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July 30, 2021

VIA EMAIL

Mr. David Reyes
 Director, City of Pasadena Department of
 Planning & Community Development
 175 North Garfield Avenue
 Pasadena, CA 91101

Re: **100 West Walnut - Non-Binding Term Sheet Letter**

Dear Mr. Reyes:

We appreciate the opportunity to work with the City and look forward to further discussions to improve the local hire program based on the reality of the City's available construction workforce and the lessons learned in Phase 1. We have provided below a list of items for discussion with the City. Should the City wish to pursue discussion of these priorities to enhance the local hire program, we will work with the City to build out implementation plans for each item.

- **Project Labor Agreement**: Section 10(l) will be amended to replace the existing local hire program with a requirement that PPF shall enter into a Project Labor Agreement for Phase 2 that incorporates the local hire goals set forth below.
- **Amended Local Hire Goal for Phase 2**: The Development Agreement will be amended to increase the local hire goal to 30% and to provide priority tiers for hiring and conflicting terms would be deleted.
- **Local Hire Goal**: 30% of all construction labor hours from three tiers:
 - **Tier 1**: Residents of zip codes which overlap the cities of Pasadena and Altadena; Veterans and individuals who have successfully completed the Building Trades Multi-Craft Core Curriculum Pre-Apprenticeship Program, regardless of where they reside.
 - **Tier 2**: Residents within a ten (10) mile radius from Pasadena City Hall.
 - **Tier 3**: Residents within the remainder of the County of Los Angeles.
 - For dispatch purposes, employees described in this section shall be referred to as "Local Residents."
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- **Local Utilization Plan**: PPF shall hire a third-party consultant to implement a local utilization plan. The consultant shall be Mr. Ron Matthews, or if Mr. Matthews is not available, another party mutually agreed to by PPF and the City. A draft of the proposed local utilization plan will be sent under separate cover.

- **Phase 1 High School Training Program:** PPF shall partner with Mentoring & Partnership for Youth Development (MPYD) to support hands-on jobs experience and for students at John Muir High School. PPF shall fund MPYD \$30,000 to implement the program in 2021. PPF shall provide the funding to MPYD within ten business days of the execution of an amended Development Agreement.
- **Phase 1 Compliance:** Funding the MPYD program is a new and open requirement for PPF. Provided that the MPYD program has been funded no later than ten business days after execution of an amended Development Agreement, PPF is determined to be in good faith compliance with Section 10(l) of the Development Agreement for Phase 1.

We thought it would be helpful to share these non-binding terms as the basis for the discussion of a potential amendment to the existing Development Agreement. Of course, these terms are non-binding and do not constitute a contract or an agreement to enter into an amendment to the Development Agreement. Neither we, nor the City, would be subject to or bound by these or any revised terms unless and until the terms for an amendment to the Development Agreement are negotiated, fully approved and executed by both PPF and the City in their sole and absolute discretion and pursuant to Section 27 of the existing Development Agreement.

We look forward to working with you, and please do not hesitate to contact me with any questions.

Sincerely yours,



Rob Kane
Executive Vice President