Request for Interest (RFI)

Former Sunol Valley Golf Course and Grazing Parcel

Responses to Questions and Requests for Clarification

As of April 5, 2019

Q: If a use is not listed on the RFI and not selected – can they submit in the RFP process?

A: If a proposed use is not selected in the RFI process, it won’t be included in the Request for Proposals (RFP). However, anyone can respond to the RFP when it is released if they meet the requirements of the RFP.

Q: What is the current rate for non-potable water service at the former golf course?

A: The water service for the Golf Course Parcel is the provided under the Schedule W-24 Untreated Water Service (non-potable). With this service the customer furnishes all facilities necessary to convey the untreated water from the San Francisco Water Enterprise’s water supply system to the customer’s point of use near the Sunol Water Temple. The water charge consists of a fixed Monthly Service Charge based on the size of the meter, plus a charge based on usage.

See the current rates below:

<table>
<thead>
<tr>
<th></th>
<th>FYE 2019</th>
<th>FYE 2020</th>
<th>FYE 2021</th>
<th>FYE 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly Fixed</td>
<td>$350.89</td>
<td>$378.82</td>
<td>$404.72</td>
<td>$432.65</td>
</tr>
<tr>
<td>Usage per Unit*</td>
<td>$0.76</td>
<td>$0.82</td>
<td>$0.88</td>
<td>$0.95</td>
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</tbody>
</table>

*1 Unit = 1 Ccf of water = 748 gallons

Q: Who is responsible for the cost of maintaining the water service infrastructure?

A: The cost of maintenance of the water service infrastructure will be shared by each tenant/user on an equitable basis.
Q: When will the request for proposal (RFP) be issued?
A: A RFP will be issued at the discretion of the SFPUC. There is no specific timeline for release of an RFP. If no qualified proposals to this Request for Information (RFI) are received it's possible a RFP won't be issued.

Q: Does the SFPUC have a financial requirement or expectation?
A: The SFPUC expects the proposer to: 1) provide the financial resources needed to sustainably support the proposed use, 2) fund repairs and upgrades to the irrigation system (including the irrigation ponds) if the proposed use requires irrigation, 3) provide a utility benefit (e.g. uses that generate fair market rents and/or defray the cost of property improvements, repairs, and maintenance), or 4) provide a community benefit in lieu of paying a fair market rent.

Q: Where is the expected Vargas Trail alignment located?
A: Please refer to the map that follows this Q&A.

Q: What is the historical pesticide/herbicide use at the property?
A: From the 1960's until around 2016 the former golf course parcel was used as a public golf course. Maintenance of the tees required the application of herbicides. More recently, herbicides have been applied to control invasive species of plants that are known to be harmful to cattle. Cattle grazing plays an important role in managing the fire risk on the SFPUC’s watershed properties.

Q: Do the ponds contain water year-round?
A: Water is present in the ponds year-round, even in dry years, though water may not always be topping the spillway on the upper pond.

Q: Will the SFPUC consider re-zoning of the property?
A: The SFPUC will not consider a change in zoning. Proposed uses must comply with Alameda County zoning requirements and the SFPUC’s land use requirements as articulated in the RFI.
Q: Is the land available for ground lease only? No fee simple interest?
A: The RFI Property is available for lease only.

Q: Should applicants specify which of the two parcels they are interested in, or both?
A: Proposers should view the RFI Property as one property, any portion of which can be included in the proposal. Proposers should specify the portion of the RFI Property in which they are interested.

Q: What would be the lease rate and how much would water cost?
A: Proposers must propose a lease rate as part of a proposal. There is no minimum lease rate stipulated in the RFI. See current water rates discussed above.

Q: We would also need power and potable water, waste management facilities (or permission for services to enter and exit) and space/infrastructure for building toilets. We might also need to include storage sheds to keep tools and machines etc. and a Corp yard and a machine shop. I don't know if the existing structures can be refurbished/fixed from its dilapidated state or if we would need to build them new.
A: Please refer to the on-line RFI Brochure for details concerning the existing improvements and services at the RFI Property.

Q: Are the following uses permitted?

1. A lavender and herb garden (rosemary, mint and rose) for an essential oil production farm. We would also need to build a structure for the steam distillation unit that would require power and water.
2. Greenhouse and covered crop cultivation for blueberries, tender herbs and flowers be permitted? This would be in the form of covered hoop houses.
3. Glasshouses that grow lettuce, tomatoes, cucumbers, strawberries and herbs all year.
4. Mushroom farm.
5. Fruit orchard.
6. Beehives in conjunction with wild flower meadows for local and area specific honey.
7. Solar farm or microgrid installation.
8. Event and hosting of weddings and special functions in a manicured garden and grounds.
9. Raptor rescue or wild life rehabilitation offices and hospital.
A: Proposed uses must be legally permitted*, financially feasible, and consistent with the SFPUC’s Land Use Policies and Objectives, including the Alameda Watershed Management Plan and local zoning ordinances such as Alameda County Measure D.

The RFI Property is zoned “A” agricultural. Any agricultural uses are permitted if the use complies with the SFPUC’s Land Use Policies and Objectives, including the Alameda Watershed Management Plan. Please refer to the RFI Brochure for more information regarding the A zoning designation and the SFPUC’s Land Use and Policy Objectives. In the RFI Brochure you will also find a link to the Alameda Watershed Management Plan.

*Proposers may submit proposals for any legal uses not listed as SFPUC Utility uses, except for a golf course, marijuana cultivation, or quarry uses.

Q: The cost of repairs and upgrades to the existing infrastructure on site (e.g., the clubhouse and irrigation system) appears to be significant and my proposal won’t be financially feasible unless the cost is shared. Would the SFPUC consider proposals that assume these costs would be shared?

A: As described in the RFI, the SFPUC strongly prefers the proposer to fund repairs for infrastructure upgrades to the facilities related to their proposal, including the irrigation system. However, proposers unable to fully fund needed upgrades and repairs on their own can submit a proposal to the RFI that includes cost sharing. Based on the evaluation criteria in the RFI, including financial capacity, these proposals will be less responsive to the RFI compared with others that propose to fully fund infrastructure repairs. It is important that the SFPUC hear all ideas at this early stage of the process, so please be specific about the areas proposed for potential cost sharing.