

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

Tuesday, May 8, 2007

2-A

The meeting convened at 7:13 p.m. with Chair Johnson presiding.

1. ROLL CALL

Present: Beverly Johnson, Chair of Alameda
Marie Gilmore, Boardmember, City of Alameda
Doug deHaan, Boardmember, City of Alameda
Frank Matarrese, Boardmember, City of Alameda
Lena Tam, Boardmember, City of Alameda

2. CONSENT CALENDAR

2-A. Approve the minutes of the Regular Meeting of April 4, 2007.

2-B. Review and approve all new and existing subleases at Alameda Point.

2-C. Disposition of Personal Property – Proposed Sale of 45 Foot Yard Tug Boat.

Item 2-C. was withdrawn. Approval of items 2-A and 2-B. was motioned by Member Matarrese, seconded by Member Tam and passed by the following voice vote: Ayes – 5; Noes – 0; Abstentions – 0.

3. REGULAR AGENDA ITEMS

3-A. Consideration of Master Developer Partnership Agreement and Master Developer Selection.

Debbie Potter, Base Reuse and Community Development Manager, gave an overview on the status of the of the Master Developer process. She summarized that, on April 4, the ARRA selected Catellus and Lennar Urban as co-master developers and the Board requested they return with a Partnership Agreement in 30 days. On May 2nd, Catellus and Lennar submitted a non-binding term sheet that described general provisions that would be included in a yet-to-be-determined Operating Agreement. The term sheet contemplated a 60-day time frame for completing the partnership agreement. The evaluation team reviewed the term sheet and concluded that it raised more questions than answers regarding the potential to reach a partnership agreement. Missing terms included: the use of third party equity capital, how additional partners could be added, and what constitutes default under the agreement. Important items deferred were remedies for breach of contract, dispute resolution, percentage of vertical development reserved for each partner, etc. Concerns about the ultimate management structure, cost of third party equity funds vs. self financing and approach to development resulted in the determination that it was unlikely a partnership agreement can be negotiated that maximizes timely, cost effective, market driven redevelopment of Alameda Point. Staff recommended that the Board reconsider the partnership approach and select one master developer. Staff identified Catellus as the better partner for ARRA as they are self financing and their minimum IRR requirement is the lowest.

Each of the master developer teams was given 10 minutes to make final comments (in this order: Catellus, Lennar, and SunCal) before the Board began discussion of the item.

There was one public speaker, Richard Rutter, who discussed his support of staff's recommendation to select one Master Developer.

The following motions were made:

Member Matarrese motioned to set aside the Partnership Agreement approach and select just one Master Developer. Motion was seconded by Member deHaan and passed by the following voice vote: Ayes – 4, Noes – 1 (Gilmore).

Member Matarrese motioned to appoint Catellus as the Master Developer. Motion was seconded by Chair Johnson and failed by the following voice vote: Ayes – 2 (Matarrese, Johnson), Noes – 3 (Tam, deHaan, Gilmore).

Member Tam motioned to select SunCal as the Master Developer. Motion was seconded by Member deHaan and passed by the following voice vote: Ayes – 3 (Tam, deHaan, Gilmore), Noes – 2 (Johnson, Matarrese).

3-B. Approve Draft Comment Letters on Record of Decision for Installation Restoration Sites 1 and 25 and Authorize Executive Director to Submit Comment Letters to the Navy.

At the last meeting, Member Matarrese asked staff to prepare comments on the draft ROD for Sites 1 and 25. Member Matarrese requested that the bottom-line and desires of the ARRA is stated right up front as an introduction of the letters.

Member Matarrese moved to approve the letters with the edit of repeating the end goal right at the front of the letter. Motion was seconded by Member deHaan and passed by the following voice votes: Ayes – 5, Noes – 0.

4. ORAL REPORTS

4-A. Oral report from Member Matarrese, RAB representative.

There was no report, as Member Matarrese was on vacation and did not attend the meeting.

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

There was one speaker, David Howard, who spoke about car-ownership for low income individuals and families of the affordable housing development at Alameda Point.

6. COMMUNICATIONS FROM THE GOVERNING BODY

none.

7. ADJOURNMENT

Meeting was adjourned at 8:57 by Chair Johnson.

Respectfully submitted,

A handwritten signature in cursive script, reading "Irma Glidden". The signature is written in dark ink on a light-colored background.

Irma Glidden
ARRA Secretary