

APPROVED
MINUTES OF THE SPECIAL MEETING OF THE
ALAMEDA REUSE AND REDEVELOPMENT AUTHORITY
Wednesday, September 10, 2008

2-A

The meeting convened at 7:27 p.m. with Chair Johnson presiding.

1. ROLL CALL

Present: Chair Beverly Johnson
Boardmember Doug deHaan
Boardmember Frank Matarrese
Boardmember Marie Gilmore
Vice Chair Lena Tam

2. CONSENT CALENDAR

2-A. Approve the minutes of the Special Joint Meeting of the City Council, ARRA, and CIC of August 19, 2008.

Approval of the Consent Calendar was motioned by Member Matarrese, seconded by Member deHaan and passed by the following voice votes: Ayes: 5, Noes: 0, Abstentions: 0.

3. REGULAR AGENDA ITEMS

3-A. Authorize PM Realty Group to Enter into a Contract with St. Francis Electric for Pier 2 Electrical Upgrades at Alameda Point for a contract not to exceed \$1,344,744.

Leslie Little, Development Services Director, gave an overview of the item and discussed the Spring 2006 sublease of MARAD approved by the ARRA for 20 years for use of the piers at Alameda Point. Pier 2 is an older, unreliable facility, and doesn't comply with current standards. To upgrade to code, the underground transformers would need to be relocated above ground to meet Alameda Power & Telecom (AP&T) requirements. In January 2007, the ARRA approved design work for the electrical upgrade for Pier 2 improvements and the project was bid. A bid was received for \$1.7M for the project. The Board then directed staff to revise the project to reduce the total cost. Staff and MARAD worked closely with AP&T to revise the technical requirements to just upgrade the existing systems, which reduced the project cost significantly for the next bid. Three bids were received, with St. Francis Electric with the lowest bid at \$1.29M. Staff is requesting approval to add a 5% contingency with add-on alternative for concrete x-raying and independent testing for the Pier 2 Electrical upgrades, for a total cost not to exceed \$1,344,744.

Member Matarrese commented that the impact to the ARRA budget is that we are + \$400,000, and asked how much the ARRA owes to the City General Fund. Ms. Little replied that the ARRA has two loan obligations, 1) ARRA debt obligation of \$2.4M, and 2) the Alameda Point Improvement Project (APIP) of \$1.258M. Member Matarrese recommended it be considered that the \$400,000 be paid back to General Fund as part of a loan payment. Ms. Little explained that the ARRA currently carries that as an expenditure, and it would go back to the General Fund Reserve.

Staff and the Board discussed the ARRA lease revenues, and how they are not sufficient to cover expenditures in totality. Member Gilmore asked whether there were any other large capital

projects that were going out for bid on this year. Ms. Little replied that the last roof repair project was finished, as well as the preliminary assessment of the pier conditions, and that work will be scheduled to start the piling and pier replacements. The greatest issue is that there are old systems at Alameda Point – if there were a water or sewer problem or other major activity, we need cash on hand to resolve those issues.

Member Matarrese expressed his concern that we're funding infrastructure that doesn't belong to us, the City doesn't own the property, it still belongs to Navy. We're adding value to what the Navy is putting a high price tag on. He stated that he would much rather put that money toward unfunded liabilities of General Fund services. Member Gilmore agreed, stating that, in theory, should we have a major system malfunction, there are tenants that pay to cover these issues. There should be a balance while we're in a holding position with the Navy.

Vice Chair Tam motioned for approval of the Contract with St. Francis Electric, the motion was seconded by Member deHaan and passed by the following voice votes: Ayes: 5, Noes: 0, Abstentions: 0

3-B. Alameda Point Update – Presentation of the Draft Development Concept.

Debbie Potter, Base Reuse and Community Development Manager, introduced Pat Keliher and Peter Calthorpe, Urban Designer, who presented a powerpoint presentation of the draft development concept to the Board and public. The presentation can be viewed at www.alamedapointcommunity.com. After the presentation, Chair Johnson opened the item to the Boardmembers for discussion. Member Matarrese asked if both plans assume a \$108M payment to the Navy, to which Ms. Potter replied, "yes."

Member Gilmore asked Mr. Calthorpe for more specific information regarding his comment on the importance of phasing the transportation enhancements so housing could keep pace with the capacity in the tube, asking if it can work, and when we will know. Pat Keliher, SunCal's Alameda Point Project Manager, explained that Fehr & Peers, their Transportation Consultant, is doing a detailed study on the traffic improvements and what the triggers are for the enhancements. Mr. Keliher further stated that there is \$90M worth of traffic improvements up to the 4000 unit threshold, and that Fehr & Peers plan to have a public meeting focused specifically on the transportation issues.

Chair Johnson asked if the Sports Complex will be part of the SunCal Presentation, to which Mr. Keliher replied, "yes." He said that the Business Plan will include the commercial and retail assumptions. Mr. Calthorpe added that the core area has to be built last, that a Main Street environment cannot be built until the retail demand is in place.

Chair Johnson opened discussion to the public speakers. There were several speakers, most of whom were in favor of supporting SunCal's plan. The ones that were not in favor of the SunCal plan were concerned about the density of proposed mid-rise (12-20 story residential units), non-Measure A compliance, and transportation issues.

Member deHaan requested Mr. Keliher verify that the density of Alameda on the west end, specifically the Summer Homes, was 30 units per acre and three-stories high. His concern regarding the density was the Tube traffic and the alternative of bringing the bus service through the Tube. Mr. Keliher assured member deHaan that all these details are currently being vetted out with Fehr & Peers and will be presented at their public meeting. Ms. Potter further explained that there is always only going to be two lanes in the tube, and what one of the alternatives is, is for a queue-jump lane for the bus, which doesn't require additional lanes. The queue-jump lane

gives priority to the buses and encourages increased ridership. Mr. Keliher added that all questions will be answered between the concept plan submittal and master plan submittal, and that the transportation solution is a driving factor.

Member Gilmore requested a meeting before the City Council which is focused on transportation issues be part of SunCal's presentation schedule. Mr. Keliher affirmed her request. Member Gilmore further discussed that the two plans are not Measure A compliant, and asked what SunCal's plan was if the citizens were to reject their proposals. Mr. Keliher responded by saying that they have no magic Measure A plan that could be financed, and there is no third alternative, they would have to start over. Member Gilmore appreciated his honesty on the matter.

Member Matarrese addressed the transportation issue regarding commercial traffic – truck routes, etc., and asked whether there was going to be a recommendation from the Transportation Commission. Ms. Potter explained that the plan is to route the Development Concept to all the boards and commissions for review and comment. Member Gilmore requested that the school year commute traffic also be addressed.

Member Matarrese requested to see a commercial and industrial component of the plan, to be examined with the same depth, what might be envisioned, and what are some of the plans to bring the commercial and businesses in. He further discussed that Alameda does not have a large commercial tax base. Economically, the tax burden is spread and residential tax payers are shouldering the main load and maybe are at capacity. He would like to know the best mix of commercial and how we might attract commercial business.

Vice Chair Tam discussed the importance of their role (as the ARRA Board) for the long-term in guiding and approving a Development Plan that future councils and the community can adaptively react to, manage, and govern under different challenges; as this plan will manifest beyond the time that they're on this Board. She stated it is important to focus on the vision and the core principles incorporated in the General plan, as they will all be pertinent 15 years later. Chair Johnson thanked Pat and SunCal for doing a good job of working with the community and being forthright with them. It's a difficult challenge and she appreciates all their efforts.

Member deHaan asked about the Fed-to-fed transfer to the VA of some of the property. Mr. Keliher replied that SunCal has to assume the potential impacts of the VA hospital whether it happens or not, stating that it devalues the other phases. They would work hand-in-hand with the VA, making certain that the infrastructure and traffic impacts are taken in consideration. For example, a VA Hospital is a 24/7 facilities hospital, it doesn't operate just during peak hours, so when the traffic element is applied, it's another challenge. Member Matarrese requested dollar figures attached to any reports on the this issues, stating that if the plan is for a Fed-to-Fed transfer, then that cost should be shaved-off the \$108M price for the impacts caused by the remaining federal land.

4. ORAL REPORTS

4-A. Oral report from Member Matarrese, Restoration Advisory Board (RAB) representative.

- RAB Comment Letter Regarding Installation Remediation Site 1

Member Matarrese wasn't able to attend last meeting, but received communication, a letter, from Co-chair, George Humphreys, regarding the Site 1 remediation plan and Record of Decision (ROD) which raised a lot of questions. The ARRA board took the position that they would not accept uncharacterized landfill from Site 1, which was supposed to be scooped and removed

after characterization. Mr. Humphreys provided a summary of his letter and discussed some of the technical details, highlighting the deficiencies in the Navy's proposed plan to remediate Site 1.

Mr. Humphreys explained that his letter is straightforward, stating that Site 1 has been releasing contaminants to the bay for a number of decades and deficiencies in the site need to be remedied. There is uncharacterized industrial-type waste that could be released in event of earthquakes, shoreline erosion, inundation by global warming, and by burrowing animals. The City asked for trenching, with the stated objectives to verify there weren't any intact drums. The trenching report showed that, of the 11 trenches the Navy identified, seven of them showed levels of radioactive contamination. It was concluded that the radium contamination is widespread and scattered. He said a letter was sent from the Navy to the environmental agencies proposing to move portions of Site I to Site 32, to shrink site 1, because they had found radioactive waste deeper. He also described photos of liquefaction and sand boils during the Loma Prieta earthquake, which he explained was a mechanism of how contaminated waste could be released in the future, if left in place.

Member Matarrese reiterated that we have expertise on this board and commended the RAB for taking a vote, making a stand and bringing these issues to light. He had two key concerns; first that the material found was not ordinary household waste, rather, it is industrial waste plus radioactive, which appears to be pervasive. It seems the Navy glossed over this in their proposed plan. Secondly, Member Matarrese commented that it was disturbing that the plan was to excavate some of the radioactive material and just bury it on another part of Alameda Point. He requested the Board get a technical recommendation corroborating this report so that the ARRA can take a position with the Navy and the regulators that what is proposed is not acceptable. David Brandt, Deputy Executive Director, said that staff would have something by the next ARRA meeting.

Debbie Potter, in response to Member Matarrese's concern about the waste being relocated, clarified the process. She explained that, at the request of the City, additional trenching was done which identified more radioactive materials than anticipated. The Navy conducted a time-critical removal of hot spots at Site 1, and proposed to move some of the remaining fill to Site 32. The plan was to grow Site 32, continue to test and modify boundaries so that Site 1 boundaries no longer included radioactive material. All this would trigger a brand new public process for comment, new proposed plans, and provide input on how it should be remediated.

Member Matarrese viewed the relocation plan as a stall tactic and stated that the Navy should be forced to remove the waste to a secure facility. Ms. Potter stated that the Navy will remove all radioactive waste. Member Matarrese questioned why, if it were safe, does it have to be moved and buried. Ms. Potter explained that it was her understanding that they are moving it in order to excavate along the shoreline to address seismic issues. Dale Smith, RAB member, added that the materials being moved were hazardous, but not radioactive. Chair Johnson stated that she generally doesn't like the idea of moving the waste to another site, even if it's not contaminated. Mr. Humphreys added that a key point is that there was no sampling of the soil inside that cell area, which would determine if there were any non-radioactive materials (i.e., PCBs, heavy metals, etc.).

The Board requested that Peter Russell, Alameda Point's environmental consultant, provide a technical analysis of the materials from the RAB regarding Site 1, a written report of highlights after every RAB meeting, and his analysis on Navy documents he's reviewed.

5. ORAL COMMUNICATIONS, NON-AGENDA (PUBLIC COMMENT)

(Any person may address the governing body in regard to any matter over which the governing body has jurisdiction that is not on the agenda.)

There was one speaker, Bill Smith, who spoke about various topics.

6. COMMUNICATIONS FROM THE GOVERNING BODY

Vice Chair Tam informed the other Members that Michael Park from the Alameda Theater would like to schedule a re-shoot of the Council Members for his film that previews movies, because of construction noise in the background.

7. ADJOURNMENT

Meeting was adjourned at 11:22 p.m. by Chair Johnson.

Respectfully submitted,

A handwritten signature in cursive script, reading "Irma Glidden".

Irma Glidden
ARRA Secretary