

**CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY
CALIFORNIA RECYCLE UNDERUTILIZED SITES REMEDIATION PROGRAM
Meeting Date: December 13, 2016**

*Request to Amend Infill Grant Documents under the California Recycle Underutilized Sites
("CALReUSE") Remediation Program*

Prepared by: *Ethan Wieser*

Applicant:	MacArthur Transit Community Partners, LLC	Type of Funding:	Grant
Project Name:	MacArthur Transit Village	Amount Disbursed:	\$2,981,000
Project Location:	Oakland, (Alameda County)	Prior Actions:	Application Approved 11/19/08 Amended 08/16/16

Summary. MacArthur Transit Community Partners, LLC (the "Grantee") requests an amendment clarifying the August 16, 2016 California Pollution Control Financing Authority ("CPCFA") Resolution. Specifically, the Grantee requests a new Resolution that makes clear CPCFA's consent to the transfer of parcels A and C1 to an affiliate of Hines Interests, LP and consent to the transfer of parcel B to an affiliate of Boston Properties, LP.

Background of the Approved Project. CPCFA consent is required by the Section 6.2 of the Infill Grant Agreement if the Grantee wishes to merge, reorganize, consolidate or sell, lease, assign, transfer, or otherwise dispose of more than 20% of control of Grantee's business assets. In this case only Parcel A was a part of the CALReUSE project, however CPCFA consent was still required for Parcels B and C1 which are part of Grantee's larger 8.2 acre project, and makes up more than 20% of the Grantee's assets.

On August 16, 2016 the CPCFA Board approved a resolution consenting to the transfer of Parcels A and C1 from the Grantee to Hines Interest, LP, and parcel B from the Grantee to Boston Properties, LP.

As is customary with developers, both developers will eventually form an affiliate entity to hold the property, so it is to those affiliate entities that the properties will ultimately be transferred. The Grantee has requested an amended resolution that clarifies the consent to transfer parcels includes the affiliates of both Hines Interests, LP and Boston Properties, LP.

Staff Recommendation. Staff recommends approval of the attached Resolution providing CPCFA consent to the transfer of parcel A and C1 to Hines Interests, LP and its affiliates, and consent to the transfer of parcel B to Boston Properties, LP and its affiliates.

**A RESOLUTION OF
THE CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY
APPROVING THE REQUEST TO AMEND INFILL GRANT DOCUMENTS UNDER
THE CALIFORNIA RECYCLE UNDERUTILIZED SITES (CALREUSE)
REMEDIAION PROGRAM**

DECEMBER 13, 2016

WHEREAS, the California Pollution Control Financing Authority (the “Authority”), a public instrumentality of the State of California, is authorized by the Regulations adopted to implement and make specific the statutory provisions of the California Recycle Underutilized Sites (CALReUSE) Remediation Program; and

WHEREAS, the statutory provisions of the CALReUSE Remediation Program authorize grant and loan funding for the purpose of brownfield cleanup that promotes infill residential and mixed-use development, consistent with regional and local land use plans; and

WHEREAS, the California Pollution Control Financing Authority (the “Authority”), a public instrumentality of the State of California, on November 19, 2008 approved a grant for MacArthur Transit Community Properties, LLC (“Grantee”) in the amount of \$2,981,000, as reflected in that resolution (the “Resolution”);

WHEREAS, MacArthur Transit Community Properties, LLC has the authority and responsibility to complete the Brownfield Infill Project and Infill Development Project as described in the Infill Grant Agreement December 1, 2010 (“Agreement”); and

WHEREAS, the Grantee has requested the Authority’s consent to the transfer of parcels A and C1 to Hines Interest, LP or its affiliates as required by Section 6.2 of the Agreement; and

WHEREAS, the Grantee acknowledges that the completion of the Infill Development Project approved for Parcel A remains a condition under Section 5.2 of the Agreement and that failure to fulfill that condition will constitute an event of default under Section 7.1 of the Agreement subject to the grantor’s remedies listed in Section 7.3 of the Agreement; and

WHEREAS, the Grantee has requested the Authority’s consent to the transfer of Parcel B to Boston Properties, LP or its affiliates as required by Section 6.2 of the Agreement; and

WHEREAS, an amendment to the Agreement by the Authority is now sought;

NOW THEREFORE BE IT RESOLVED by the California Pollution Control Financing Authority, as follows:

Section 1. Pursuant to the Regulations, the Authority hereby consents to the transfer of Parcels A and C1 from the Grantee to Hines Interest, LP or its affiliates.

Section 2. Pursuant to the Regulations, the Authority hereby consents to the transfer of Parcel B from the Grantee to Boston Properties, LP or its affiliates.