

APPROVED
MINUTES OF THE REGULAR MEETING OF THE
ALAMEDA REUSE AND REDEVELOPMENT AUTHORITY

Wednesday, December 5, 2007

2-A

The meeting convened at 7:30 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 Regular Meeting of November 7, 2007.

Member Gilmore clarified that the following correction should be made in the minutes regarding Item 3-C. Alameda Point Advisory Task Force: that the Board and Commission representatives would not only convey their Board or Commission's position to SunCal at the public meetings, but also, they could speak for themselves if they made it clear that they were speaking for themselves and not on behalf of their Board or Commission. Member Matarrese motioned for approval of the Consent Calendar with the clarification made by Member Gilmore, seconded by member Tam and passed by the following voice votes: 5 ayes, 0 noes, 0 abstentions.

3. REGULAR AGENDA ITEMS

3-A. Presentation by the Veterans Affairs on the VA Project Development Plans at Alameda Point.

Debbie Potter, Base Reuse and Community Development Manager, introduced Claude Hutchison, Director of Asset Enterprise Management, and Larry Jaynes, Capital Asset Manager, of the VA who made a powerpoint presentation.

Mr. Hutchison gave a summary profile of the Dept. of Veterans Affairs. The VA is the second largest agency within the Federal system, second only to the Department of Defense (DOD). They are essentially the alumni association for the DOD and serve the needs and requirements of 24 million living Americans who served our country. They have an annual budget projected to be \$84 billion. There are three major areas of responsibilities and activities: 1) Veterans Health Administration – to serve the medical needs and requirements of those enrolled in the VA system. Currently 8 million enrollees, with 155 acute care hospitals around the country and 900 outpatient clinics, 2) Veterans Benefit Administration – financial services ranging from real estate loans to insurance and educational requirements, and 3) National Cemetery Administration – runs 125 national shrines as final internment for Veterans.

Their hope is to place a combination of all three at Alameda Point – a significant, multi-purpose outpatient clinic, offices for the Veterans Benefit Administration, and an above-ground columbarium.

The entire land mass that the VA hopes to have transferred to them by the Navy is approximately 597 acres. They envision developing about 113 acres concentrated in the north east area of the property. Mr. Hutchison further explained that the VA is still in negotiations with the USF&W because of the Lease Tern and California Brown Pelican whose habitat is within the area they hope to control.

Mr. Jaynes concluded the presentation with an overview of the property area, stating that Alameda Point is strategically located to serve the Veterans of the greater Bay Area, and in addition, it is ideally and centrally located to serve the Veterans of northern Alameda County. He indicated on the map which area was the federal-to-federal parcel at the far west end of Alameda Point. It primarily consists of what was the airfield and landfill for NAS. The parcel does not include the Northwest Territories, which is still going to the City of Alameda. It also does not include any submerged lands. The 579-acre parcel runs from the west side of hangar row all the way down to the bay, and follows the perimeter shoreline all the way around the tip. When it gets to the Northwest Territories, it comes back down to hangar row.

Mr. Jaynes presented the VA's site development plan which they have been working on for 18 months. They plan to only develop 113 acres, and the remaining 466 acres will be left undeveloped. The VA's planned development is a circumference of about 1900 feet from the Lease Tern colony, based on the closest structure on hangar row, to assure the protection of the Lease Tern and the Brown Pelican and so the VA and these endangered species can co-exist on the site.

Their plans include an outpatient clinic on the far east end which would replace the two facilities currently in Oakland. The clinic will be approximately 80-90,000 sq. ft. and be a full-service ambulatory care clinic which will not have any beds. The VA would like to develop an above-ground cemetery on the 50+ acres on the far west end of the parcel. There are approximately 390,000 Veterans in the greater Bay Area that would use the cemetery services, and for the clinic, they envision that it would serve approximately 7,000 of the 40,000 northern Alameda County Veterans. Also included in the clinic would be a small clinic that is run by the Air Force (David Grant Medical Center) that would treat active duty and active duty dependents in the Bay Area. The third development plan includes land reserved for "enhanced use", a public-private partnership where a developer comes in and builds a facility on under-utilized VA land. The VA was envisioning as their enhanced use partner a civilian in-patient hospital, which they believe is a compatible need with their outpatient clinic.

Chair Johnson asked how many in-patient hospital beds the VA would anticipate be used by Veterans. Mr. Jaynes replied that approximately 10 – 20 would be used for Veterans. Member Matarrese mentioned that there is already a hospital here in Alameda that can be partnered with the VA. Mr. Jaynes explained that the plans for the civilian hospital are still conceptual. The enhanced use plans also include two structures for medical office buildings, which would house civilian doctors and administration. Also included is a small nature center which the VA would build to house fish and wildlife services and employees on the site to work with the Lease Terns, as well as EBRPD rangers if an agreement can be worked out with them. The VA would also build a bay trail on the property, limited to the far west side of the parcel in order to protect the endangered species.

Mr. Jaynes presented the VA's timeline for development. They have been in consultation with USF&W for almost two years, and are currently in negotiations with the Navy to develop an MOU which will lay out the transfer terms. It is the VA and Navy's plan that the final transfer, including the transfer documents, will be complete by Fall of 2008. In addition, the VA is currently conducting a National Environmental Policy Act (NEPA) environmental assessment for transfer, and a biological assessment. They have plans to do a NEPA environmental impact study which is funded and ready to go.

Mr. Jaynes explained the VA's two major construction projects, one for the clinic, one for the cemetery. Both projects are congressionally authorized and appropriated, if approved for the budget, design will begin on the clinic in 2010, with construction completed by spring/summer 2012. The columbarium is on the same timeline, but could be phased and opened sooner. The enhanced use lease is in the concept application process and will go to the Secretary of the VA in the spring, and if approved, the enhanced use process will begin in late spring and work toward having a partner and open in 2012.

Member Tam thanked Mr. Jaynes and Mr. Hutchison for the presentation and had some questions: 1) on the discussions the VA has had with the Navy regarding environmental clean-up costs, 2) has there been progress in the VA's coordination with SunCal, and 3) the VA's role and relationship with the Alameda Healthcare District.

Mr. Hutchison explained that the VA has had ongoing dialogue with the Alameda District hospital and will be meeting with the new CEO tomorrow morning (Dec. 6) to continue that dialogue and they are very interested in maintaining that relationship with the Alameda Healthcare District. He further explained that the VA has issued an RFP for outpatient services, and that the Alameda Healthcare District has responded. A final determination has not yet been made.

As a response to Member Tam's first question about the clean-up costs, Mr. Hutchison discussed that the Navy is responsible for clean-up. The VA's MOU with the Navy will set forth the terms and conditions that outline the requirements of the Navy to bring it up to appropriate commercial standards. The VA does not want to take on liability for contamination over which they had no control. The inter-agency transfer will set forth clearly the Navy's requirements with no dispute between the VA and the Navy as to those requirements. He emphasized that the VA has a significant due diligence process.

Member Tam mentioned that since the VA is the alumni association to the Navy, that they may have a stronger tie to them than the ARRA does. Mr. Hutchison explained that the Navy is well aware of their obligation and is prepared to live up to it.

Mr. Jaynes discussed the coordination efforts with SunCal, stating that most of their communication with SunCal since their last meeting with them has been through Debbie Potter. He said that he has been playing phone-tag with the project manager for SunCal, Pat Keliher, but will continue to strive to communicate with them to make sure their plans are in coordination with the ARRA's. Mr. Hutchison thanked Member Tam for being the catalyst to bringing SunCal and the VA together in a joint cooperation going forward.

Chair Johnson wanted to clarify whether residential units were still part of the VA's development plan. Mr. Hutchison confirmed that residential units were never part of their plan. Member deHaan discussed his concerns about the budget appropriations and the VA's cost for their development plans. Mr. Hutchison stated that the budget approval cycle was FY '10 and the dollar amount for the hospital is in the \$50M range, and considerably less for the columbarium. They are confident that their proposal will be well received by congress and the Dept. of Veteran's Affairs. Member deHaan also asked about the status of their coordination efforts with SunCal. Mr. Hutchison reaffirmed what Mr. Jaynes had said about their intent to maintain dialogue with SunCal.

Chair Johnson called the speakers, first Bill Smith, who spoke about various topics, including the Lease Terns and transportation issues. The next speaker, Mark Chandler, Commissioner of the Alameda County Veterans Affairs Commission, spoke in support of the VA's plan to develop the outpatient clinic at Alameda Point. He discussed the status quo of Veterans having to travel to Martinez, Travis AFB, and Mare Island for healthcare.

Another speaker, Leora Feeney, Boardmember of the Golden Gate Audubon Society and Friends of the Alameda Wildlife (FAWR), stated her appreciation for the cordiality given by the VA regarding their proposal. She stated that all of them support Veterans in a huge way, and also support wildlife and open space and opportunities for our children to experience nature. Ms. Feeney discussed her concerns on specific issues of the VA presentation, mainly the “circle” concept (1900 feet distance from the nearest hangar). She’s concerned that any development that places a barrier between the Lease Tern colony and the water would present a problem, as the Lease Terns do not fly over buildings. They would not be able to get to the water to forage. Ms. Feeney’s other strong objection is the VA’s unwillingness to accept the water around the refuge, together with the land, including the island breakwater where the brown pelicans roost. If the VA accepts the land and develops that northern portion of it, it seems reasonable, but there is a need to protect the foraging waters of the Lease Terns and the island breakwater for those endangered species. She emphasized the need for accountability to protect these things, and stated that if the USF&W does not have it, nor the VA, she’s concerned about who will accept the responsibility.

Chair Johnson asked the VA what their intention is with regard to Ms. Feeney’s concerns about the water. Mr. Hutchison stated that it is envisioned that the water area would go to the master developer, SunCal, and that the VA has never coveted that water. Deputy Executive Director, David Brandt, corrected Mr. Hutchison’s statement by explaining that the area is Tidelands property, so it would be the ARRA or the City that would hold title to the property, and not SunCal.

The next speaker was Eli Saddler, Conservation Director for the Golden Gate Audubon Society. He discussed further the concerns of Ms. Feeney, and agreed that they support the VA. He would like them to go forward with their development plans, but just not at the Alameda Point site. One of their primary concerns is that the VA’s plan contradicts the existing biological opinion that was developed when USF&W originally requested the property as a refuge. There was a minimum acreage required for the California Lease Tern which was the entire area sectioned off, not including the northern-most portion, which was going to the City and was to be developed as a buffer zone. The VA’s plans would be inside the buffer zone of the area that has already been designated as the critical habitat for the species. They do not think that it is biologically defensible to draw a circle of 1900 feet around the colony, it is unrealistic to think that the birds will obey and stay in that circle. They use the whole area, including areas where the VA has already planned to put their hospital. Mr. Saddler also further discussed his concern about the water area, which was also included in the original biological opinion, which stated that the area to the south was needed for foraging for both species. He emphasized their concern about whether the VA’s plan was biologically feasible without very serious mitigation that would have to be done ahead of any construction, mitigation meaning having an alternative site for the Lease Terns to go to, and there was no discussion of this mitigation. It is their understanding that the USF&W would have some kind of requirement that would include mitigation. The problem is, however, that there really is no other location for the Lease Terns to go. The VA plans could potentially jeopardize Alameda’s very significant Lease Tern colony. Mr. Saddler also discussed his concerns about the VA’s NEPA process and whether it is legally defensible. The transfer of the parcel is for a purpose, and if there is a new biological opinion that contradicts a pre-existing one, this places the VA’s development plans on shaky ground, legally.

Chair Johnson thanked all the speakers and Mr. Hutchison for coming in from Washington, DC to make the VA’s presentation. Member deHaan asked whether the VA looked at other opportunities at Alameda Point. Mr. Hutchison clarified that their discussions have been with the Navy, and that the Navy came to them, unable to agree to terms with the USF&W and was going to dispose of the property, and asked whether the VA had an interest in taking it over. Their relationship to the parcel is a direct result of the Navy soliciting their interest. Mr. Jaynes added that the VA had looked at the older Coast Guard Housing property, but felt that it wasn’t large enough to satisfy the VA’s needs for a medical clinic as well as a columbarium.

Member Matarrese expressed his appreciation for the presentation as it quelled various rumors about the VA's interest in the property. It's good for the ARRA and for the public to hear a presentation live from officials of the VA. Member Matarrese asked if they would take back with them a couple considerations: 1) that he does not share their optimism regarding the Navy's commitment to do clean-up. He asked that they have the same demands as the ARRA does regarding clean-up, and to accept the land clean, especially if it would be the final resting place for our Veterans, and 2) explore to the maximum the opportunity to work with the Alameda Healthcare District. A competing private hospital would be to the detriment of the hospital that Alameda taxpayers support.

Member deHaan requested that the Alameda Healthcare District make a presentation to the ARRA regarding their interest in the VA project. Chair Johnson stated that they will invite the Alameda Healthcare District to make a presentation to the ARRA when they are ready to do so.

3-B. Update on the Former Coast Guard Housing Property.

Debbie Potter gave an update on the North Housing parcel, specifically on the temporary license agreement/lease for estuary park, the exploration of a possible short-term leasing program, and the screening process underway for the homeless accommodation and public benefit conveyance. Staff has been working with the Navy on the short-term lease for estuary park, some sticking points involve environmental remediation, but a short term lease agreement is planned to be brought back to the ARRA in January '08. Staff determined that it was not feasible to have a short-term leasing program for the surplus units. Regarding the screening process, on Nov. 5, the Navy published their notice of surplus property in the Federal register, which triggered the ARRA's obligation to notify the public that the property is available for screening and we are currently in the middle of the process. There is a public information workshop scheduled for tomorrow (Dec. 6) to brief interested parties on the screening process, and to take them on a tour of the property. Notices of Interest (NOI) for both the homeless accommodation and the public benefit conveyance will be due to the City on February 29, 2008. Those notices will be evaluated working with HUD and the Navy, and ultimately we will go through a public process of amending the Community Reuse Plan to reflect the accommodations and public benefit conveyances that may result from this process.

3-C. Alameda Point Project Update – Oral Report.

Debbie Potter gave an update on the Alameda Point project. A meeting with the Navy originally scheduled to take place in November was rescheduled to December 12th. The next SunCal community meeting is scheduled on December 13th at the O'Club at 6:30 p.m, with another public meeting scheduled on January 30, 2008.

There was one speaker, Bill Smith.

4. ORAL REPORTS

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

Member Matarrese will attend the meeting tomorrow (12/6) and will have a report in January.

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

There were no speaker slips.

6. COMMUNICATIONS FROM THE GOVERNING BODY

none.

7. ADJOURNMENT

Meeting was adjourned at 8:49 p.m. by Chair Johnson.

Respectfully submitted,

A handwritten signature in cursive script, reading "Irma Glidden". The signature is written in dark ink and is positioned above the printed name and title.

Irma Glidden
ARRA Secretary