

MINUTES OF THE REGULAR CITY COUNCIL MEETING
WEDNESDAY- -NOVEMBER 7, 2012- -7:00 P.M.

Mayor Gilmore convened the meeting at 7:04 p.m. Vice Mayor Bonta led the Pledge of Allegiance.

ROLL CALL - Present: Councilmembers Bonta, deHaan, Johnson, Tam and Mayor Gilmore – 5.
Absent: None.

AGENDA CHANGES

(12-519) Mayor Gilmore announced the report of no disclosure of closed session minutes [paragraph no. 12-522] would be continued to November 20, 2012.

PROCLAMATIONS, SPECIAL ORDERS OF THE DAY & ANNOUNCEMENTS

None.

ORAL COMMUNICATIONS, NON-AGENDA

None.

CONSENT CALENDAR

Mayor Gilmore announced the report of no disclosure of closed session Minutes [paragraph no. 12-522] would be continued to November 20, 2012 and the recommendation to authorize the City Manager to submit a comment letter [paragraph no. 12-523] was removed from the Consent Calendar for discussion.

Councilmember Tam moved approval of the remainder of the Consent Calendar.

Councilmember deHaan seconded the motion, which carried by unanimous voice vote – 5. [Items so enacted or adopted are indicated by an asterisk preceding the paragraph number.]

(*12-520) Minutes of the Special Joint City Council and City of Alameda Financing Authority Meeting Held on September 18, 2012; and the Special and Regular City Council Meetings Held on October 2, 2012. Approved.

(*12-521) Ratified bills in the amount of \$2,280,041.30.

(12-522) Recommendation to Accept Report of No Disclosure of Closed Session Minutes of the Alameda City Council for the Period February 2012 to July 2012, per the Alameda Sunshine Ordinance. Continued to November 20, 2012.

(12-523) Recommendation to Authorize the City Manager to Submit a Comment Letter on the Proposed Plan for Operable Unit 2C at Alameda Point, Regarding Remedial Action Alternatives, to the United States Navy.

The matter was addressed following City Manager Communications.

(*12-524) Ordinance No. 3058, "Approving a Lease and Authorizing the City Manager to Execute Documents Necessary to Implement the Terms of the Lease with Bay Ship and Yacht Corporation for an Initial Term of 20 Years, with Two 20 Year Options and a 6 Year Option, for a Total of 66 Years, for the Tideland Property Located at 2900 Main #2100 and Surrounding Area." Finally passed.

(*12-525) Ordinance No. 3059, "Amending the Alameda Municipal Code by Amending Section 1-5.4 (Liability for Costs) of Article V (Penalty Provisions; Enforcement) of Chapter 1(General) to Provide Reciprocity in Provisions for Recovery of Attorneys' Fees." Finally passed.

REGULAR AGENDA ITEMS

(12-526) Resolution No. 14745, "Resolution of Intention to Approve an Amendment to Contract Between the Board of Administration, California Public Employees' Retirement System and the City Council, City of Alameda." Adopted.

The Human Resources Senior Management Analyst gave a brief presentation.

Mayor Gilmore requested the cost savings be outlined.

The Senior Management Analyst stated the estimated cost savings is \$499,000 to the General Fund and \$497,000 to all other funds over the term of the Memorandums of Understanding.

Mayor Gilmore thanked the employees; stated the employee contribution is being increased by 27%.

Vice Mayor Bonta inquired whether all bargaining units have agreed to the increase, to which the Senior Management Analyst responded in the affirmative.

Councilmember Johnson moved adoption of the resolution.

Vice Mayor Bonta seconded the motion, which carried by unanimous voice vote – 5.

CITY MANAGER COMMUNICATIONS

(12-527) The Senior Management Analyst announced an upcoming event to increase awareness of the City's new non-smoking regulations and other future outreach.

In response to Councilmember deHaan's inquiry, the Senior Management Analyst stated people are supportive.

The Chief Operating Officer – Alameda Point announced the State Lands Commission approved the agreement exchanging land at Alameda Point.

Councilmember Johnson inquired whether there would be a federal requirement to hold exercises similar to the Urban Shield event, to which the Chief Operating Officer – Alameda Point responded that she has not heard about anything, but would follow up.

The City Manager announced the meetings have been held with three of the four public safety bargaining units; the meetings went well; a Closed Session would be scheduled for the next Council meeting.

CONSENT CALENDAR

(12-528) Recommendation to Authorize the City Manager to Submit a Comment Letter on the Proposed Plan for Operable Unit 2C at Alameda Point, Regarding Remedial Action Alternatives, to the United States Navy.

The Chief Operating Officer – Alameda Point gave a brief presentation.

Councilmember deHaan stated Building 5/5A is the largest building at the Base with over a million square feet; inquired when the building was designated as historically significant.

The Chief Operating Officer – Alameda Point responded the Navy originally did an analysis in the 1990's and determined there is a historic district which includes a number of buildings; Building 5 was not part of the historic district; then, the Navy's historic officer rejected the analysis and required further study; the new findings were that Building 5 is a contributing structure to the historic district; there were a couple of other changes including designation of the seaplane lagoon as a historic resource.

Councilmember deHaan stated that he finds it really difficult to see the historical significance of Building 5; Building 5A is a different story; Building 5 has heavy contamination; he is concerned about leaving a building which might not have that significance in the center of a development area; he has concerns about what was designated historical; adaptive reuse of the building will be difficult; leaving a cement cap with certain restrictions is very concerning; questioned whether the Council feels that the building is historically significant and marketable.

Councilmember Johnson inquired if the federal government has a process for dealing with historic designations and whether the City would have to go through said process to make changes.

The Chief Operating Officer – Alameda Point responded there is a process; the Navy has to comply with the Section 106 historic process before the property can be conveyed, which requires the historic district be submitted for the national register; the Navy has submitted the district; the City had the opportunity to review documents and provided many comments but was not able to change said aspect [regarding Building 5]; the district will have to be designated a local monument as part of the conveyance agreement; the Historical Advisory Board would consider the new map, which includes Building 5 and some of the Seaplane Lagoon, in December; then, the matter would come to Council; just because the Building is a contributing structure to a historic district does not mean there is not flexibility to demolish the Building at some point; there is just an extra process to demonstrate that removal of the building does not undermine the integrity of historic district as a whole.

Councilmember deHaan inquired if the Navy would still be obligated to do remediation if the Building is removed, to which the Chief Operating Officer – Alameda Point responded the proposed plan is to leave the slab in place.

Consultant Peter Russell, Russell Ressources, stated if the alternatives recommended in the proposed plan are carried forward into the Record of Decision, the slab will be an engineering control that isolates the radiological material under it; the slab will have to be maintained in perpetuity unless it is removed and something equivalent is placed on top or radiological contamination is removed; the Navy's responsibility is simply to ensure that the engineering control is in place and adequate; the City would have to pay to remove the slab and dig up the contamination.

In response to Councilmember deHaan's further inquiry, Mr. Russell stated the specifics will be developed as part of a later document; the requirement to maintain the slab will probably only apply to the footprint of the affected storm drains and not necessarily the southern half of the building.

Councilmember Johnson stated apparently the Navy is going back to the cleanup method of natural attenuation: leave contamination long enough and eventually it will disappear; the City is objecting and providing comments that it does not support the plan; however, if the Navy sticks to the proposed plan, the building could be demolished but the cap sealing off contaminants could not be removed; everybody agrees that the plan is not good, which is why comments are being submitted.

Councilmember deHaan stated the City is asking the uranium portion be cleaned up; a lot of activities which occurred have had remediation action; the area is probably the dirtiest at Alameda Point; the concern is paying for remediation if the building is torn down; the Navy is putting the building on the historical list, so they do not have any obligation to tear it down.

The Chief Operating Officer – Alameda Point stated remediating the radiological material under the building would require portions of the building be torn down; the Navy does not want to do so because it would be exorbitantly expensive.

Councilmember Johnson stated the City is requesting a different cleanup than proposed.

Councilmember deHaan stated the proposed cleanup is to leave probably 95% of the surface area covered; further stated the City would have to pay if it takes the building down and removes the slab; the building was conveniently added to the historical district; that he would prefer the contamination be remediated and not adaptively reused.

In response to Councilmember Johnson's inquiry about the City's response, Mr. Russell stated the proposed plan addresses more than radiological contamination; there is sporadic metals contamination in the soil under the slab; the radiological contamination is more important; if the slab were torn down, addressing the metals contamination would be relatively inexpensive; the location of the radiological contamination in the storm drains is known; removing the contamination once the slab is removed would be exceedingly expensive; outlined the proposed plan to address groundwater contamination and the abandoned industrial waste line; the City is asking the Navy to better characterize the location of the contamination and remove the contamination.

Expressed concern about development of the site and support of the letter; urged a firmer response: Richard Bangert, Alameda.

Noted there was a study of Building 5; suggested beginning with removal of the contamination under West Tower Avenue: Carol Gottstein, Restoration Advisory Board (RAB).

In response to Councilmember deHaan's inquiry regarding cleanup costs, Mr. Russell stated the Navy estimate is \$50 million; the letter makes the point that the Navy estimate is biased and elevated.

Councilmember deHaan inquired about the cost for the Navy's plan, to which Mr. Russell responded \$2 to \$5 million; further noted the Navy would be required to conduct 5 year reviews and the City would have to enforce not penetrating the slab; said costs are not included in estimates.

In response to Councilmember deHaan's inquiry about lines which have been remediated, Mr. Russell stated lines under the building have not been remediated; outlined remediation which has been completed.

Councilmember Tam inquired about the administrative costs, to which Mr. Russell responded the City's cost would be enforcing the land use restriction and inspecting and maintaining the slab.

Councilmember Tam stated City is asking the Navy to remove the contaminated lines.

Mr. Russell stated there would be no ongoing costs if the lines are removed.

In response to Councilmember Johnson's inquiry, Mr. Russell stated without any investigation, the Navy has assumed all the drain lines are contaminated; the City is asking the Navy to characterize the extent of the problem and address any radiological contamination by excavation and removal.

Councilmember Johnson inquired whether the other contaminants under the slab would be addressed separately.

Mr. Russell stated the Navy has drilled holes through the slab in 50 to 100 locations to sample the soil; moderate levels of metal contaminants have been found in a minority of the holes; said contaminants would have to be remediated if the slab is removed; the remedy in the proposed plan is to prevent contact with both the metal contaminants and the radiological contamination.

In response to Councilmember Johnson's inquiry, Mr. Russell provided history on the construction of the building and the metal contaminants.

Councilmember Johnson questioned whether the nature of the contamination had an influence on the historic district list.

Councilmember deHaan inquired about remediation which has been done, to which Mr. Russell outlined activities.

Mayor Gilmore suggested Mr. Russell provide information and studies to Councilmember deHaan.

Councilmember deHaan noted the Navy would pay for the ongoing groundwater remediation; inquired whether said matter needed to be included in the letter.

Mr. Russell responded the proposed plan includes cleanup approaches.

The Chief Operating Officer – Alameda Point stated the City is comfortable with the Navy's approach and is not commenting on the matter.

Councilmember Tam moved approval of the staff recommendation; stated Mr. Russell and the RAB would follow the Navy's response and come back to the Council if a more aggressive approach is needed.

Vice Mayor Bonta seconded the motion, which carried by the following voice vote: Ayes: Councilmembers Bonta, Johnson, Tam and Mayor Gilmore – 4. Abstentions: Councilmember deHaan – 1.

Councilmember deHaan stated that he abstained because the City needs to research what it plans to do with the buildings.

Mayor Gilmore stated cleanup needs to be addressed regardless of use.

Councilmember deHaan stated the historical designation muddies the water.

ORAL COMMUNICATIONS, NON-AGENDA

None.

COUNCIL REFERRALS

None.

COUNCIL COMMUNICATIONS

None.

ADJOURNMENT

There being no further business, Mayor Gilmore adjourned the meeting at 8:01 p.m.

Respectfully submitted,

Lara Weisiger
City Clerk

The agenda for this meeting was posted in accordance with the Sunshine Ordinance.

MINUTES OF THE SUCCESSOR AGENCY OF THE COMMUNITY
IMPROVEMENT COMMISSION (SACIC) OF THE CITY OF ALAMEDA MEETING
WEDNESDAY- -NOVEMBER 7, 2012- -7:01 P.M.

Chair Gilmore convened the meeting at 8:02 p.m.

ROLL CALL – Present: Members Bonta, deHaan, Johnson, Tam and
Chair Gilmore – 5.

Absent: None.

ORAL COMMUNICATIONS, NON-AGENDA

None.

AGENDA ITEM

(12-001) Recommendation to Approve the September 2012 Alameda Landing Retail Tenanting Strategy.

The Housing Programs Manager gave a brief presentation.

Sean Whiskeman, Catellus, provided handouts and gave a brief presentation.

Amy Herman, ALH Urban & Regional Economics, gave a presentation.

The City Manager inquired why household appliances and electronics disappeared from leakage since 2006.

Ms. Herman responded the household appliances and electronics are collapsed into the furniture and home furnishings category; there has been a shift in how the Board of Equalization (BOE) categorizes retail sales; stated both the 2006 and 2012 strategies indicate a lot of leakage remains for most retail categories on the Island.

Councilmember Tam inquired if the amounts would be after the development of Target, to which Ms. Herman responded in the affirmative.

The City Manager inquired why the appliances category went away, to which Ms. Herman responded the category did not go away; stated the current analysis has a broader characterization of the retail categories.

The City Manager stated it approving a retail tenanting strategy that does not include a major appliance store would not be in Alameda's interest because appliances are a major sales tax generator that people cannot buy in town.

Ms. Herman responded the matter is a labeling issue; stated the furniture and home furnishings category in the 2012 strategy is inclusive of appliance stores.

The City Manager stated the 2006 study included 62,500 square feet for furniture, home furnishings and appliances; in 2012, the space has been reduced to 10, 000 to 15,000 square feet for furniture, home furnishings and appliances; the Council direction was for stores that generate tax revenue.

Councilmember Johnson stated she was disinclined to add grocery, which is a lower sales tax generator than other types of retail.

Ms. Herman stated that she completed an urban decay analysis for Alameda Landing identifying the extent to which grocery stores are, or are not, damaging to the existing retail base of the community; the study found that development of a grocery store at the site would not be detrimental.

Councilmember Johnson stated Alameda has an adequate supply of grocery stores; the focus should be on underserved retail which generates more sales tax.

Ms. Herman stated the Target store analysis identified strong anticipation of people coming from outside Alameda to support the Alameda's retail base.

Councilmember Tam inquired why stores with high ticket items, such as appliances, are not identified in the strategy.

Ms. Herman responded the strategy evaluated the retail categories with leakage and identified the types of retailers that are active in the marketplace which would meet the category; stated a trend occurring in the marketplace is that many retailers are using less space than previously; in the 2006 strategy, the two prospective retailers were electronic retailers: CompUSA and Circuit City.

The City Manager stated that he recommends sending the strategy back and including the categories which generate high sales taxes; said products cannot be purchased on the Island.

Ms. Herman responded the furniture and home furnishing categories is inclusive of appliances as classified by the State BOE; there is a reasonably sized category of other retail which is a broad category encompassing many different types of retailers; an appliance store could easily fit within the definitions of both categories.

Mayor Gilmore inquired if retailers active in the marketplace are grocery store types and not appliance types; stated a grocery store is Catellus's priority, not the City's; requested an explanation as to why the City would approve the grocery store as a priority.

The Housing Programs Manager stated Ms. Herman is the economist hired to conduct the leakage analysis; stated that Mr. Whiskeman from Catellus and Matt Kircher from Terranomics could better answer the question.

Vice Mayor Bonta inquired if the Target would have a grocery component and if it complies with the City's big box ordinance, less than 10% of floor space is reserved for non-perishable items, to which Mr. Whiskeman responded in the affirmative.

The City Manager inquired whether 40,000 to 50,000 square feet in the category where the City would get some of the things wanted, to which Mr. Whiskeman responded the ranges were hypothetical.

The City Manager stated the amounts are not hypothetical because the Council is going to vote on the matter and Catellus would be able to say the study reflects what the City wants; the City would not benefit from improved sales tax revenue and decrease in leakage as was anticipated all these years; he did not think the Council was being unreasonable in inquiring why approving the strategy is in the City's best interest; the City is not refusing a grocery store, but does not want a grocery store in lieu of leakage categories of interest to the Council.

Councilmember Johnson inquired how the grocery store would impact the existing grocery store nearby.

Ms. Herman responded that the urban decay analysis reviewed the extent to which new grocery stores would increase grocery sales on the Island; stated the finding was that some of the existing stores might have some sales decline as people shift shopping habits but declines were not severe enough to cause any of the existing stores to close.

Councilmember Johnson stated opportunities are being lowered for categories that are a priority for the City; stated the Council was disappointed with the retail mix at Bridgeside; great intentions and a lot of work were put into the project, which did not end up with what was envisioned.

Mr. Whiskeman stated one of the major differences between the categories listed under the 2006 strategy and the 2012 strategy is the introduction of a general merchandiser, which is the Target; stated Target has different products which spread into the categories listed in the 2006 strategy; Target is taking up about 50% of the square footage and addressing a number of the categories listed in 2006, which is a relevant distinction to make between the two strategies.

Councilmember deHaan stated the Council gave direction to spread and capture sales loss; not a lot of footage remains.

Mr. Whiskeman stated he does not think Catellus is shying away from the heavy hitters which are accounted for in the various categories and also supplemented by what Target is doing by being a department store.

Mayor Gilmore stated the Bridgeside strategy to bring in a high end grocer did not work; inquired why the thought is that the strategy will work at Alameda Landing.

Mr. Whiskeman responded the advantage with the project is the location on major arterial streets at the entrance to Alameda coming out of the Webster Street tube; stated infrastructure improvements made to Webster Street at Stargell make the access point very easy to get on and off the Island; the project casts a wider net than Bridgeside because of the location and accessibility.

Councilmember Tam stated the Council agrees with Mr. Whiskeman regarding the design and marketability of the transit and location; the Council is being asked to approve the tenant strategy and has expressed prioritization of the high ticket items; suggested postponement until the tenant strategy can be brought back more explicit and comporting with the marketing strategy outlined.

Councilmember Tam moved approval of sending the matter back.

Councilmember deHaan seconded the motion.

On the call for the question, the motion carried by unanimous voice vote – 5.

Urged that the shopping center be more upscale and that the new grocery store be a Whole Foods: Karen Bey, Alameda,

Councilmember Johnson inquired the typical size of a Whole Foods grocery store, to which Councilmember Tam responded about 30,000 to 50,000 square feet.

ORAL COMMUNICATIONS

None.

ADJOURNMENT

There being no further business, Chair Gilmore adjourned the meeting at 9:09 p.m.

Respectfully submitted,

Lara Weisiger
Secretary

The agenda for this meeting was posted in accordance with the Sunshine Ordinance.

MINUTES OF THE SPECIAL CITY COUNCIL MEETING
WEDNESDAY- -NOVEMBER 7, 2012- -6:00 P.M.

Mayor Gilmore convened the meeting at 6:04 p.m.

Roll Call – Present: Councilmembers Bonta, deHaan, Johnson, Tam and Mayor Gilmore – 5.

[Note: Vice Mayor Bonta arrived at 6:10 p.m.]

Absent: None.

The meeting was adjourned to Closed Session to consider:

(12-518) Conference with Legal Counsel – Existing Litigation; (54956.9); Name of Case: SCC Alameda Point, LLC, et al v. City of Alameda, et al.; U.S. District Court Case No CV-10-5178; this is to discuss strategy regarding a lawsuit brought by our former developer, SunCal, based on the Exclusive Negotiating Agreement.

Following the Closed Session, the meeting was reconvened and Mayor Gilmore announced that direction was given to staff.

Adjournment

There being no further business, Mayor Gilmore adjourned the meeting at 7:06 p.m.

Respectfully submitted,

Lara Weisiger
City Clerk

The agenda for this meeting was posted in accordance with the Sunshine Ordinance.