



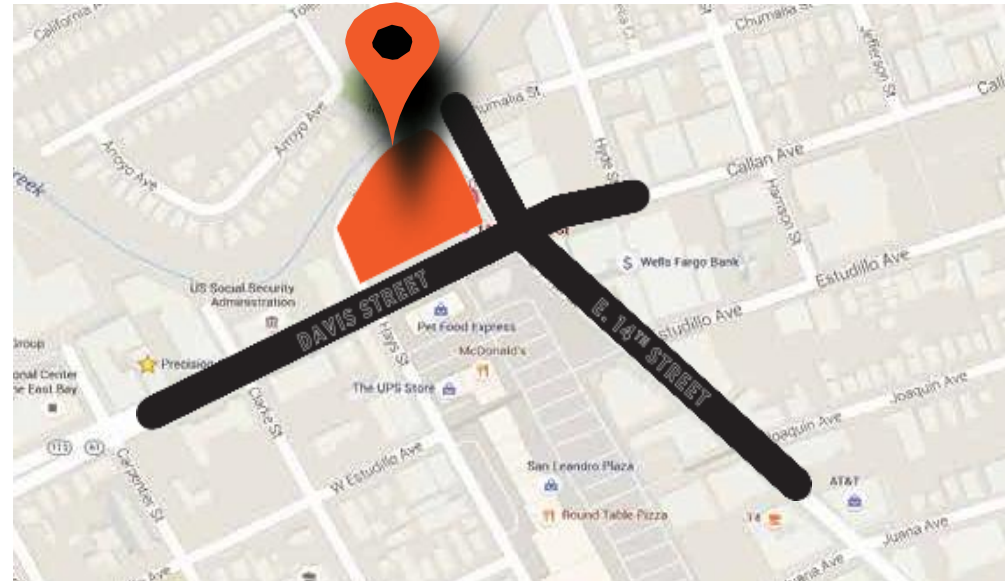
TOWN HALL SQUARE PSA AMENDMENT

JULY 2022

Overview

- **Background – work to facilitate redevelopment of long-underutilized intersection of East 14th and Davis Sts.**
- **Concept – multifamily housing development**
- **Purchase & Sale Agreement – proposed amendment to facilitate sale and success of project**

Existing Site





Parcels

Total City/RDA
for Sale: 0.68 acres

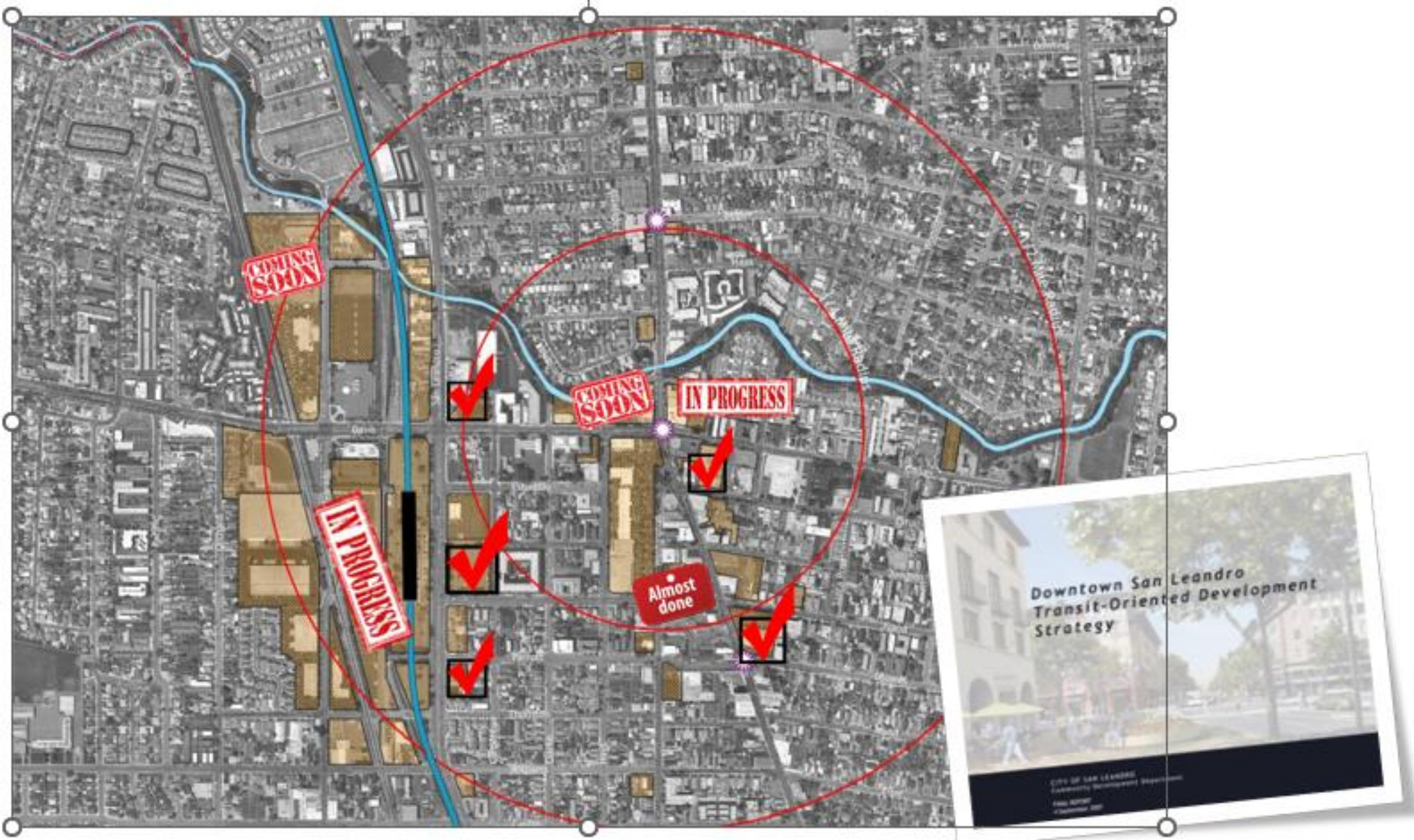
Legend

Dan Niemi Wy / E 14th St / Davis St

Parcel Ownership

- 1 290 Davis St - San Leandro RDA – 5,590 sf
- 2 262 Davis St – City of San Leandro – 9,704 sf
- 3 250 Davis St – San Leandro RDA – 8,175 sf
- 4 234 Davis St – **Beam Devel.** – 11,079 sf
- 5-7 222 Davis St/212 Davis St/1199 E 14th St – San Leandro RDA – 5,728 sf
- 8 1145 E 14th St – **Beam Devel.** – 12,500 sf
- 9 1117 E 14th St – Chevron USA Inc. – 13,200 sf

TOD Strategy – Opportunity Sites



East 14th & Davis – 5 Years



East 14th & Davis – 10 Years



East 14th & Davis – 20 Years



Disposition of Former RDA Properties

- **2000s:** Redevelopment Agency (RDA) identified site as key to revitalization of downtown and began to purchase ('assemble') properties
 - ▣ Several agreements with developers for purchase failed due to difficulty of purchasing neighboring properties and economic downturns
- **2012:** Redevelopment Agency dissolved per State Law
- **2015:** Long Range Property Management Plan (LRPMP) – established a plan to transfer or sell 22 former RDA properties
- **2016:** Issued Request for Proposals (RFP) for sale of properties at 3 sites: Parrott/Washington, Former Fire Station, and Town Hall Square
- **2017:** Developers selected and Purchase & Sale Agreements executed
- **2017–2022:** Beam Development performed Due Diligence & purchased neighboring properties

Development Challenges

- **Multiple properties and owners**
 - ▣ Chevron Gas Station likely to remain
 - ▣ Union Bank lease through 2022
 - ▣ Inclusion of bank building and parking may require developer secure alternate location for bank on or off site
- **Long Due Diligence Period**
 - ▣ Developer commitment of \$25,000 required for each annual extension

Selected: BEAM Development

- Quality design – attractive and accessible frontage that can act as gateway feature
- Experience – team has track record in Bay Area
- Feasible plan to obtain adjacent properties
- Price is competitive
- Development Team: Branagh Construction, BDE Architecture, Sandis Engineering



Team Project Examples

Bella Tierra – Unincorporated Alameda County
BEAM & Branagh Construction



Ashland Place – Unincorporated Alameda County
Branagh Construction



BDE – Artists Walk - Fremont

Project Concept

- Over 150 Multifamily Housing Units - 15% affordable
- Indoor parking and bike storage spaces
- Outdoor courtyards and tenant gathering and workspace
- Street-level activation through architectural design and open tenant uses on the ground floor

Purchase and Sale Agreement

- Sale Price: \$2.1 M (est. \$850,000 to City/RDA)
- Established: 2017
- Due Diligence: 12 months
- Closing: (5) 12 month extensions - through 2023
- Amendments: Extended DD period (but not Closing period) with \$25,000 deposit to allow for time for:
 - ▣ Negotiate purchase of adjacent properties
 - ▣ Complete physical evaluation, including related to soils
 - ▣ Evaluate impact of environmental findings and changing economic conditions, materials costs, etc. from the pandemic

Fifth Amendment to PSA

- Respond to changing conditions & Facilitate completion of sale by end of 2022
- Acknowledge that:
 - ▣ terms of sale do not require mixed use (subject to CUP)
 - ▣ Buyer is working in good faith toward obtaining discretionary entitlements
 - ▣ Buyer has already satisfied the condition of sale pertaining to purchase of the Adjacent Properties, completion of geotechnical and environmental site assessments, and is in the process of preparing to submit its project application to the City
 - ▣ Closing will need to occur prior to completion of entitlements
- Buyer will agree to waive Buyer's Condition to Closing of Entitlements if:
 - ▣ conveyance documents contain a clause pertaining to a "condition subsequent" by which if Buyer has not received entitlements by specified date, or has received litigation, the property will revert to the City/RDA and purchase price returned [mechanics/costs to be finalized]

Community Goals

City Council Priorities

- Housing and Homelessness
- Community & Business Development

General Plan Goals

- Policy ED-5.2 - Housing Production. Substantially increase the production of a variety of housing types meeting the needs of persons at all income levels.
- Policy LU-3.4 - Promotion of Infill. Encourage infill development on vacant or underused sites within residential and commercial areas.
- Policy LU-6.6 - Downtown Housing Diversity. Encourage a mix of market-rate and affordable housing in the Downtown area, including ownership and rental housing at a variety of price points. Recognize the opportunity to make future Downtown housing more affordable by reducing accompanying transportation costs and making it more feasible to use transit, bicycles, bicycle and car-sharing, and other innovative modes of transportation as these become viable.

Steps to Forward Development

- **Developer Due Diligence** ✓
- **Developer negotiations with neighboring properties** ✓
- **Project planning & entitlements – in progress**
- **Purchase City Properties – by December 2023**
- **Entitlements Public Hearing – by Q2 2023**
- **Building permits & project development – 2023/2024**

Recommendation

- **Adopt Resolution approving Fifth Amendment to Purchase & Sale Agreement for City and Successor Agency-owned properties to Facilitate the Development of Town Hall Square Project**