

SUMMARY OF FIFTH AMENDED & RESTATED CALLAHAN WATERFRONT DDA

This represents the agreed upon business points between Callahan and COV staff in negotiating a revised Disposition and Development Agreement for the Northern and Central Waterfront sites.

GENERAL PROVISIONS

<p>1 DDA, 3 Distinct Tracks</p>	<p>A 5th Amended DDA that will clearly separate the terms and conditions pertaining to the sale and development of the subareas, referred to as “Zones:” Northern Waterfront: Parcels A-F Central North: Parcel J Central South: Parcel L</p> <p>The DDA will include three separate ”Scope & Schedule of Property Disposition & Development” with the distinct provisions to each Zone.</p>		
<p>Parcels</p>	<p>The DDA amendment will include the following parcels: Northern Waterfront Zone:</p> <ul style="list-style-type: none"> • Acquisition Parcels: A1, A2 • Ground Lease: B1, B2, C1 • Improved by CPC but remain with the City: C2, D1, D2, E, F and related parking <p>Central North Zone: Parcel J</p> <p>Central South Zone: Parcels L1, L2, and private development opportunities associated with Vallejo Station</p>		
<p>Documents NOT changed by the 5th DDA</p>	<table style="width: 100%; border: none;"> <tr> <td style="width: 50%; border: none;"> <p>Development Agreement Settlement Agreement Master Labor Agreement</p> </td> <td style="width: 50%; border: none;"> <p>Waterfront Planned Development Master Plan WETA Agreement</p> </td> </tr> </table>	<p>Development Agreement Settlement Agreement Master Labor Agreement</p>	<p>Waterfront Planned Development Master Plan WETA Agreement</p>
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<p>Private Development at the Vallejo Station</p>	<p>Private development opportunities are not guaranteed in connection with Vallejo Station. CPC and COV will work collaboratively to identify the feasible approaches to Phase B garage design, including the possibility for vertical subdivision, by 12/31/16.</p> <p>If this effort does not result in a mutually acceptable approach, the City Council may determine that private development associated with the Phase B garage is not feasible and terminate rights to private development on that site.</p>		
<p>As-Is Condition</p>	<p>Land remediation, extraordinary foundations/surcharging, public improvements, and other site costs are developer responsibility. The appraisal will consider the fair market value of the property in its condition at the time of appraisal.</p>		
<p>Assignment</p>	<p>Assignment terms should facilitate joint venture partnerships or the transfer of the entire agreement or parcel by parcel to developers acceptable to the City.</p>		
<p>Default & Termination</p>	<p>No cross defaults between the three Zones. Defaults should be able to occur on a given sub-area without resulting in a default on all sub-areas.</p> <p>If there’s an uncured Developer default, the City would receive the benefit of any developer technical work on the defaulted sub-area and forfeits any deposits associated with that sub-area.</p>		

	If there's an uncured City default, the Developer can receive a refund of the previous deposits capped at \$700,000 as well as deposits advanced to the City to cover City costs during the negotiation and after execution of the 5 th Amended DDA.
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TERM

Term of DDAs	Term commences upon execution and ends on 12/31/2020. The Term is the time period within which the Developer must take possession (through purchase or ground lease) of the parcels within each Zone.
Paid Extension of Term(s)	For payment of an extension fee, the developer has the right to two (2) one year extensions of the Term in each Zone for payment of a fee. Extension fee payments are non-refundable and are applied as deposit toward the purchase price at takedown. Amount of extension payments: \$100,000 per zone.
Force Majeure Extension of Term(s)	DDA includes the right to a maximum of 24 months in each Zone to extend the Term based on limited force majeure provisions in the cases of delays caused by City delays following an uncured event of City default, outside regulatory agencies or litigation. These extensions can be executed through Operating Memoranda at the discretion of the City Manager.
Quarterly Progress Reports	The Schedule of Performance should include regular meetings to discuss progress and to provide a venues to discuss issues and disputes, so that both parties are actively and collaboratively working towards the beginning of the term. Developer to provide City quarterly reports of activities undertaken and milestones in schedule of performance advanced/achieved.
Annual Review & Update of Scopes	The City and the Developer shall conduct an annual review, at which time they will produce an updated Scope & Schedule of Property Disposition & Development for each zone. The new versions shall go into effect upon execution of an Operating Memorandum. The City and the Developer can also record agreed upon amendments to the performance schedule by Operating Memoranda. However, such amendments cannot result in the extension beyond the established Term, notwithstanding paid extensions or extensions for force majeure events or litigation.

PRICE

Purchase Price of Acquisition Parcels	Parties to replace Method A/Method B methodology with an approach based on fair market value of the property at the time of unit plan submission.
Developer-improved City-owned Parcels for Ground Lease	The following parcels are to be improved by the Developer, retained by the City and conveyed to the Developer through ground leases: Parcels B1, B2 and C1. The lease amounts will be based on fair market value, taking into account leasehold finance issues and developer costs for on- and off-site improvements on these parcels.

	If State Lands trust requirements and BCDC jurisdiction is removed from these parcels, they may be transferred in fee to the Developer if mutually agreed by the Developer and the City.
Past Developer Costs (dating back to 2000)	The Developer can deduct only the deposits he has given to the City for third party costs (lawyers, consultants) from price (\$700k in previous deposits plus additional deposits provided to cover the City's third party costs under the 5 th DDA).
Fee Credits	<p>The Developer will construct the public improvements needed to mitigate the impacts of the Project or public facilities related to the Project. The City will credit the cost of those public improvements against applicable impact fees for that class of improvements (transportation, parks, etc.) imposed on all development by the City, consistent with relevant law.</p> <p>Where the Developer has constructed public improvements in excess of the Developer's fair share contribution, the Parties may elect to enter into a reimbursement agreement, which provides for payment from future developers benefitting from the improvement.</p>
Public Improvements	<p>The following public improvements are Developer obligations and can receive fee credits, as applicable:</p> <p>Northern Waterfront:</p> <ul style="list-style-type: none"> • New or upgraded sanitary sewer lines and pump station anticipated to be owned by VSFCDC (previously not included in the DDA). • Upgrade to the public water system (previously not included in the DDA) to be owned and maintained by the City. • Development of Wetland Park, including any annuity required (retained as a Developer obligation) to be owned and maintained by the City. • Development of Promenade Park and associated open space improvements (retained as a Developer obligation) to be owned and maintained by the City. • Realignment of Harbor Way (retained as a Developer obligation). <p>Central Waterfront North:</p> <ul style="list-style-type: none"> • Relocation of Veterans memorial (previously a shared obligation). The City must identify a suitable site, and if needed, gain site control. • Festival Green (previously a City obligation) <p>Central Waterfront South:</p> <ul style="list-style-type: none"> • 1,900 sf open space area (retained as a Developer obligation) <p>Other:</p> <ul style="list-style-type: none"> • Capitol Street Extension: The Developer may opt to construct (previously a City obligation), and if so, the City and Developer may enter into a reimbursement agreement • The balance of park fees in the Central will be dedicated to improving park areas west of Mare Island Way between the Vallejo Yacht Club and the boat launch or developer can undertake these improvements as in-kind and receive a fee credit.

OBLIGATIONS

<p>Developer Obligations</p>	<p>City Third Party Costs: Developer to fund go-forward City Third-Party Costs that are mutually agreed upon through deposit mechanism, including Costs of Northern Waterfront Regulatory Approvals. Amounts expended by the Developer towards City Third Party Costs are deposits against purchase price.</p> <p>Preparing applications for State Lands Commission (SLC), Bay Conservation & Development Corporation (BCDC) and Army Corps of Engineers (ACE) (for the City to serve as applicant).</p> <p>Preparing site clean up plans and carrying out any needed remediation (anticipated for the Central Zones, but not the Northern).</p> <p>Public improvements as described above.</p>
<p>City Obligations</p>	<p>Administrative:</p> <ul style="list-style-type: none"> • City staff costs to manage project • Site for Veterans Memorial relocation • Ensure Lennar’s widening of MI Causeway and MI Way (when LOS trigger is met) do not encroach on Northern Waterfront development <p>Grant Seeking: City will actively pursue grant funds for Vallejo Station Phase B, Capitol Street extension and park & open space improvements</p> <p>Interfacing with other governmental/regulatory agencies:</p> <ul style="list-style-type: none"> • All City actions required to support developer obtaining permits and approvals from other agencies (anticipated to be SLC, BCDC and ACE as well as agency for overseeing hazardous materials clean up). • Relocation of post office (March 2017 likely time frame for Post Office site to be cleared and available for surface parking) <p>As (current and/or future) land owner:</p> <ul style="list-style-type: none"> • Clear title on all parcels • Parcel D1: Determine the entity/terms for ongoing operation and maintenance of Promenade Park and Wetland Park <p>Central Waterfront Planning Process:</p> <ul style="list-style-type: none"> • Technical study of options for design of Phase B of Vallejo Station • Site planning study to assess optimizing land value and market feasibility • Public planning process to achieve support for revised site plan as an early implementing action for the General Plan <p>Vallejo Station:</p> <ul style="list-style-type: none"> • Meet WETA obligation for ferry parking, although the subdivision of L3-5 will be determined by 12/31/16 through a collaborative process. • Develop a parking relocation scheme that identifies alternative locations for surface parking by 7/1/17 and that would be carried out within 30 days of unit plan approval for Parcel J and/or Parcel L.