EMS call identified in Appendix B-5 to estimate service costs;
6. Park maintenance costs per acre of park were provided by the City's Recreation and Parks Department;
7. General Fund expenses other than Police, Fire/EMS and parks are estimated based upon the City's total average cost to serve existing residents and workplace population, net of program revenues;
8. A share of City service costs is assumed to be fixed and not increase in response to increased population, employment or service demands. For example, the City will continue to have only one police chief, one fire chief and one city manager. For Police 10% of costs are assumed to be fixed, for Fire, 25%, and for all other services 50% are assumed to be fixed service costs that would not increase in connection with additional service demands.

The supporting technical analysis of on-going fiscal impacts is presented in Appendix B-1 to B-10.

Attachments:

Appendix A-1 to A-7 – park acquisition and improvement cost estimate.

Appendix B-1 to B-10 – fiscal impact analysis technical tables.

Appendix A-1
Preliminary Estimate of Potential Park Acquisition and Improvement Cost
Implementation Cost Analysis - McKay Avenue Voter Initiative
Alameda, CA

Property Overview

Total Existing Building Area	79,881	GSF
Site Area - acres	3.67	acres
Site Area - Sq. Ft.	159,839	SF

Park Acquisition and Improvement Cost

	Basis	Estimated Cost
Property Acquisition [1]	$35 /SF site	$5,600,000
Demolition and Abatement[2]	$40 /bldg SF	$3,200,000
Park Improvements	$800,000 /ac [3]	$2,900,000
Preliminary Estimate of Park Acquisition and Development Cost		**$11,700,000**

Notes:

[1] Reflects the estimated market value of the property with the existing office building improvements in an "as is" condition. See Appendix A-2 to A-7 for additional information.

[2] Extrapolated from cost per square foot for abatement and demolition of Building 3 of former Federal Center, as reported in East Bay Regional Parks board materials (September 5, 2017). Building 3 was a 2-story wood structure containing lead-based paint and asbestos.

[3] Estimate provided by Recreation and Parks department for active park and drawn from cost estimates developed for purposes of draft development impact fee update.

Appendix A-2
Order of Magnitude Estimate of Property Value for Office Use
Implementation Cost Analysis - McKay Avenue Voter Initiative
Alameda, CA

Property Overview (Table 2)

Total GBA	79,881	GSF	
Office GBA	50,629	GSF	
Rentable	45,566	NSF	90% efficiency
Site	159,839	Land SF	

Estimated "As Is" Value for Office Use

Office Rental Income	$25	/NSF (FS)	$1,139,153	
(less) Underwriting Vacancy	10.0%		($113,915)	
(less) Operating Expenses	$8.50	/NSF	($387,312)	
(less) Property Taxes	$1.90	/NSF	($86,576)	
Net Operating Income	$12.10	/NSF	$551,350	
Value (leasable condition)	7.5%	Cap Rate[1]	$7,400,000	$146 / office GSF
Less: Renovation Allowance	$40	/NSF[2]	($1,800,000)	
Supported Acquisition Price "as is" condition			$5,600,000	
Per SF Gross Office Building Area			$111	/GSF
Per Total Gross Building Area			$70	/GSF
Per SF Land			$35	/SF Land

[1] 1.5% premium is added to prevailing cap rate of 6% (per Appendix A-4).

[2] Order of magnitude allowance for improvements to bring property to leasable condition.

Appendix A-3
Site Area and Existing Structures Summary
Implementation Cost Analysis - McKay Avenue Voter Initiative
Alameda, CA

Source: Environmental Assessment of Federal Center Reuse Project (2018)

APN			074-1305-026-02			
Site Area			159,839	SF		
			3.67	acres		
Existing Buildings						
Building 1	Lab		26,412	GSF		
Building 2A	Office		8,673	GSF		
Building 2B	Office		8,755	GSF		
Building 2C	Office		9,119	GSF		
Building 2D	Office		24,082	GSF		
Building 8	Storage		818	GSF		
Building 9	Trash		255	GSF		
Building 10	Storage		777	GSF		
Building 12	Pumping Station		695	GSF		
Building 13	Hydraulic Equipment		75	GSF		
n/a	Hazmat storage		220	GSF		
Total Building Area			79,881	GSF	0.50	FAR
Office Building Area[1]			50,629	GSF		
% Rentable (Assumed)[2]		90%	45,566	GSF		

[1] Includes Buildings 2A-2D. Excludes Building 1 and auxiliary buildings.

[2] Based on typical office building efficiency.

Appendix A-4
Office Transactions in City of Alameda (2012 - 2018)
Implementation Cost Analysis - McKay Avenue Voter Initiative
Alameda, CA

Source: Costar, excludes buildings with less than 2,500 SF

Property Address	Bldg SF	Yr Built	YrSold	Sale Price	$/SF	Cap %
Class B						
2233 Santa Clara Ave	5,094	1890	2018	$1,415,000	$278	5.0%
550 Park St	3,291	1971	2013	$832,000	$253	
1451 Harbor Bay Pky	86,055	1985	2017	$20,000,000	$232	6.9%
2413 Webb Ave	5,015	1990	2012	$1,018,000	$203	
1420 Harbor Bay Pky	121,216	1986	2014	$24,000,000	$198	
300-600 Wind River Way	269,166	1998	2017	51,951,080	$193	
Waterfront at Harbor Bay	285,895	1997	2012	38,324,152	$134	
2417-33 Mariner Sq Dr	26,734	1979	2013	1,650,043	$62	
Class C						
1214 Oak St	2,825	1895	2017	$1,155,000	$409	
1411 Harbor Bay Pky	28,317	1989	2014	$7,350,000	$260	
1005 Atlantic Ave	27,975	1989	2018	$7,200,000	$257	7.6%
2504 Santa Clara Ave	4,680	1948	2017	$1,200,000	$256	
2427-2429 Clement Ave	8,550	1926	2017	$2,000,000	$234	
2150 Mariner Square Dr	6,223	1986	2016	$1,385,000	$223	5.2%
2060 Challenger Dr	27,072	1987	2017	$5,800,000	$214	
985 Atlantic Ave	15,296	1987	2014	$3,100,000	$203	
1115 Atlantic Ave	21,372	1989	2012	$3,675,984	$172	
512 Westline Dr	16,464	1968	2016	$2,035,000	$124	
2515 Santa Clara Ave	8,431	1968	2013	$890,000	$106	5.8%
2363-81 Mariner Sq Dr	17,302	1978	2013	$1,149,957	$66	
Weighted Average					*$178*	*6.1%*
Weighted Average - 2017 and 2018 sales					$210	
Median					*$209*	*5.8%*

Appendix A-5
Current Office Lease Rates in City of Alameda
Implementation Cost Analysis - McKay Avenue Voter Initiative
Alameda, CA

Source: Costar

Building Address	Bldg Area	Yr Built	Rent $/ SF	Vacancy
Class B				
300 Wind River Way	74,164	1998	$45 FS	100%
400 Wind River Way	49,282	1998	$45 FS	100%
1320 Harbor Bay Pky	121,080	1986	$31 FS	9%
885 Island Dr	28,658	1979	$30 FS	5%
2417 Mariner Square Dr	15,354	1979	$30 FS	33%
1141 Harbor Bay Pky	48,200	1985	$29 FS	0%
1600 Harbor Bay Pky	61,500	2001	$30 IG	27%
1650 Harbor Bay Pky	63,936	2001	$30 IG	14%
2413 Webb Ave	5,015	1990	$38 MG	22%
1926 Park St	6,213	2018	$43 NNN	75%
Average (excl NNN)			*$34*	39%
Class C				
879 Island Dr	7,739	1979	$28 FS	20%
2445-2447 Santa Clara Ave	14,038	1968	$25 FS	10%
1145 Atlantic Ave	39,420	1989	$34 MG	100%
2229 Santa Clara Ave	4,500	1965	$30 MG	18%
1333 Park Ave	25,000	1910	$28 MG	5%
879 Island Dr	3,290	1979	$28 MG	100%
512 Westline Dr	16,464	1968	$26 MG	13%
2599 Lexington St	66,000	1941	$15 NNN	100%
Average (excl NNN)			*$28*	46%

FS = Full Service; *landlord pays virtually all expenses*
MG = Modified Gross; *landlord pays taxes and insurance - tenant pays utilities / janitorial*
IG = Industrial Gross; *similar to above*
NNN = Triple Net; *tenant pays virtually all expenses*

Appendix A-6
Land Transactions in City of Alameda (2012 - 2018)
Implementation Cost Analysis - McKay Avenue Voter Initiative
Alameda, CA

Source: Costar

Property Address	Sale Year	Acres	Sale Price	$/SF Land	Intended Use
1435 Webster St	2016	0.34	$1,400,000	$95	Mixed Use
2350 Harbor Bay Pky	2014	1.17	$1,500,000	$29	Hotel
2175 N Loop Rd	2017	12.22	$10,114,000	$19	Commercial
2251 N Loop Rd	2014	2.8	$982,714	$8	Flex
2900 Main St	2014	7.1	$800,000	$3	Industrial
Min				*$3*	
Max				*$95*	
Wtd Average				*$15*	
Median				*$24*	

Appendix A-7
Neptune Pointe Site and Sale Information
Implementation Cost Analysis - McKay Avenue Voter Initiative
Alameda, CA

Sources: 9212 report prepared for 2014 voter initiative;
2015 Agreement Between State, EBRPD, & US

Site APN	074-1305-026	
Acres	3.899 acres	
Site SF	169,840 SF	
Gross Building Area	25,200 GSF	
Purchase Price (Auction)	$3,075,000	$18 /Land SF
Settlement Agreement (2015)[1]	$2,182,500	$13 /Land SF

[1] Agreement involved federal government providing state quitclaim deed for McKay Avenue.

Appendix B-1
Summary of Annual General Fund Impacts
Order of Magnitude Fiscal Analysis: Alternative Uses for 3.67 acre McKay Ave Site
Alameda, California

Revenue / Expenditure Category	Scenario 1 Wellness Center	Scenario 2 Vacant Federal Office/Lab	Scenario 3 Park
General Fund Revenues - Order of Magnitude Estimate[1]			
Property Taxes	exempt	exempt	exempt
Property Transfer Tax	$0	$0	$0
Motor Vehicle In-Lieu Taxes	$0	$0	$0
Utility User Tax	$15,200	$0	$0
Franchise Taxes	$8,500	$0	$0
Sales Taxes	minimal	$0	$0
Business License	exempt	$0	$0
Total Revenue	$23,700	$0	$0
Rounded To nearest $1,000	**$24,000**	**$0**	**$0**
General Fund Expense - Order of Magnitude Estimate[2]			
Police	$17,700	$2,500	$23,300
Fire/EMS	$177,500	$6,300	$6,300
Park Maintenance	$0	$0	$110,000
Other City Services	$13,300	nominal	nominal
Total Expense	$208,500	$8,800	$139,600
Rounded To nearest $1,000	**$209,000**	**$9,000**	**$140,000**
Net Annual General Fund Expense	**($185,000)**	**($9,000)**	**($140,000)**

Notes:

[1] See Appendix B-6

[2] See Appendix B-7

Appendix B-2
Project Description and Demographics
Order of Magnitude Fiscal Analysis: Alternative Uses for 3.67 acre McKay Ave Site
Alameda, California

	Scenario 1 Wellness Center	Scenario 2 Vacant Federal Office/Lab	Scenario 3 Park
Scenario Description	*50-bed medical respite and 90-unit assisted living facility serving formerly homeless individuals, 7,000 square feet Primary Care Clinic, 1,000 square foot resource center*	*vacant federal office/lab totaling approx. 80,000 gross sq.ft.*	*3.67 acre City Park*
Assessed Value	exempt	exempt	exempt
Employees	48 employees [2]	0 employees	0.5 employees [1]
Residents	140 residents [3]	0 residents	0 residents
less: share currently living in Alameda	(14) residents [4]		
net new residents	126 residents [3]		
Resident Equivalents [5]			
resident equiv. factor[3]	0.33 /employee 1.00 /resident	0.33 /employee 1.00 /resident	0.33 /employee 1.00 /resident
resident equivalents	141.8 resident equiv	0 resident equiv	0.165 resident equiv

Notes:

[1] Estimated based on approximate ratio of City of Alameda Recreation and Parks employees to park acreage.

[2] FirstCarbon Solutions, Environmental Assessment: Federal Center Reuse Project, City of Alameda, Alameda County, California, May 21, 2018.

[3] For purposes of calculating resident equivalent population, an employee is given the same weight as 1/3 of a resident. Occupants of both the assisted living and medical respite beds are included as residents for purposes of estimates.

[4] Alameda Point Collaborative has indicated approximately 10% of beds are expected to serve formerly homeless individuals who already live in Alameda and are therefore not net new residents of the City.

[5] Resident equivalents are a measure of service population that combines both residents and workplace / daytime population.

Appendix B-3
Existing Demographic Data
Order of Magnitude Fiscal Analysis: Alternative Uses for 3.67 acre McKay Ave Site
Alameda, California

Demographic Measure		City of Alameda
Population [1]		78,863
Employment [2]		29,591
Resident Equivalents	*0.33 per employee*	88,727

Notes:

[1] State of California, Department of Finance, E-1 Population Estimates for Cities, Counties and the State — January 1, 2017 and 2018. Sacramento, California, May 2018.

[2] 2013-2017 American Community Survey 5-Year Estimates for City of Alameda.

Appendix B-4
General Fund Revenue Assumptions
Order of Magnitude Fiscal Analysis: Alternative Uses for 3.67 acre McKay Ave Site
Alameda, California

Revenue Sources

Property Taxes	The three alternative uses analyzed are all exempt from property taxes	
Motor Vehicle In-Lieu Taxes	$0 due to property tax exemption. This revenue source increases in proportion to growth in taxable assessed value.	
Utility User Tax	$9,494,000	Citywide revenues in FY 2018/19 [1]
	88,727	resident equivalents (from Appendix B-3)
	$107	per resident equivalent
Franchise Taxes	$5,319,000	Citywide revenues in FY 2018/19 [1]
	88,727	resident equivalents (from Appendix B-3)
	$60	per resident equivalent
Transfer Taxes	$0 - long term hold of property or transfer tax exemption in all scenarios	
Sales Tax	minor	If sales occur at the Wellness Center, they would generally be exempt from sales taxes under exemptions for hospitals, other medical facilities, and residential care facilities as outlined in California Board of Equalization Publication No. 45. Park and vacant offices would not generate any sales
Business License	The three alternative uses analyzed are all exempt from business taxes	

Notes:
[1] Appendix B-10

Appendix B-5
General Fund Expenditure Assumptions
Order of Magnitude Fiscal Analysis: Alternative Uses for 3.67 acre McKay Ave Site
Alameda, California

Expenditures

Police	$33,441,000	net expenses in FY 2018/19 [1]
	90%	percent variable costs[3]
	60,832	total estimated calls for service for year[2]
	$495	average cost per call
Fire / EMS	$30,219,000	net expenses in FY 2018/19 [1]
	75%	percent variable costs[3]
	7,150	total estimated annual fire/EMS calls
	$3,170	average cost per call
Park Maintenance	$30,000	per acre[4]
All Other Services	$16,751,000	net expenses in FY 2018/19 [1]
[public works, administration,	50%	percent variable costs[3]
non-departmental, library,	88,727	resident equivalents (from Appendix A-3)
community development]	$94	average cost per resident equivalent

Notes:

[1] Appendix B-10

[2] Appendix B-8

[3] A portion of General Fund expenditures, such as salaries of department directors are fixed and would not increase in connection with increased service demands. For purposes of this order of magnitude estimate, 90% of police, 75% of Fire/EMS and 50% of other serivces are variable costs that increase with service demands.

[4] Estimate provided by City of Alameda Recreation and Parks Department.

Appendix B-6
General Fund Revenues
Order of Magnitude Fiscal Analysis: Alternative Uses for 3.67 acre McKay Ave Site
Alameda, California

General Fund Revenues	Estimating Factor From Appendix B-4	Scenario 1 Wellness Center	Scenario 2 Vacant Federal Office/Lab	Scenario 3 Park
	resident equivalents [1]	*142*	*0*	*0.17*
	assessed value	*exempt*	*exempt*	*exempt*
Property Taxes		*exempt*	*exempt*	*exempt*
Property Transfer Tax		$0	$0	$0
Motor Vehicle In-Lieu Taxes		$0	$0	$0
Utility User Tax [2]	*$107 /res eq*	$15,200	$0	$0
Franchise Taxes	*$60 /res eq*	$8,500	$0	$0
Sales Taxes		minimal	$0	$0
Business License		exempt	$0	$0
Total General Fund Revenues		$23,700	$0	$0
Rounded to Nearest $1,000		**$24,000**	**$0**	**$0**

Notes:

[1] Appendix B-2

[2] Vacant scenario assumes nominal utility use although there is currently utility service at the property.

Appendix B-7
General Fund Expenditures
Order of Magnitude Fiscal Analysis: Alternative Uses for 3.67 acre McKay Ave Site
Alameda, California

General Fund Expenditures	Estimating Factor (From Appendix B-5)	Scenario 1 Wellness Center	Scenario 2 Vacant Federal Office/Lab	Scenario 3 Park
Resident Equivalents [1]		*142*	*0*	*0.165*
Medical Respite Beds		*50*	*0*	*0*
Assisted Living Beds		*90*	*0*	*0*
Park acres		*0*	*0*	*3.67*
Police				
Estimated annual calls for service		40	5	47
Basis for estimated calls [2]		@0.47 per bed X 50 beds based on avg of two Alameda recovery centers; 0.18 X 90 beds based on Oakmont of Cardinal Point	calls for service for subject property	@12.7 calls per acre based on Lincoln Park X 3.67 acres
Less: net new adjustment[3]		(4)		
Net New Calls for Service		36		
Estimated Police Expense	*$495 /Call*	$17,700	$2,500	$23,300
Fire / EMS				
Estimated annual calls for service		71	2	2
Basis for estimated calls [2]		@0.76 per bed X 50 beds based on avg of two Alameda recovery centers; 0.36 X 90 beds based on Oakmont of Cardinal Point	calls for service for subject property	@0.64 calls per acre based on Lincoln Park X 3.67 acres
Less: net new adjustment[3]		(15)		
Net impact on Fire / EMS calls for service		56		
Estimated Fire/EMS Expense	*$3,170 /Call*	$177,500	$6,300	$6,300
Park Maintenance	*$30,000 /acre*	$0	$0	$110,000
Other City Services	*$94 /res eq*	$13,300	nominal	nominal
Total Expenses		$208,500	$8,800	$139,600
Rounded to Nearest $1,000		**$209,000**	**$9,000**	**$140,000**

Notes:

[1] Appendix B-2

[2] Estimated using police and fire service call data summarized in Appendix B-8.

[3] Approximately 10% of the occupants of the wellness center are estimated to be existing City of Alameda residents.

Therefore approximately 10% of the estimated calls for service would not represent net new calls.

Respite care has been shown to reduce the rate of hospital readmissions by approximately half, a factor applied to the 10% share of occupants expected to be existing residents of the City to estimate an offset for existing EMS calls. See Kertesz, e.al. (2009). Posthospital medical respite care and hospital readmission of homeless persons. Journal of Prevention & Intervention in the Community, 37, 129–142.

Appendix B-8
Summary of Police and Fire EMS Calls for Service Data
Order of Magnitude Fiscal Analysis: Alternative Uses for 3.67 acre McKay Ave Site
Alameda, California

Police Calls for Service

Location	Facility Scope	No. Service Calls (net of AFD calls)	Adjusted to Annual Total	Calls Per Acre / Bed
		For Jan 1 to Dec 4 2018		
Citywide		56,332	60,832	
Existing Property		4	4	
Oakmont of Cardinal Point 2431 Mariner Square Dr	153 Beds	25	27	0.18 /bed
Lincoln Park	7.8 Acres	92	99	12.7 /ac
Bay View Rehabilitation Hospital 516 Willow St	180 Beds	99	107	0.59 /bed
Crown Bay Nursing and Rehabilitation Center 508 Westline Dr.	151 Beds	49	53	0.35 /bed
		average: Bay View and Crown Bay Rehab facilities		0.47 /bed

Fire/EMS Calls for Service

Location	Facility Scope	Annual Total		Calls Per Acre / Bed
Citywide	N/A	7,150		
Existing Property		2		
Oakmont of Cardinal Point	153 Beds	55		0.36 /bed
Lincoln Park	7.8 Acres	5		0.64 /ac
Bay View Rehabilitation Hospital 516 Willow St	180 Beds	134		0.74 /bed
Crown Bay Nursing and Rehabilitation Center 508 Westline Dr.	151 Beds	120		0.79 /bed
		average: Bay View and Crown Bay Rehab facilities		0.765 /bed

Sources: City of Alameda Police Department and City of Alameda Fire Department

Appendix B-9
General Fund Revenue Summary
Order of Magnitude Fiscal Analysis: Alternative Uses for 3.67 acre McKay Ave Site
Alameda, California

General Fund Revenues	FY 18-19 Projected Revenues	Total %
Included Revenues [1]		
Property Taxes/RPTTF	$31,203,000	34.3%
Motor Vehicle In-Lieu	$8,026,000	8.8%
Sales Tax	$10,444,000	11.5%
Utility User Tax	$9,494,000	10.4%
Franchise Fees	$5,319,000	5.8%
Transfer Tax	$10,385,000	11.4%
Transient Occupancy Tax	$2,100,000	2.3%
Business Licenses	$2,220,000	2.4%
Investment and Misc Revenues	$1,598,000	1.8%
Program Revenues [2]	$5,938,000	6.5%
Transfers In	$4,340,000	4.8%
Total General Fund Revenues	**$91,067,000**	100.0%

Notes:

[1] Only the boxed revenue components have been evaluated in this analysis.

[2] These revenues cover a portion of the cost of certain departmental expenditures (for example, administration fees). They are deducted from General Fund expenditures rather than being estimated as revenue sources.

Source: City of Alameda General Fund Budget Mid-Cycle Update.

Appendix B-10
General Fund Expenditure Summary
Order of Magnitude Fiscal Analysis: Alternative Uses for 3.67 acre McKay Ave Site
Alameda, California

Expenditure Category	FY 18-19 General Fund Expense [(1)]	Less Program Revenue[2]	Net Services Cost	%
General Fund Expenditures				
Police Services	$35,275,000	($1,834,000)	$33,441,000	39%
Fire/EMS Services	$33,990,000	($3,771,000)	$30,219,000	35%
Recreation and Parks	$4,726,000	$0	$4,726,000	6%
All Other General Fund Expenditures (administration, library, public works, non-departmental, community dev. expenses)	$17,084,000	($333,000)	$16,751,000	20%
Total General Fund Expenditures	$91,075,000	($5,938,000)	$85,137,000	100%

Notes:

[1] Represents Projected Expenditures per FY 2018-19 Mid-cycle budget update.

[2] Program revenue generated by the applicable City departments are deducted to determine the net expense.

Source: City of Alameda General Fund Budget - FY 18-19 Mid-Cycle Update.