

MINUTES OF THE REGULAR CITY COUNCIL MEETING
TUESDAY- -APRIL 16, 2013- -7:00 P.M.

Mayor Gilmore convened the meeting at 7:03 p.m. Councilmember Chen led the Pledge of Allegiance.

ROLL CALL - Present: Councilmembers Chen, Daysog, Ezzy Ashcraft, Tam and Mayor Gilmore – 5.

Absent: None.

AGENDA CHANGES

(13-151) Mayor Gilmore announced that the Resolution of Appointment [paragraph no. 13-160] would be considered after Oral Communications; the Resolution Declaring that Freedom from Domestic Violence is a Fundamental Human Right [paragraph no. 13-169] would be considered after the Consent Calendar; and then, the joint meeting would be held.

PROCLAMATIONS, SPECIAL ORDERS OF THE DAY & ANNOUNCEMENTS

(13-152) Proclamation Declaring April 2013 as Fair Housing Month.

Mayor Gilmore read and presented the Proclamation to Sally Han and Nina Lim, Alameda Association of Realtors.

(13-153) Proclamation Declaring April 7 through April 13, 2013 as Boys & Girls Club Week.

Mayor Gilmore read and presented the Proclamation to Jeff Miller and Marc Morales, Boys & Girls Club.

(13-154) Proclamation Declaring April 20, 2013 as Earth Day.

Mayor Gilmore read and presented the Proclamation to Heather Rider, Monkey Bars Owner.

(13-155) Proclamation Declaring April 26, 2013 as Arbor Day.

Mayor Gilmore read and presented the Proclamation to Doug Biggs, Ploughshare Nursery, and the Public Works Superintendent.

(13-156) Proclamation Declaring May 4, 2013 as Paint Our Town Purple Day.

Mayor Gilmore read and presented the Proclamation to Lisa Loverton, Relay for Life.

ORAL COMMUNICATIONS, NON-AGENDA

(13-157) Kathy Moehring, Harbor Bay Isle Associates, submitted and read a letter regarding moving the Harbor Bay Club.

(13-158) Vicki Bell, Mastick Senior Thrift Store, invited everyone to attend an upcoming fashion show.

(13-159) Former Councilmember Doug deHaan, Alameda, discussed the project retrofitting the Tubes; expressed concern.

REGULAR AGENDA ITEM

(13-160) Resolution No. 14790, "Reappointing Joy Pratt as a Member of the Housing Authority Board of Commissioners." Adopted.

Councilmember Tam moved adoption of the resolution.

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

The City Clerk administered the Oath of Office and presented Ms. Pratt with a Certificate of Appointment.

CONSENT CALENDAR

Mayor Gilmore announced that final passage of the ordinance [paragraph no. 13-168] was removed from the Consent Calendar for discussion.

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

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

(*13-161) Minutes of the Special and Regular City Council Meetings Held on March 19, 2013. Approved.

(*13-162) Ratified bills in the amount of \$761,496.37.

(*13-163) Recommendation to Accept the Quarterly Report on Claims Paid. Accepted.

(*13-164) Recommendation to Approve a Grant of a Nonexclusive Easement and Partial Assignment Agreement between the City of Alameda and the East Bay Municipal Utility District for an Existing Water Line at Alameda Landing. Accepted.

(*13-165) Recommendation to Approve an Amendment to the Contract with Columbia Electric, Increasing the Budget by \$40,000 for a Total Amount of \$320,800, to Complete the Woodstock to Webster Street Neighborhood Improvement Project, and Authorize the City Manager to Execute the Amendment. Accepted.

(*13-166) Resolution No.14791, "Approve Designation of the Alameda County Source Reduction and Recycling Board as the Local Task Force Under State Law for the Purpose of Reviewing and Commenting on County Integrated Waste Management Plan Amendments." Adopted, and

(*13-166 A) Resolution No. 14792, "Approving an Amendment of the Joint Exercise of Powers Agreement Creating the Alameda County Waste Management Authority." Adopted.

(*13-167) Resolution No.14793, "Amending the City of Alameda Management and Confidential Employees Association (MCEA) Salary Schedule Establishing the Classifications of Public Safety Communications Supervisor, Police Records Supervisor, Public Safety Information Technology Systems Coordinator, Information Technology Systems Coordinator, Communications Engagement Specialist, Senior Human Resources Analyst, Human Resources Analyst II, and Human Resources Analyst I." Adopted.

(13-168) Final Passage of Ordinance Amending Various Sections of the Alameda Municipal Code Contained in Chapter XXX (Development Regulations) Related to the North Park Street Planning Area. Amended and introduced.

The City Planner gave a Power Point presentation.

Mayor Gilmore inquired when the design manual would be ready.

The City Planner responded the draft guidelines for taller buildings would be presented to the Planning Board in late June or early July.

Mayor Gilmore inquired how the design guidelines would allow residential buildings to fit with commercial buildings in the mixed use zone.

The City Planner responded mixed use properties are a mix of residential use and businesses which have legally opened over the last 50 years; stated businesses in the district are typically in buildings which were built as residential buildings and are not concrete block commercial buildings; the design guidelines and new zoning would allow lighter commercial uses to continue in the mixed use zone; the guidelines show how new buildings accommodating commercial uses can be built to look like residential buildings to avoid inconsistent new commercial buildings in the area.

Vice Mayor Ezzy Ashcraft inquired whether a sentence can be added to Table A which

states: "new buildings over 50 feet in height shall not be approved unless it may be determined by the Planning Board, or by the City Council upon appeal, that the building is consistent with the design review manual special design guidelines for tall buildings on Park Street."

The City Planner responded in the affirmative, stated the ordinance would need to be revised and brought back for second reading.

The City Attorney stated changing language tonight would constitute the first reading and the ordinance would have to come back for second reading; if Council directs staff to come back with language changes, the process would start over and the first reading would be brought back.

Vice Mayor Ezzy Ashcraft stated that she does not want to delay the matter; she would prefer constituting the first reading tonight; she wants the design review manual amendments to address taller buildings similar to Santa Cruz's downtown plan, including: 1) the requirement of a detailed visual analysis that considers views from key locations, 2) that the proposed building provides an extraordinary contribution to aesthetic goals; 3) consideration would be given for additional height that is for public benefit, such as providing housing; and 4) building massing and step back requirements, which would prevent the canyon effect of concern to speakers.

The City Planner responded staff would draft language using the Santa Cruz guidelines as a starting point and would add and customize language as necessary; the Planning Board would review the guidelines at a regular, noticed meeting.

Councilmember Chen inquired whether the proposed modification to Table A would include that anything over 50 feet has to go through another process of scrutiny.

The City Planner responded in the affirmative; stated the proposed sentence works well; anyone reviewing the ordinance would know to review the design manual regarding special requirements for taller buildings.

Councilmember Chen inquired what percentages of parcels are conducive to tall buildings.

The City Planner responded three to four parcels could accommodate a four-story 60-foot building; stated parking would need to be provided; residential buildings have open space requirements.

In response to Councilmember Daysog's inquiry regarding guidelines being used to encourage lowering a 60 foot project, the City Planner stated staff would create design guidelines which would ensure any 60-foot building is beautiful and replicates existing buildings, accenting the streetscape; a 60-foot building would only be approved if the design is consistent with the guidelines for taller buildings.

Councilmember Daysog inquired whether scrutiny would be required to go above the 50 foot threshold.

The City Planner responded any building, even if just one story, requires Planning Board review to ensure a beautiful design and consistent with the guidelines; stated another set of guidelines would be added to the design manual to indicate the City expects something pretty special if a building goes up to 60 feet.

Councilmember Tam stated all buildings have to go through a rigorous set of guidelines; 60 foot buildings have to go through an extra level of guidelines.

Councilmember Daysog noted developers may or may not come to Alameda to build four stories of residential on top of businesses, which could not be done with the 50-foot trigger; inquired whether thought has been given to the messages Alameda is sending.

The City Planner responded the City worked closely with the development community; stated the form based code is designed to show in diagrams and words how buildings should look and feel; the document was created to inform developers how to create a good project, which will get through the public hearing process and building permits quickly and inexpensively; the City wants developers to spend money on the architecture of the building with beautiful details and materials rather than spending hundreds of hours redesigning a project; further stated the design manual provides certainty for both developers and neighbors; adjacent property owners have certainty that only buildings consistent with the design manual will be approved.

* * *

Councilmember Tam left the dais at 8:13 p.m. and returned at 8:15 p.m.

* * *

Stated adoption of the Housing Element has been a change since the guidelines were adopted; urged Council to consider the single family homes in the Wedge Neighborhood: Former Councilmember Doug deHaan, Alameda.

Encouraged the Council to include the Santa Cruz framework and that the final Design Review Manual Addendum be approved by Council and have extra authority; discussed density bonus: Chris Buckley, Alameda Architectural Preservation Society (AAPS).

Stated AAPS would like a 40 foot height limit with exceptions; encouraged authority not be delegated to the Design Review process: Jim Smallman, Alameda resident and AAPS member.

Urged the ordinance be finalized as quickly as possible; explained why PSBA supports the 60 foot height limit: Robb Ratto, Park Street Business Association.

Encouraged the Design Review Manual provisions be adopted prior to approving the 60 foot height limit: Gretchen Lipow, Alameda Citizens Taskforce.

Explained that the Planning Board adopted the 60 foot height limit in order to lower the current 100 foot height limit: Mike Henneberry, Alameda and Planning Board member.

Stated the regulations have checks and balances and encouraged moving forward: Karen Bey, Alameda.

Expressed concern with the 60 foot height limit: Jon Spangler, Alameda.

In response to Councilmember Chen's inquiry, the City Planner stated Council can direct staff to take the additional design manual guidelines through the public process of going to the Planning Board and Council for final approval.

Councilmember Chen inquired what assurance can be given that each application, especially 60-foot structures, would be handled with due-diligence, that the right process and amount of time would be given to projects, and that projects would be reviewed by the Planning Board and, potentially, the City Council.

The City Planner responded a Planning Board public hearing is held for every new building on Park Street; stated projects are thoroughly reviewed by staff; local newspapers have been very good about reporting on projects that come to the Planning Board; the community, AAPS and neighbors are instrumental in the process; structural changes have been made to ensure there is good oversight; most design review mistakes in the City are quite old and predate the current design review processes.

Vice Mayor Ezzy Ashcraft moved introduction of the ordinance with amendment to include the following sentence at the end of Table A: "New buildings over 50 feet in height shall not be approved unless it may be determined by the Planning Board, or by the City Council upon appeal, that the building is consistent with the Design Review Manual's special design guidelines for tall buildings on Park Street."

Councilmember Chen inquired whether the sentence would be better if it states "Planning Board and City Council" instead of "Planning Board or City Council".

The City Planner responded that he would advise against changing the sentence to "Planning Board and City Council" because it would create an internal inconsistency within the Municipal Code; stated design review is approved by the Planning Board; individual Councilmembers have the ability to call for review any action of the Planning Board; Council already has oversight.

Councilmember Chen inquired how Councilmembers stay abreast of what is happening at the Planning Board level, to which the City Planner responded Council will know about every new building on Park Street; stated nothing would get past the Council's notice.

Councilmember Daysog stated that he wants language included setting minimum of 15,

preferably 20, feet for the ground floor.

Vice Mayor Ezzy Ashcraft inquired whether Councilmember Daysog's recommendation would be appropriate to include in the zoning amendment or the design review standards.

The City Planner responded Councilmember Daysog is addressing internal space, which is included in the design manual; stated the zoning ordinance requires one story buildings on Park Street be a minimum of 20 feet in height because anything shorter would look strange on the streetscape.

Councilmember Daysog stated he is referring to a ground floor building with floors on top, not single story.

The City Planner stated the design review manual includes a minimum of 14 feet for the first floor; special height can be added if the Council so desires.

Councilmember Daysog stated that he is not asking for 14 or 15 feet across the board, corner buildings should be a little more elegant than others.

The City Planner stated the special height guidelines would go to the Planning Board for adjustments; the Council can review the special guidelines after the Planning Board.

Councilmember Chen seconded the motion.

Under discussion, Mayor Gilmore clarified the motion is to add the language Vice Mayor Ezzy Ashcraft read into the record; inquired whether the ordinance would return to Council in two weeks for the second reading and would go into effect in one month, to which the City Attorney responded in the affirmative.

Councilmember Chen stated that his second to the motion is for the compromise of 50 feet and the language added by Vice Mayor Ezzy Ashcraft.

Councilmember Daysog clarified the language does not create a 50 foot maximum, rather a 50 foot building triggers requirements.

Councilmember Chen agreed there is a trigger beyond 50 feet.

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

REGULAR AGENDA ITEMS

(13-169) Resolution No. 14794, "Declaring that Freedom from Domestic Violence is a Fundamental Human Right." Adopted.

Councilmember Tam stated the resolution recognizes the need to move to a culture of

nonviolence, especially against women and children; a panel discussion in March inspired the resolution and highlighted the importance of local government's role in domestic violence intervention; the panel included District Attorney Nancy O'Malley, Bolt Law School Professor Nancy Lemon, Judge Tara Flanagan, and Alameda's former Chief Financial Officer Juelle Ann Boyer; the culture of non-violence should begin at home; Alameda is very fortunate that the Social Services Human Relations Board (SSHRB) formed a Domestic Violence Task Force and has resources, such as the Midway Shelter, Building Futures for Women and Children and Police Officers with specialized training to handle domestic violence situations; about 29% of crimes reported in Alameda are domestic violence related and disproportionately affect women of color; thanked Jim Franz, Juelle Ann Boyer, the Police Chief, and Sergeant Wayland Gee for helping develop the resolution; stated Alameda will be the first city to declare that freedom from domestic violence is a basic human right.

Urged adoption of the resolution: Liz Verela, Domestic Violence Task Force.

Councilmember Tam moved adoption of the resolution.

Councilmember Chen seconded the motion, which carried by unanimous voice vote – 5.

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Mayor Gilmore called a recess at 9:03 p.m. to hold the joint meeting and reconvened the meeting at 9:51 p.m. Vice Mayor Ezzy Ashcraft left the dais at 9:51 p.m. and returned at 9:55 p.m.

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(13-170) Public Hearing to Consider Approving Amendment #2 to the FY11-12 Community Development Block Grant Action Plan and Amendment #1 to the FY12-13 Community Development Block Grant Action Plan and Authorize the City Manager to Negotiate and Execute Related Documents, Agreements, and Modifications.

The Program Manager gave a brief presentation.

Urged approval of the amendment: Liz Varela, Building Futures with Women and Children.

Councilmember Daysog inquired whether Community Development Block Grant (CDBG) funds can be used to improve the Parrot Village basketball courts.

Councilmember Chen responded CDBG funding gets smaller every year and the number of people applying for the funding increases every year; stated trying to provide safety net core services is tough to balance; after school activities, such as a basketball court, are essential and important; however, people not being able to afford child care or rent and having to go to a shelter usually takes precedence.

Councilmember Tam stated that she fully supports the re-programing of funds because

the shelter provides a critical sanctuary for the community; the funding that is being re-programmed for the Boys and Girls Club is a very modest amount and keeps with the City's desire to help the community develop more community gardens.

Councilmember Tam moved approval of the staff recommendation.

Councilmember Chen seconded the motion, which carried by unanimous voice vote – 5.

(13-171) Recommendation to Receive a Report on the 2010 Community-Wide Greenhouse Gas (GHG) Emissions Inventory and a Draft Estimated Revision to the 2005 GHG Baseline Inventory.

The Utility Energy Analyst gave a Power Point presentation.

Councilmember Daysog inquired if the target is a 25% reduction over the 15-year period from 2005 to 2020, to which the Utility Energy Analyst responded in the affirmative.

Councilmember Daysog inquired whether the orange line on the chart pointing to 2010 represents an 8% reduction between 2005 and 2010, to which the Utility Energy Analyst responded in the affirmative.

Councilmember Daysog inquired whether data on the 2013 status is available, to which the Utility Energy Analyst responded in the negative; stated the reports are a big undertaking; the City does not currently have a system in place to provide the information.

Councilmember Daysog inquired whether the baseline is being updated and goes out to 2025, to which the Utility Energy Analyst responded the baseline is not being updated; stated 2005 is maintained as the base year; reductions are compared to the 2005 baseline number; the baseline is being updated to be accurately represented.

Councilmember Chen stated the baseline figure is being updated, not the baseline year; noted the numbers are actually changing.

The Utility Energy Analyst stated Councilmember Chen is correct; the report is updating the figures to reflect current technologies; the protocol used to do the calculations has been updated to reflect more segments.

Councilmember Daysog noted Alameda is susceptible to global climate change and rising tides and needs to take GHG issues seriously; stated that he appreciates Alameda Municipal Power (AMP) taking the lead on this issue.

Mayor Gilmore expressed her appreciation for the report; stated residents should know that the community is very adamant about recycling; the report is a nice way to check whether or not the community's collective efforts are making a difference.

Stated the City has more work than previously thought; outlined changes which are under the City's control: Jon Spangler, Alameda.

Discussed success in Alameda and provided handouts: Ruth Abbe, Alameda.

Mayor Gilmore thanked Ms. Abbe for sharing the successes; stated small successes get everyone motivated and add up to big successes.

(13-172) Recommendation to Award Contract in the Amount of \$250,000 to Skidmore, Owings, and Merrill, LLP (SOM) to Prepare the Town Center and Waterfront Precise Plan for Alameda Point.

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

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(13-173) Vice Mayor Ezzy Ashcraft moved approval of considering the remainder of the agenda items after 10:30 p.m.

Councilmember Chen seconded the motion, which carried by the following voice vote: Ayes: Councilmembers Chen, Daysog, Ezzy Ashcraft and Mayor Gilmore – 4. Noes: Councilmember Tam – 1.

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Vice Mayor Ezzy Ashcraft inquired why the town center map shows a separate residential area not on the waterfront.

The Chief Operating Officer – Alameda Point responded the yellow area being referred to is not part of the boundary which will be studied.

In response to Vice Mayor Ezzy Ashcraft's further inquiry, the Chief Operating Officer – Alameda Point stated the area actually overlaps two zoning districts: the town center zoning sub district and portions of the maritime district; the district is separate because the area is in the public trust and is State land; keeping the area separate is easier since the property has additional restrictions.

Vice Mayor Ezzy Ashcraft inquired whether the town center would have a mixture of residential, commercial and recreational uses within a convenient walk to the waterfront and transit services; and whether there would be a range of uses, including multifamily residential housing, recreational and visitor uses, retail/commercial space, and maritime/commercial industrial uses within close proximity of transit.

The Chief Operating Officer – Alameda Point responded in the affirmative; stated the current zoning precludes single family detached homes in the town center; the area is reserved for higher density development in general, but also includes housing.

Councilmember Daysog inquired whether residential could be on the corner area by the

blue employment area and the aqua maritime visitor serving area.

The City Manager responded in the affirmative; stated staff is building in some flexibility to meet the market over a 25-year period; things can change; however, the public expects to have jobs in the area; putting offices in the same area creates synergies, but having residential in the area is not ruled out.

The Chief Operating Officer – Alameda Point stated the map is already outdated; that she and the City Planner are working on an updated map; the map is more of a land use map than a district map; the thought is to name the area to allude to the predominant land use of employment; however, use is not restricted to employment; the zoning will require a lower intensity use, such as office, to provide a transition from the residential neighborhood to heavier industrial use closer to MARAD, the Maritime Administration Reserve Fleet.

Councilmember Tam inquired whether moving the transit corridors toward the seaplane lagoon was contemplated in order to be more in line with the employment centers which bring people from off island.

The Chief Operating Officer – Alameda Point responded that the City's agreement with the Water Emergency Transportation Authority (WETA) discusses the possibility of moving the transit corridors; stated the issue is still on the table; there are some operational concerns with bifurcating the Oakland-Alameda Ferry service because Alameda riders represent 60% of the fare box revenue; moving the ferry to the seaplane lagoon would make it difficult for the Oakland service to survive and might jeopardize Alameda's ability to get regional funding to subsidize the ferry operations; the assumption for the foreseeable future is that the transit corridor will remain at the northern location; however, staff continues to work with WETA about the long term possibility of moving the terminal.

Mayor Gilmore noted the Oak to 9th Street project received a big infusion of funds; stated the project could create another set of Oakland riders, which could change things as far as WETA is concerned.

Expressed support of the firms selected: Helen Sause, Housing Opportunities Make Economic Sense (HOMES).

Councilmember Daysog inquired how the matter syncs up with the General Plan amendment process started by the Planning Board.

The Chief Operating Officer – Alameda Point responded the zoning has sub-districts; stated two sub districts require a more detailed plan: the town center and the residential area; zoning does not stop with the site-wide zoning; the next level of planning is being funded; the zoning is sufficient to contemplate applications from potential employment users.

Councilmember Daysog moved approval of the staff recommendation.

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

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(13-174) Vice Mayor Ezzy Ashcraft moved approval of continuing the meeting past 11:00 p.m.

Councilmember Chen seconded the motion, which carried by the following voice vote: Ayes: Councilmembers Chen, Daysog, Ezzy Ashcraft and Mayor Gilmore – 4. Noes: Councilmember Tam – 1.

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(13-175) Introduction of Ordinance Approving a Lease and Authorizing the City Manager to Execute Documents Necessary to Implement the Terms of a Lease Amendment with Margaret Su Doing Business As Wonky and Wonky Kitchen LLC Extending Current Lease for up to Fifteen Months and 28 Days in Building 119 Located at 151 West Seaplane Lagoon at Alameda Point. Introduced.

The Economic Development Division Manager gave a brief presentation.

Councilmember Chen moved introduction of the ordinance.

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

(13-176) Introduction of Ordinance Approving a Lease and Authorizing the City Manager to Execute Documents Necessary to Implement the Terms of a Lease with Auctions by the Bay, Inc. for Three Years in Building 18 Located at 2700 Saratoga Street at Alameda Point. Introduced.

The Economic Development Division Manager gave a brief presentation.

Councilmember Chen inquired what formula is used to calculate base rent.

The Economic Development Division Manager responded the formula is based on comparable spaces outside of Alameda Point and includes adjustments based on tenant investments, infrastructure challenges, building comparisons and similar East Bay uses; stated Alameda Point rents are consistent with the East Bay.

Councilmember Chen stated the rental market is on the up-swing; rental space is all about supply and demand; inquired how much current rental space is in move-in condition.

The Economic Development Division Manager responded most of the spaces are very large; stated many inquiries are from small users; large space is more challenging and

requires creativity; staff is hiring an architect to review dividing some of the buildings to allow multiple tenants; short term tenants, such as the America's Cup teams, will be gone in the fall; most small spaces at Alameda Point are already leased; that she would provide a more detailed report to answer the question based on square footage.

Vice Mayor Ezzy Ashcraft moved introduction of the ordinance.

Councilmember Chen seconded the motion, which carried by unanimous voice vote – 5.

(13-177) Introduction of Ordinance Approving a Lease and Authorizing the City Manager to Execute Documents Necessary to Implement the Terms of a Lease with Auctions by the Bay, Inc. for Five Years in Building 525 Located at 2751 Todd Street at Alameda Point. Introduced.

The Economic Development Division Manager gave a brief presentation.

Mayor Gilmore inquired whether the tenant has insurance covering the building's contents, to which the Economic Development Division Manager responded in the affirmative.

Councilmember Tam moved introduction of the ordinance.

Councilmember Daysog seconded the motion, which carried by unanimous voice vote – 5.

(13-178) Introduction of Ordinance Approving a Lease and Authorizing the City Manager to Execute Documents Necessary to Implement the Terms of a Lease Amendment with Auctions by the Bay, Inc. for Ten Years with an Additional Option of Ten Years in Building 20 Located at 2701 Monarch Street at Alameda Point. Introduced.

The Economic Development Division Manager gave a Power Point presentation.

Vice Mayor Ezzy Ashcraft inquired whether the tenant invested nearly \$1 million in upgrades, to which the Economic Development Division Manager responded in the affirmative.

Councilmember Tam noted tenants need enough time to recoup investments when making significant improvements; inquired what happened to recapturing investment costs on the theater improvements.

The Economic Development Division Manager responded the matter is complicated; stated staff is dismantling the current deal and transitioning to a purchase option with the tenant; the tenant has some credit for building improvements; negotiations are addressing the value of the improvements, which will be used as a credit to the purchase price in the future so the City does not have to put any cash into the

transaction.

Councilmember Tam inquired why the City is entering into purchase negotiations before conveyance.

The Economic Development Division Manager responded the City is not entering into purchase negotiations now; stated three leases include a purchase option; negotiations have not started; conveyance will occur in June; the City should not entertain purchase options for ten to fifteen more years according to the Economic Development Strategy to allow lease revenue to continue as an infrastructure engine and support City operations at Alameda Point; the strategy manages tenant expectations; tenants cannot make purchases right after the City gets the property.

In response to Councilmember Chen's inquiry, the Economic Development Division Manager stated a third party property management company, PM Reality, manages the properties at Alameda Point.

The City Manager noted a Request for Proposals to manage the commercial and residential properties will go out this month.

Vice Mayor Ezzy Ashcraft moved introduction of the ordinance.

Councilmember Chen seconded the motion, which carried by unanimous voice vote – 5.

(13-179) Introduction of Ordinance Approving a Lease and Authorizing the City Manager to Execute Documents Necessary to Implement the Terms of a Lease Amendment with Alameda Municipal Power Extending Their Current Lease for up to Two Years in Building 162 Located at 400 West Atlantic Avenue at Alameda Point. Introduced; and

(13-179 A) Introduction of Ordinance Approving a Lease and Authorizing the City Manager to Execute Documents Necessary to Implement the Terms of a Lease Amendment with Alameda Municipal Power Extending Current Lease for up to Two Years in 1890 Viking Street at Alameda Point. Introduced.

The Economic Development Division Manager gave a brief presentation.

Mayor Gilmore inquired whether staff has gone through the storage, to which the Assistant City Manager responded in the affirmative.

Councilmember Tam moved introduction of the ordinance.

Councilmember Daysog seconded the motion, which carried by unanimous voice vote – 5.

CITY MANAGER COMMUNICATIONS

(13-180) The City Manager announced dates for an upcoming brokerage event, the budget sessions, a meeting addressing backyard farm animals and the website conversion.

ORAL COMMUNICATIONS, NON-AGENDA

None.

COUNCIL REFERRALS

None.

COUNCIL COMMUNICATIONS

(13-181) Mayor Gilmore announced that she, the Vice Mayor and a Planning Board member attended a hearing regarding changing the composition of the Water Emergency Task Force Board.

Councilmember Chen inquired whether the seat is for Alameda County or the City of Alameda, to which Mayor Gilmore responded the City.

Councilmember Tam stated one seat is represented by a person from Alameda, but the seat is not specifically assigned to Alameda.

Vice Mayor Ezzy Ashcraft stated the proposal is to allocate three seats to three counties, and does not include Alameda County; some proposed counties do not even have ferry service yet.

The City Manager stated Alameda contributes more than half of the fare box revenues; Alameda is the only city of its size in the County that does not have an interstate highway; WETA was formed primarily out of City of Alameda assets; WETA has always had a City of Alameda member on the board; more ferries would be good, but eliminating Alameda's representation is bad public policy.

(13-182) Councilmember Tam announced that she attended the League of California Cities meeting and was appointed to the task force reviewing California Environmental Quality Act (CEQA) reform; Statewide efforts to ban plastic bags were reviewed to ensure the law does not preempt local county ordinances like the stopwaste.org just adopted.

(13-183) Vice Mayor Ezzy Ashcraft announced the upcoming League of Women Voters "Meet Your Public Officials" event.

ADJOURNMENT

(13-184) There being no further business, Mayor Gilmore adjourned the meeting at 11:10 p.m. in memory of those killed or seriously injured at the Boston Marathon.

Respectfully submitted,

Lara Weisiger
City Clerk

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

SPECIAL MEETING OF THE CITY COUNCIL
TUESDAY- -APRIL 16, 2013- -6:00 P.M.

Mayor Gilmore convened the meeting at 6:01 p.m.

Roll Call – Present: Councilmembers Chen, Daysog, Ezzy Ashcraft, Tam and Mayor Gilmore – 5.

Absent: None.

The meeting was adjourned to Closed Session to consider:

(13-150) Conference with Legal Counsel – Anticipated Litigation; Initiation of litigation pursuant to subdivision (c) of Section 54956.9; Number of cases: One (As Plaintiff - City Initiating Legal Action)

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 6:35 p.m.

Respectfully submitted,

Lara Weisiger
City Clerk

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

MINUTES OF THE SPECIAL JOINT CITY COUNCIL AND
THE SUCCESSOR AGENCY OF THE COMMUNITY
IMPROVEMENT COMMISSION (SACIC) MEETING
TUESDAY- -APRIL 16, 2013- -7:01 P.M.

Mayor/Chair Gilmore convened the meeting at 9:03 p.m.

ROLL CALL – Present: Councilmembers/Agency Members Chen, Daysog, Ezzy Ashcraft, Tam and Mayor Gilmore – 5.

Absent: None.

ORAL COMMUNICATIONS, NON-AGENDA

None.

CONSENT CALENDAR

Councilmember/Agency Member Chen moved approval of the Consent Calendar.

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

(*13-185 CC/13-010 SACIC) Minutes of the Joint City Council and SACIC Meeting Held on March 19, 2013. Approved.

(*13-186 CC/13-011 SACIC) Recommendation to Approve a Second Amendment to Agreement with Keyser Marston Associates, Inc. Expanding the Scope of Work and Adding \$15,000, for a Total Contract Amount of \$89,000 to Provide Successor Agency Financial Consulting Services. Accepted.

AGENDA ITEM

(13-187 CC/13-012 SACIC) Recommendation to Approve the Updated Alameda Landing Retail Tenanting Strategy.

The Housing Program Manager gave a brief presentation.

Sean Whiskeman, Catellus, gave a Power Point presentation.

Mayor/Chair Gilmore stated at a previous meeting there was some doubt as to when the rest of the retail would be completed, which seems to be moving faster than anticipated; inquired whether the change is a result of the market improving, the economy improving, or marketing efforts for the site.

Mr. Whiskeman responded the market is creating a lot of opportunity; stated Target is under construction, which is a driver and has generated additional interest; Safeway is also a driver of activity and holds the key to the rest of the retail; the economy is improving; things are getting better; challenges still exist; retailers are still cautious about expansion, but the market has helped create opportunities; noted the Safeway would include a fuel center just like South Shore; the fuel center would be on a separate parcel that is not part of the Alameda Landing DDA and would be at the entry to the site; three buildings are proposed for the entry site, including the fuel center; approval would go through the Planning Board process.

Vice Mayor/Agency Member Ezzy Ashcraft commended Catellus for all the hard work marketing the center; stated that she is very excited to see the list of potential retailers; her only concern is the Safeway Gas Station; she visited the site; the community is concerned about the appearance of gateways to Alameda; hopefully, Park Street will get better due to the new North Park Street Zoning Code just adopted; a couple of business are being proposed for Webster Street; rumors are a drive-thru burger establishment is in the mix; the Planning Board is hesitant to add a drive-thru, except pharmacies which benefit the community; that she is concerned about the appearance coming out of the Tube; the West End should not look like it is off of a freeway with a gas station and drive thru restaurant; when the Planning Board previously heard the matter there was a lot of discussion about not competing with Webster Street; the Planning Board limited the minimum footprint of stores at Alameda Landing to not compete directly with the footprint size of stores on Webster Street; fuel falling under sales leakage surprised her; in the past couple of years, two different gas stations requested use permits changes, including longer hours, due to not getting enough business; a Webster Street station is adding a convenient store and wanted to be able to sell liquor to bring in more business, which was denied; there is a free market, but agreements regarding Webster Street should not be ignored; she is concerned about both the appearance of the West End gateway and the competition being added for the Webster Street fuel stations; she would prefer to see other proposed retailers on the parcel instead; she is taken aback that the Safeway is a package deal with the fuel station; that she would not vote to approve the grocery store if automatic approval of the fuel station is included.

Mr. Whiskeman stated the fuel station is not before the Council tonight; Safeway wants to include a fuel center; the fuel center at the entry site would go through the Planning Board process on its own track; the entry site is not being approved tonight.

Vice Mayor/Agency Member Ezzy Ashcraft stated that she raised the matter because the staff report indicates one of Safeway's location requirements is the ability to build a Safeway gas station as part of its store.

Mr. Whiskeman stated the tenanting strategy includes approving grocery as a category, which hopefully will be Safeway.

Vice Mayor/Agency Member Ezzy Ashcraft inquired what is a Safeway lifestyle store.

Mr. Whiskeman responded Safeway uses the term lifestyle to define stores and describe new markets.

Vice Mayor/Agency Member Ezzy Ashcraft stated 45,000 square feet is the proposed footprint; inquired how the size compares to the South Shore and Harbor Bay Safeway stores.

Mr. Whiskeman responded that he believes South Shore Store is larger; stated typical stores are 55,000 square feet.

Vice Mayor/Agency Member Ezzy Ashcraft stated a speaker indicated the South Shore store is about 60,000 square feet; inquired whether the size would be closer to the Harbor Bay store.

Mr. Whiskeman responded that he believes the Harbor Bay store is a little bit smaller.

Vice Mayor/Agency Member Ezzy Ashcraft inquired whether the size would be somewhere between the Harbor Bay and South Shore stores, to which Mr. Whiskeman responded in the affirmative.

Councilmember/Agency Member Daysog stated the project is exciting; Safeway's lifestyle stores have expanded organic and specialty food selections, as well as an in store signature cafe and food center; having a lifestyle store allows residents to purchase prepared meals and better food; having a supermarket of such quality is imperative, which is why he embraces the strategy and cannot wait to see the development happen; that he likes the initial drawings and de-linking the gas station; that he is indifferent about the gas station; proposing a McDonald's might be a problem; a different establishment, such as Five Guys, might be acceptable; further stated that he believes the Catellus project has stimulated improvements on Webster Street and the College of Alameda; stated efforts have been purposely made to improve the gateway.

Councilmember/Agency Member Tam stated that she appreciates the accommodations and changes made to be responsive to leakage categories; she does not have an issue with the fuel station because fuel falls under the leakage category; fuel station issues arise when stations are located near residential areas; Safeway is probably the best grocery store tenant based on labor history and successes in Alameda; Mr. Whiskeman indicated Safeway would be a good anchor tenant and would stimulate interest in the center; inquired why Safeway thinks the location makes demographic sense given the proximity of the Lucky's at Webster Street and Constitution Way.

Mr. Whiskerman responded Safeway has real experience in Alameda; Safeway stores are overburdened, especially the South Shore location; Safeway might envision that the

Alameda Landing store would help the South Shore store and views the store as an opportunity to capture additional sales on the West End as well as future growth and extending beyond Alameda into Oakland; the two stores in Alameda do extremely well; all grocery stores in Alameda over perform based on an average basis.

Councilmember/Agency Member inquired whether the choice may be associated with future residential development, to which Mr. Whiskerman responded in the affirmative; stated future growth on the West End is very strong draw.

Councilmember/Agency Member Tam explained that she recently learned about Five Guys and In-N-Out Burger; stated that she is not opposed to having a hamburger establishment.

Councilmember/Agency Member Chen stated that he welcomes Safeway; he has not heard any opposition; Safeway stores are over producing due to being well run; that he was hoping for an Asian market; inquired how the Safeway would cut into Lucky's profits; stated freedom of choice with two grocery stores provides residents with better prices and variety.

Mr. Whiskerman responded the vast majority of the grocery stores are over performing; stated Lucky's is the only store currently serving the West End; Safeway provides another option; determining the impacts on Lucky's is difficult.

Councilmember/Agency Member Chen stated the potential sales tax revenue which would be generated is exciting.

Mayor/Chair Gilmore stated Lucky's may have a tendency to take customers for granted since it is the only West End grocery store; hopefully, competition might end said tendency and Lucky's might improve in the face of competition; Alameda consumers, particularly those in the West End, would be the winners.

Vice Mayor/Agency Member Ezzy Ashcraft stated the Safeway lifestyle store will differ from Lucky's; agreed with the Mayor/Chair; Safeway and the Encinal Market improved when Trader Joe's opened at South Shore; Alameda has other choices, such as Nob Hill Market and the Market Place; West End residents might be driving across the Island or out of Alameda; the Safeway would be environmentally friendly and would reduce carbon footprints; Bayport residents were shown plans which included a grocery store within walking distance when the homes were originally sold; not having to always get in a car is nice; sometimes a little competition helps raise the bar.

The City Manager/Executive Director thanked Catellus for stepping up to the plate; stated that he gave Catellus a hard time about leakage categories at a prior meeting; he had several lengthy discussions with Catellus's Chief Executive Officer; Catellus has adapted to meet the City's desires; now Catellus is proposing to promptly construct all nine buildings; the City will devote resources to help Catellus get the buildings up in

time to meet the swing in the market; the entry site is not being addressed, but staff supports a gas station on the site; gasoline is a leakage category; the location is as good as can be found and does not interface with residential areas; Alameda Landing buildings are not going to compete with Webster Street size buildings; the City is looking for opportunities to plug leakage categories because leakage categories are high sales tax generators; residents go elsewhere to spend money; staff views the financial perspective and is excited about the prospect of the Safeway being a center tenant; that he is eager to see what Catellus will bring to the National Shopping Center Convention in May; he is optimistic Catellus will find several tenants eager to commit to the center.

* * *

Councilmember/Agency Member Chen left the dais at 9:45 p.m. and returned at 9:47 p.m. and Councilmember/Agency Member Tam left the dais at 9:48 p.m. and returned at 9:50 p.m.

* * *

Urged approval of the staff recommendation: Mike Henneberry, Alameda.

Stated there is need for another grocery store: Karen Bey, Alameda.

Expressed support of Lucky's and In and Out Burger: Carol Gottstein, Alameda.

Councilmember/Agency Member Daysog moved approval of the staff recommendation.

Councilmember/Agency Member Tam seconded the motion, which carried by unanimous voice vote – 5.

ADJOURNMENT

There being no further business, Mayor/Chair Gilmore adjourned the meeting at 9:51 p.m.

Respectfully submitted,

Lara Weisiger, City Clerk
Secretary, SACIC

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