

The Boeing Company

2201 Seal Beach Blvd.
M/C 110-SG64
Seal Beach, CA 90740

February 24, 2011

Mr. Cuentin Jackson
Mr. Derek Burnham
City of Long Beach
333 W. Ocean Boulevard, 5th Fl.
Long Beach, CA 90802



RE: Douglas Park Amended and Restated Development Agreement
Annual Review – Project Number 484807

Dear Cuentin and Derek,

Pursuant to Section 5.1 of the Douglas Park Amended and Restated Development Agreement the Company shall conduct an annual review of the Company's compliance with the Agreement. Such annual review shall be limited in scope to determining good faith compliance with the provisions of the Agreement. As part of the review, the Company shall submit an annual monitoring review statement to the Planning Commission describing its actions in compliance with the Agreement, in a form acceptable to the City within forty-five days after written notice from the City requesting that statement. The annual review is based on a calendar year and is subject to the City's Annual Review Fee as described in Section 5.5 of the Agreement. Pursuant to the Notice Letter dated January 13, 2011 and addressed to Gene Warden, the fee for 2010 is \$2,863.66 and shall be submitted to the City with the monitoring review statement.

We have attached a matrix itemizing our compliance to the agreement and milestones during 2010. The fee of \$2,863.66 will follow the report as soon as issued by Boeing accounting.

Should you have questions please contact me at 206-851-4287 or via email at walter.e.warden@boeing.com.

Sincerely,
The Boeing Company

Gene

Gene Warden
Sr. Real Estate Manager

Warden3

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Gene Warden3
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- cc: Patrick West, City Manager, City of Long Beach
- Michael J. Mais, Assistant City Attorney, City of Long Beach
- David White, Special Projects Officer, City of Long Beach
- Mark Christoffels, City Engineer, City of Long Beach
- Phillip Balmeo, Division Engineer, City of Long Beach
- Truong Huynh, Engineering Plan Check Officer, City of Long Beach
- Stephane Wandel, Enterprise Leader RPM, The Boeing Company

ANNUAL REVIEW OF BOEING'S COMPLIANCE WITH THE TERMS OF THE AMENDED AND RESTATED DEVELOPMENT AGREEMENT 2011

DA Ref	Description	Development Agreement Requirement	Itemized Compliance	2010 Work in Progress and Commitment to Perform
8.27 & 8.28	Transportation Demand Management Program – ATCS Traffic Control Program	TBC shall implement a Transportation Demand Management Program as required by the Mitigation Monitoring Program, including an ATCS Traffic Control Program. TBC shall incorporate transportation improvements to service the project and to reduce project-related traffic impacts within the project area.	1) Preliminary discussions and planning for the ATCS Traffic Control Program began in mid 2005. 2) Technical memo presented for design comments from all jurisdictions involved September 2005. 3) System Design in process.	ATCS Traffic Control Program construction will be complete and system operating December 2010.
3.3.3, 2.42 & 2.43	Phase 1 Infrastructure Plan review and approval - Including traffic and utility improvements	The City will work with TBC in good faith to process and review the Ministerial Permits and Approvals and inspections in a timely manner. Phase 1 On-Site Roadway Infrastructure.	Phase 1 Infrastructure Plans, including utility, on and off site street improvements, street lighting, and landscaping, approved by the various Public Works Departments November 1, 2006. Permit approval and commencement of work October/November 2006.	
	On site construction Phase 1		Construction Start: Met Utilities October 2006. balance of infrastructure construction began November 2006. Construction completed and accepted by the City of LB 10.26.09 City and County Final Inspection acceptance and completion of construction of backbone storm drain September 2006. City and County Final inspection acceptance and completion of construction of the Phase 1 storm drain system December 2007.	
	Park "A" - Douglas Plaza		Park A's plan approval is complete, permits have been extended by the Building Dept. Construction is pending Water Quality Board's release to the City of Long Beach and site grading completed by City of Long Beach prior to commencement of park construction.	City construction projected to begin March 2011. Boeing's park construction to follow immediately upon City completion. The cost associated with the grading of Douglas Plaza prepaid 2010.
8.25.1	Off site construction Phase 1	Grading of Douglas Plaza	Off-site construction complete and City acceptance 4th quarter 2009.	
	Off Site Intersection Improvements per Exhibit F of the Development Agreement	Category B - Intersection Improvements and Category D Regional Transportation Improvements. Intersections identified as follows: Carson / Lakewood, Cover / Lakewood, Conant / Lakewood, Carson / Worsham, Douglas Cir Drive / Lakewood, Carson / Paramount, DelAmo	84% of the Off Site Intersection Improvements were completed in 2009 ahead of the trigger requirements of Exhibit F. Completed intersections include: Carson / Lakewood, Cover / Lakewood, Conant / Lakewood, Carson / Worsham, Douglas Cir Drive / Lakewood	Off Site Intersection Improvements completed December 2010. Cherry / N405 on-ramp has been designed and permitting will proceed to meet future trigger requirements in Exhibit F of the Amended and Restated Development Agreement.
	Bike Path	Bike Path as described per Exhibit E-1 of the Development Agreement	Class 1 Bike Path Improvements along Carson Street: Plans including landscape improvements submitted for City review November 2006. Plan approved and construction commenced July 07. Bike Path installed according to approved plan in 2008 but required rev	
	Phase 2 Infrastructure Plan review and approval - Including traffic and utility improvements	Phase 2 On-Site Roadway Infrastructure" as described per Exhibit E-1 of the Development Agreement	Phase 1 Infrastructure - Complete with City acceptance 4th quarter 2009. Street Improvements for Phase 2 submitted for City review November 2006. Construction commenced October 2007--Completion and City acceptance 4th quarter 2009	
	Enclave Fencing	Landscaping shall be installed on the eastern side of the Enclave fence from the north end of Building 15 to the southern property line upon installation of Phase 1 commercial infrastructure. Landscaping shall be installed on the northern side of the fence.	Enclave Fencing design approval obtained December 4, 2007. Boeing extended landscape screening from north end of building 15 to Cover Street for improved aesthetics.	
	Phase 3 Infrastructure Plan review and approval - Including traffic and utility improvements	Phase 3 On-Site Roadway Infrastructure" as described per Exhibit E-1 of the Development Agreement	Phase 3 Infrastructure plans submitted July 27th, 2007. Construction completed and City acceptance 4th quarter 2009	
	Final Maps	Conditions of Approval #1-6	First Final Map approved and recorded December 2006. Second Final Map approved and recorded December 2007.	
1.51 & 2.4.2d	Infrastructure Design North of Cover - ReZone Area Phase 4	Phase 4 Infrastructure Plan review and approval - including traffic and utility improvements	Phase 4 On-Site Roadway Infrastructure" as described per Exhibit E-1 of the Amended and Restated Development Agreement	Phase 4 infrastructure plans submitted March 2009. Construction to commence 3Qtr 2011.

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3.3.3.2	Subsequent Discretionary Project Approvals	In order to provide the City with advance notice of upcoming applications for Discretionary Project Permits and Approvals, TBC shall supply to the City a list of the various Discretionary Permits which TBC reasonably anticipates will be requested each year.	1) Quarterly letter with matrix of anticipated Ministerial Permits & Approvals annotating the schedule. 2) Annual compliance letter with matrix.	1) TBC submitted updates of the anticipated Discretionary Permit and Approvals matrix through 2010.
3.3.3.1	Ministerial Permit & Approval List	In order to provide the City with advance notice of upcoming applications for Ministerial Permits and Approvals, TBC shall supply to the City a list of the various Ministerial Permits which TBC reasonably anticipates will be requested each year.	1) Quarterly letter with matrix of anticipated Ministerial Permits & Approvals annotating the schedule. 2) Annual compliance letter with matrix.	1) TBC submitted updates of the anticipated Discretionary Permit and Approvals matrix through 2010.
3.3.1	City Project Coordinator	In order to facilitate the expeditious completion of the Project, the City shall select a City Project Coordinator. Triggering event: City shall initiate selection upon agreement execution.	1) The City Project Coordinator position was awarded to James Kennedy. 2) Various meetings for clear communications required to expedite review coordination and the permit approval processes have been established. 3) Coordinator meetings continued through Boeing team with City points of contact.	
8.45	Art and History Program	The project shall include a public art component reflecting the Property's historical significance or other thematic elements important to creating the project's new identity. Project shall submit a Public Art Master Plan.	1) Historical American Engineering Record (HAER) report completed, approved and delivered to agencies as required July 2006. 2) The Douglas Heritage Group has been established. 3) Art Program developed and approved May 2006. 4) Street Names selected and Commercial Gateway landscape completed August 2008. SCE pedestals relocated and power energized January 2011.	Douglas Plaza's plan approval is complete; construction will immediately follow City's delivery of an environmentally clean and graded site.
8.19	Jobs Program	TBC shall collaborate with Long Beach Jobs Initiative Team to implement a "JOBS" program with the goal of employing qualified LB residents or qualified graduates of an appropriate Jobs Initiative training program.	1) Pursuant to the DA requirements a Board of Directors was identified and the first meeting of Board occurred on November 17, 2005. 2) Meetings continue every 6 months and met accordingly 2006. 3) First annual contribution of \$100,000 was made by TBC, requirement completed / closed	
8.23	Public Financing Districts	TBC may propose to initiate proceedings to form one or more Public Financing Districts with respect to the Property, to finance all or a portion of the costs to improve the property. Triggering event: Development	1) Public Finance Districts / CFD final agreement approval issued December 21, 2006, executed agreement and payment of costs for formation to the City of Long Beach in the amount of \$150,000 made by January 11, 2007, presented for City Council January 16, 2007.	All funds received.
8.23.2	Maintenance CFD North of Cover	Schedule B		Documentation completed December 2010 for City Council approval January 2011.
8.30	Affordable Housing	The project will contribute to the affordable housing goals of the City. Triggering event: Payment due at execution of Development Agreement and resolution of a challenge should one occur.	1) First payment of \$250,000 was made upon resolution of the CEQA Litigation by check dated 2/15/06.	All fees paid pursuant the Amended and Restated Douglas Park Development Agreement.
8.46	Infrastructure Payment	The project will contribute to the City's infrastructure improvements. Triggering event: Initial payment due at execution of Development Agreement and resolution of a challenge should one occur.	1) Payment of 1/2 of the Infrastructure payment of \$250,000 was made in good faith at the time of Grading Permit issuance for Phase 1 of the construction (10/05) due to the CEQA Litigation. 2) Payment of the balance due of \$125,000 was made upon resolution approval.	\$625,000 paid upon execution and recordation of the Amended and Restated Development Agreement as well as early payment of the \$125,000 required one year after recording (May 26th, 2011) of the Amended and Restated Development Agreement.
	ReZone Review & approval			Council Approval of ReZone for Douglas Park October 6, 2009
	Final Maps	ReZone Areas 1, 2, 3, & 4		Final Maps for Areas 1-4 submitted for technical review and approval 2010. Final Maps 1, 2, & 4 approved and in signature process February 2011.
	Amended & Restated Development Agreement			Amended and Restated Development Agreement approved and recorded May 29th, 2010.
	EIR Addendum			EIR Addendum approved September 3, 2009
2.4.3	CC&R's			1/20/2011 Recorded amended CC&R's to conform with the Amended and Restated Development Agreement