EXHIBIT A

Development Agreement Summary Report

The proposed Development Agreement is a statutory development agreement as authorized by state law (Govt. Code Section 65864 et seq.). The purpose of the Development Agreement is to provide Napa Redevelopment Partners, LLC ("NRP") with a vested right to development of the Project for a period of years in accordance with the applicable laws and entitlements in effect at the time of Project approval in exchange for NRP's agreement to provide a package of public benefits in excess of that which could have been required under applicable laws.

Material terms of the Development Agreement include the following:

1. Term. The term of the Development Agreement is 20 years.

2. Public Benefits of the Project. Material public benefits provided under the Development Agreement include the following:

   a. Development of multifamily housing consistent with Housing Element Program H-4e that will fully satisfy the County's Regional Housing Needs Allocation requirements under State law, and provide twenty percent (20%) of all residential units developed on the Property as affordable to Very Low Income Households, Low Income Households and Moderate Income Households (discussed in more detail below).

   b. Payment to the County of a $1,000,000 Affordable Housing Contribution, (discussed in more detail below), that are in addition to the County's Non-Residential Affordable Housing Impact Fee

   c. Implementation of an outreach and marketing program applicable to all market rate and inclusionary moderate-income units that provides persons who live or work in the County with preferential access to units for sale;

   d. Anticipated construction in Phase One of the Project of an approximately (but not to exceed) 154,000 square foot Membership Warehouse Store, such as a Costco, as more particularly described below.

   e. Site remediation of the entire Property (a former industrial site) pursuant to an approved Remedial Action Plan; and

   f. Construction of approximately 15,600 square feet of various community facilities at Landowner's sole cost and expense, including the following:

      (i) Refurbishment of existing overhead cranes that will be integrated into the street-scape;

(ii) Construction in the dry-dock area of small boat harbors, a boathouse, a swimming pool and a sunken outdoor event space;

(iii) Refurbishment of an existing gantry crane as an outdoor movie screen adjacent to the sunken event space;

(iv) Construction of a neighborhood-serving day care facility of approximately 3,600 gsf of indoor space and 4,500 gsf of outdoor space integrated into the center of the neighborhood center, if demand requires.

(v) Construction of a transit center kiosk that provides information regarding available transit, ticket sales, and a sheltered seating area;

(vi) Construction of a large, open plaza in the vicinity of the boathouse and dry docks that will serve as a public gathering place; and

(vii) Construction of an approximately 1,000 gsf community facilities space.

g. Creation of privately-owned and maintained but publicly accessible right-of-way (streets and roads) improvements, within the property; public utilities infrastructure; pedestrian and bicycle paths; fair share traffic improvement mitigation measures; and other infrastructure improvements and facilities;

h. Creation of sustainable storm water treatment system and features designed to naturally reduce or avoid water quality and hydrologic impacts, such as green roofs, bio-retention areas, vegetated swales, cisterns, pervious pavements and flow-through planters;

i. Provision for future development of a hotel on the Property when the market demand exists for a new hotel;

j. Development of a community farm of approximately four acres; and

k. Restoration of riparian habitat along Bedford Slough, including construction of a wetland at the mouth of the slough.

3. Affordable Housing. A total of twenty percent (20%) of all residential units developed on the Property will be affordable to Very Low Income Households, Low Income Households and Moderate Income Households. Based on the maximum development of 945 Residential Units permitted under the Development Agreement, at least 140 Low Income Homes are required to be developed and at least 70 of the Low Income Homes are required to be Affordable to Very Low Income Households, with the remaining Low Income Homes Affordable to Low Income Households.

The 140 Low Income Homes will be built on land that NRP will prepare at its sole cost with appropriate infrastructure/grading/remediation so as to be suitable for the proposed residential development. The affordable housing parcels are to be developed in phases, so that NRP prepares and conveys a developable site to the County (at no cost) in Phase Two sufficient for the development of a minimum of fifty (50) Low Income Homes, a developable site in Phase Three sufficient for the development of a minimum of fifty (50) Low Income Homes; and a developable site in Phase Four sufficient for the development of the remaining required Low Income Homes not accommodated in the prior phases. Once conveyed to County, County transfers the sites to the affordable housing developer (MidPen Housing Corporation is identified as an approved and qualified affordable housing developer) for development of the affordable projects. The affordable housing sites are identified in the Affordable Housing Plan as Parcel 17 (Phase Two), Parcel 19 (Phase Three) and Parcel 4 (Phase Four) as shown on the Land Use Plan (Exhibit H to the Development Agreement), although those sites could be adjusted with County's approval in the future. NRP cannot proceed with vertical development in a subsequent phase unless it has prepared the developable site, the County has approved an Initial Financing Plan prepared by the affordable housing developer that shows the anticipated sources and uses of funds for the affordable project, and the County and the affordable housing developer have entered into a conveyance agreement for delivery of the site.

In addition to the land dedication sites, 50 of the residential units will be affordable to Moderate Income Households and would be developed by NRP (or the purchasers of market-rate lots from NRP) as on-site inclusionary units integrated with the market-rate residential units, and must be constructed proportionally with the market-rate units within the phases.

NRP must also make an Affordable Housing Contribution to the County in the amount of One Million Dollars ($1,000,000) to be deposited into the County's Affordable Housing Fund. $750,000 of this amount will be provided by the County to the affordable housing developer (contemplated to be MidPen) for the first low- and very-low income development project on the Property and $250,000 will be used by the County to fund the County's Proximity Housing Assistance Program to provide homebuyer assistance for affordable residential ownership units developed on the Property.

NRP must also pay the County's Non-Residential Affordable Housing Impact Fee directly to County in connection with the issuance of all non-residential building permits issued for development of the Property, regardless of whether such permits are issued for a portion of the Property that has been annexed to the City or for a portion of the Property that remains in an unincorporated area of the County.

NRP must also meet the requirements of the County's affordable housing ordinance for the Continuing Care Retirement Community units through the payment of an amount equivalent to the in-lieu fee determined in accordance with Napa County Zoning Code Section 18.107.090 in effect as of the applicable payment date.

4. Phasing. The Development Agreement includes a detailed Phasing Plan (Exhibit D) that specifies the phasing of the Project over the course of development. The Phasing Maps attached as Exhibit D show the four main phases of development and indicate certain infrastructure, open

space and other community facilities and improvement, and affordable housing pre-requisites that must be completed in each phase to move to vertical development in the next; however, so long as the pre-requisites are met, more than one phase may be occurring at any particular time.

The Phases generally consist of the following:

Phase One: Membership Warehouse Store and gas station, Wetlands Restoration and Site Remediation and Fill Activities.

Phase Two: Approximately 40,000 s.f. of neighborhood services uses (e.g., retail and restaurants); up to a total of 350 residential units on Blocks 11-13, Blocks 16-18; a 150-unit continuing care retirement complex on Block 10; a pedestrian/bicycle connection to Kennedy Park; and Kaiser Road improvements from the Project site to Highway 221.

Phase Three: Approximately 90,000 s.f. of non-residential commercial, neighborhood services (e.g., retail and restaurant) uses; a hotel;, up to a total of 350 residential units on Blocks 3, 6, 9 and 19-22; specified parks, trails and pedestrian paths; and specified access roads, utilities and streetscape.

Phase Four: Completion of commercial development on Blocks C & D immediately north of the hotel site; up to a total of 245 residential units on Blocks 1, 2, 4, 5, 7, 8 and the balance of Block 15; specified parks; and specified access roads, utilities and streetscape.

Components of phasing are more specifically described below:

a. **Open Space**. Open space components of the project are tied to development of particular residential or commercial building blocks or project buildings within a Phase or sub-Phase.

b. **Transportation Infrastructure**. Transportation infrastructure will be phased in connection with development of adjacent blocks, as identified in subdivision map applications submitted by NRP and approved by the County. The EIR Mitigation Measures require two 'opening day' mitigation measures to be constructed by NRP prior to the first certificate of occupancy for the Membership Warehouse Store: a single lane round-about with a by-pass lane on the southbound and eastbound approaches to the intersection, including the bridge improvements to Anselmo Court and Anselmo Court/Corporate Drive; and median treatment improvements on Soscol Ferry Road that essentially control all movements except for the westbound through movement on Soscol Ferry Road and widen Soscol Ferry Road to the west of its intersection with Devlin Road to allow for merging of the two lanes. NRP must make a fair share mitigation payment for a number of other local and regional transportation improvements identified in the intersection improvement plan that implements the EIR mitigation measures.

c. **Affordable Housing**. See description above of affordable housing phasing.

d. **Membership Warehouse Store**. The County anticipates that Phase One will include the construction of a Membership Warehouse Store, such as a Costco. The Phasing Plan requires NRP to use diligent and good faith efforts to enter into a binding agreement for this use, which is a pre-requisite to vertical construction in Phase Two. However, if after such good faith efforts, NRP has not entered into a binding agreement for the Membership Warehouse Store within two years from the effective date of the Development Agreement, then it may proceed to Phase Two (subject to other pre-requisites being satisfied). However, because the lack of the Membership Warehouse Store (or the hotel in Phase 3) may result in a net deficit in revenues required to cover City services provided to the Project, the Phasing Plan requires NRP to pay a fiscal impact payment for each Phase to fund municipal services until such time as the Membership Warehouse Store or the hotel is constructed. The amount of the fiscal impact payment varies by phase and is based on the Napa Pipe Fiscal Impact Analysis Final Report prepared for the County by Seifel Consulting (April 2014) and a sensitivity analysis should the Membership Warehouse Store and hotel not be constructed, and is payable based upon issuance of certificates of occupancy for each 50 units developed in the phase. The fiscal impact payments will be secured by a deposit or letter of credit. The obligation for the fiscal impact payment and security are released upon issuance of a certificate of occupancy for the Membership Warehouse Store, or for a hotel in Phase Three or Four.

5. Vested Rights. The Development Agreement generally provides NRP with a vested right to develop in accordance with the entitlements in effect as of the approval date. The County may not impose new fees or exactions or changes in law that would affect its vested rights during the first ten (10) years of the term. Thereafter, new fees and exactions may apply to the extent they apply County-wide and are not for purposes of funding affordable housing, street, traffic, transportation or transit improvements or park or open space development and acquisition
As described in Section 12 below, The City previously requested a limitation of 5 years on new City fees and exactions, which is reflected in the current draft. NRP objects to this shortened time-frame on new and increased City fees.

6. Industrial Zoning District. In general, the Development Agreement and related approvals do not apply to development of the approximately 75-acre Eastern Parcel that is designated Industrial:Airport Compatibility (I:AC) under the County's Zoning Code. The only rights vested under the Development Agreement as to the Industrial Zoning District is the right to develop up to a total of 165,000 gsf of enclosed non-residential uses (which limitation is set forth in the Napa Pipe General Plan Amendment), which is anticipated to be comprised of up to 90,000 gsf of office uses and up to 75,000 gsf of light industrial, R&D, and warehouse uses. Any development of the Industrial Zoning District remains subject to all Local Agency-wide laws and regulations that are in effect at the time of development, and may occur independent of the Project phasing.

7. Water Supply. The Napa Pipe Zoning District requires that as a condition of County approval of the Master Map and Development Plan, the Landowner must provide a '"will serve"' approval from the City of Napa or an alternate source for the provision of water, and evidence that groundwater will not be used. The County has included this requirement as a condition to approval of the Master Map and Development Plan.

8. Continuing Care Retirement Community. Development of a continuing care retirement community (the "CCRC") is contemplated as part of Phase 2 of the Project. To respond to City concerns on emergency response, the Development Agreement requires that any CCRC facility must contract with or hire a state licensed provider(s) of advanced life support paramedic services, and that the on-site paramedic services provider is located on-site twenty-four (24) hours per day, seven (7) days per week for the duration of the CCRC use.

9. Construction and Maintenance of Infrastructure/Parks and Open Space. Except for water and waste-water utilities, all Project infrastructure, including rights-of-way and parks and open space, will be privately-owned and maintained but publicly accessible infrastructure. Upon completion, all privately maintained infrastructure will be under the control of a master homeowners association, that will have the obligation under recorded covenants, conditions and restrictions (CC&Rs), to maintain the improvements to County standards specified in the Development Agreement. The County is a third-party beneficiary of these CC&Rs, can enforce the obligation against the master owners association and is entitled to reimbursement and indemnification for any losses incurred by the County as result of a default under these obligations. The Development Agreement provides the County with prior review and approval over proposed CC&Rs and submittals of reports and budgets to the State Bureau of Real Estate to ensure that the master owners association will be properly funded and capable of carrying out its maintenance obligations for these improvements. The master owners association is also obligated to reimburse the Flood Control District for operation and maintenance costs for the floodgates that are required as part of the Project.

10. Plan Review and Subdivision Procedures. The Development Agreement sets forth procedures under which building design will be reviewed ministerially by the County's Director of Planning, Building and Environmental Services. In addition, it sets forth procedures for the processing, review and approval of subdivision maps under the County's Subdivision Code and the Subdivision Procedures (attached as Exhibit I to the Agreement). No building permits will be issued until the County has approved the applicable building development plans under the Design Guidelines. In addition, commencement of construction of any building will not occur until the County has first approved a Phased Final Map that includes the parcels on which the private building improvements are located. Under the Subdivision Procedures, which supersede inconsistent provisions of the County's Subdivision Code, security for payment to the contractor, to its subcontractors, and to persons furnishing labor, materials or equipment to them for construction or installation of Project Infrastructure improvements under an improvement agreement is limited to 50% of the total estimated costs of construction. In addition, there is no limit on the number of partial releases that may be approved by the County upon completion of a portion or component of Project Infrastructure.

11. Recovery of Costs. NRP must pay County for its costs incurred, including its outside consultants, contractors and outside counsel, in drafting, reviewing, revising, processing and implementing the Development Agreement and associated costs for processing the project to the extent not included in customary County processing fees (such as building permit fees).

12. Relationship to City of Napa. The Development Agreement anticipates that subject to City voter approval of a proposal to modify the City's Rural Urban Limit ("RUL") Line (which has been authorized by City Council to be placed on City ballot for November 4, 2014) and

approval by the Napa County Local Agency Formation Commission ("LAFCO") of City applications to amend its Sphere of Influence and to annex the Property in phases, that (i) the commercial portions of the Property zoned NP-IBP-W:AC and NP-IBP:AC will annex to the City as soon as is practical following City voter approval of the RUL line modification; (ii) the residential portions of the Property will annex to the City generally in phases as they are developed and contiguous to City boundaries; and (iii) any remaining Property not annexed prior to December 31, 2022 will annex as of that date.

To address the ongoing relationship between the City and County with respect to the Napa Pipe property, the City and County entered into a Memorandum of Understanding (the "MOU") approved by the Board of Supervisors on October 8, 2013, in which the City and County agreed to work together on future entitlements, annexations, provision of municipal services to the Property (emergency fire and medical services and law enforcement services), affordable housing and Regional Housing Needs Allocations ("RHNA") transfers, revenue sharing and transportation, planning and design issues as they relate to the proposed Project on the Property, and established conditions that must be satisfied before the City of Napa will provide potable water service to the Property. Relevant provisions from the MOU have been incorporated into the Development Agreement as appropriate.

Although the City is not a party to the Development Agreement, as property annexes to the City, it will assume the role of the "Local Agency" administering the Development Agreement as to the annexed property. As a result, the City has participated in negotiation and review of the Development Agreement. We anticipate that the City may have further comments on the current draft of the Development Agreement that is before the Planning Commission, principally with respect to the following:

- New or Increased Development Fees and Exactions. Typical of many development agreements of this scope, the County has agreed to a limitation on new County fees and exactions for a period of 10 years. The City is reviewing whether it will concur with this provision; the current draft reflects the prior discussions with the City where the limitation for new City fees and exactions was for a period of 5 years.
- Exhibit G to the Development Agreement describes the applicable City fees and exactions that will apply to the project as of the effective date of the Sphere of Influence amendment. The City is reviewing the following with respect to those fees::
    - Application of a Facilities Fee for Fire Station 5, which is imposed on residential, commercial and industrial use. NRP has proposed a formula that would limit the impact of this fee on their project, based on the difference between the projected amount needed ($790,000) and the total fund balance.
    - Application of the City's Public Art ordinance that requires 1% of construction costs for non-residential development to be paid toward public art. The Development Agreement reflects NRP request that the proposed preservation and display of industrial artifacts, including the existing storage structure, bridge crane, seawall crane, gantry crane, drydocks and seawall, as requested in prior reviews and included in the Development Plan, be considered in satisfying this requirement.

- Third Party Beneficiary. The City has requested that prior to any future annexation of the Property (or portions thereof), at which time it would become a party to the Development Agreement, that it be a third-party beneficiary to the Development Agreement, which would allow it to enforce rights and obligations against County or NRP to the extent it would affect the City. County staff has recommended that the City's concerns regarding performance under the Development Agreement could more appropriately be handled in a separate agreements, such as a Pre-Annexation and Water Supply agreement that is anticipated to be entered between City and NRP, so the current draft does not include the City as a third-party beneficiary.