

COMPARING THE PROVISIONS OF THE FOURTH & FIFTH RESTATEMENT

	4th Amended and Restated DDA	5th Amended and Restated DDA
Parties	City, Successor Agency, Callahan Property Company (Developer)	City and Callahan Property Company (Developer); Successor Agency explicitly not a party
Site	<p>Included the entire Northern Waterfront and Central Waterfront as one site (while removing Southern Waterfront)</p> <p>Included a number of City Parcels which had no Developer obligations under the agreement</p>	<p>Creates 3 distinct Zones in the Northern Waterfront and Central Waterfront with separate obligations and timelines:</p> <ul style="list-style-type: none"> • Northern Waterfront is east of the municipal marina between Mare Island Way and the Mare Island Causeway • Central Waterfront North (also known as Parcel J) is the block north of Georgia Street west from City Hall and the JFK Library to Mare Island Way • Central Waterfront South (also known as Parcel L) is the block south of Georgia Street, bounded by Santa Clara Street and Mare Island Way, where Vallejo Station is located <p>Only includes Developer parcels or parcels for which the Developer has obligations</p>
Term	There is no term, and the schedule of performance tolled for all parties	Until December 31, 2020, with two one year options to extend at a cost of \$100,000 per zone
Force Majeure	Broad force majeure provision provided, without limitation, for extensions to the schedule of performance for a wide variety of delays with no time limitation to extensions due to delays	Limited to delays caused by: third-party regulatory agency, an uncured City event of default and/or litigation. City Manager can approve no more than 24 months of Force Majeure delays per Zone. Any additional extensions must be through amendment approved by Council

<p>Purchase Price & Rates for Ground Leased Parcels</p>	<p>Complex land valuation formula, which required appraisals under two methodologies, the greater of which would determine the purchase price</p> <p>Developer to recover all costs spent on the project going back 15 years (estimated at \$11m), as a deduction from the purchase price</p>	<p>Simple “fair market value,” appraising each parcel based on the condition of the site and the land use entitlements in place at Unit Plan submission</p> <p>Developer can deduct only the deposits he has given to the City for third party costs (lawyers, consultants) from price (currently about \$700k total)</p>
<p>Condition of the Site</p>	<p>City or RDA was responsible for remediating parcels before conveying to Developer</p> <p>Former redevelopment agency was obligated to construct public improvements with tax increment financing</p>	<p>Developer accepts the land “as-is” and is responsible for the costs of any remediation (anticipated for Central Waterfront North and Central Waterfront South) or soil stabilization (anticipated for all three zones)</p> <p>Developer will construct public improvements and receive appropriate impact fee credits or the City will enter into a reimbursement agreement similar to other private developers.</p>
<p>Private Development in Phase B of the Vallejo Station Garage</p>	<p>Provides Developer with the right to develop Parcel L4, a “vertical subdivision parcel” above the garage with retail, additional parking, and a hotel, restaurant and conference center as long as the City obtains financing for the garage</p>	<p>Provides for a technical review process to determine a feasible design for the Phase B Garage by December 31, 2016. Developer retains right to develop private development parcels included in the design for the Phase B Garage (as applicable).</p> <p>If private development is determined to be infeasible as a result of the technical review, the agreement provides for the termination of the DDA and removal of development rights to private development parcels on the Phase B Garage.</p>

Schedule of Performance	<p>None. All obligations of 3rd Amended and Restated DDA were tolled.</p> <p>Any changes to schedule or term may be approved by the City Manager.</p>	<p>Scope and Schedule of Property Disposition & Development provided for each Zone describing City and Developer separate obligations and setting performance deadlines.</p> <p>Changes to schedule that do not affect the Term of the Agreement may be approved by the City Manager</p>
Reporting	None	Developer required to provide quarterly reports on progress, conduct regular meetings with City staff, and participate in an annual review of the Scopes and Schedules to monitor progress and determine if revisions to the Scope & Schedule are required.
Transfer & Assignment	Broad, with narrow provisions for the City to vet or disapprove of transfers. No mechanism for assigning obligations on one or more parcels without assigning the entire agreement.	<p>Ensures the City has the authority to approve any transfers to a new developer (and includes process to vet that developer) or new ownership structures prior to transfer.</p> <p>Separation of site into zones facilitates transfer by zones.</p>
Default	With the schedule of performance tolled, neither party in default	<p>Failure to meet the deadlines in the Scopes and Schedules constitutes default</p> <p>No cross-default across Zones– a developer default in one Zone will not trigger a default under the whole Agreement, allowing the City to potentially terminate the Developer from parcels where the Developer is not performing while allowing parcels that are moving forward to continue under the Agreement. Removal of cross-default provision also facilitates transferability of obligations under the DDA</p>

Termination	See above	<p>Individual parcels can now be terminated from the Agreement where the City or Developer defaults.</p> <p>New “no fault” termination provisions relating to the Phase B Garage private development parcels, in the event that the creation of private development parcels is determined to be infeasible</p>
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