

As you know, Berkeley City Council Resolution No. 67,172 provides guidance for satisfying the requirements for significant community benefits. The project will utilize a Project Labor Agreement to hire union labor for project construction, per Section C(5) of the resolution. This significant community benefit is valued at 5% of the project's construction costs, or \$3,885,819 for this project, as directed by the resolution. The analysis conducted by EPS concludes that there is no "residual" value remaining for other significant community benefits.

Along with the aforementioned significant community benefits, the project would include the construction of pedestrian safety improvements at the intersection of Shattuck Avenue and Berkeley Way in order to address pre-existing, unsafe conditions adjacent to the project. The current amount of pedestrian traffic at the intersection meets the California Department of Transportation (Caltrans) minimum warrant for the installation of a traffic signal. These unsafe conditions have been caused by a variety of recently approved and built developments nearby. By paying for the full cost of the traffic signal and associated pedestrian safety improvements, estimated to be \$819,500, the project will provide substantial a public safety benefit for the City of Berkeley.

In addition, the proposed project would create hundreds of full time jobs during its two year construction period and generate significant additional tax revenue for the City and other local government entities. The attached tax revenue summary estimates that the property could generate approximately \$2.3 million dollars in annual tax revenue, which is \$2 million more than the tax revenue generated by the existing property. Of this total, an estimated \$834,000 would be allocated annually to the City of Berkeley, and another \$238,000 would be allocated annually towards local education.

We are excited to contribute in a meaningful way to affordable housing, labor, homelessness reduction, civic art, streetscape and open space improvements, and public schools in Berkeley. If there are other ways your department or city leaders feel we could be a good partner, please let us know. Should you have any questions about this summary or the attached report, please feel free to contact me.

Thank you.

Sincerely,



Steve Buster
Senior Vice President, Development
Grosvenor Americas