

CITY OF SAN LEANDRO

MEMORANDUM

Date: September 18, 2008

To: Shoreline - Marina Committee

From: Steve Hollister, Interim City Manager

By: Cynthia Battenberg, Business Development Manager

Subject: DRAFT EXCLUSIVE NEGOTIATING RIGHTS AGREEMENT

Attached please find a draft Exclusive Negotiating Rights Agreement (ENRA) by and between Cal Coast Development, LLC (Cal Coast) and the City of San Leandro (City). The ENRA addresses issues regarding how the City and Cal Coast will negotiate for development of the Shoreline – Marina area over the next 18 – 36 months. The end result of the ENRA will hopefully be an agreement between the City and Cal Coast that includes the terms and conditions regarding development of a project on the site.

The ENRA includes the following provisions:

- An 18 month term with the ability to extend for a maximum of 18 additional months.
- A \$50,000 initial deposit to cover the City's third party financial and legal consulting fees, with an additional \$25,000 due upon extension of the agreement.
- Developer studies, such as financial feasibility, soils, design, etc., shall be at Cal Coast's expense and copies shall be provided to the City within ten business days.
- If required, City will select consultant for preparation of the Environmental Impact Report and Developer will pay City and consultant costs.
- City and Cal Coast to work cooperatively on hydrology and other tidal action studies.
- City to retain ownership of the site.
- Requirements for community participation such as involvement in the Shoreline Development Citizens Advisory Committee, community and town hall meetings and general responsiveness to the public.
- Requirement that the project be fiscally neutral with respect to the City's General Fund.
- Developer and its contractors shall comply with Prevailing Wage Laws and the City of San Leandro Living Wage Ordinance. The Living Wage Ordinance also applies to sublessees.

Staff recommends the Shoreline-Marina Committee forward the ENRA to the City Council authorizing the City Manager to enter into the Agreement with Cal Coast for development of the 40-acre Shoreline-Marina area opportunity site.