

MINUTES OF THE SPECIAL CITY COUNCIL MEETING
TUESDAY- -MARCH 15, 2016- -6:00 P.M.

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

Roll Call – Present: Councilmembers Daysog, Ezzy Ashcraft, Matarrese, Oddie and Mayor Spencer – 5.

[Note: Councilmember Daysog arrived at 6:01 p.m. and Councilmember Ezzy Ashcraft arrived at 6:05 p.m.]

Absent: None.

The meeting was adjourned to Closed Session to consider:

(16-124) Conference with Legal Counsel – Anticipated Litigation; Initiation of Litigation Pursuant to Subdivision (c) of Section 54956.9 of the Government Code. Number of Cases: One (As Plaintiff – City Initiated Legal Action).

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

Adjournment

There being no further business, Mayor Spencer adjourned the meeting at 7:02 p.m.

Respectfully submitted,

Lara Weisiger
City Clerk

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

MINUTES OF THE REGULAR CITY COUNCIL MEETING
TUESDAY- -MARCH 15, 2016- -7:00 P.M.

Mayor Spencer convened the meeting at 7:09 p.m. A member of Troup 73 led the Pledge of Allegiance.

ROLL CALL - Present: Councilmembers Daysog, Ezzy Ashcraft, Matarrese, Oddie and Mayor Spencer – 5.

Absent: None.

AGENDA CHANGES

None.

PROCLAMATIONS, SPECIAL ORDERS OF THE DAY AND ANNOUNCEMENTS

(16-125) Mayor Spencer did a reading for the Season of Non-Violence.

(16-126) Mayor Spencer announced the Water Emergency Transportation Authority (WETA) would be holding a meeting at City Hall on April 7th at 7:00 p.m.

(16-127) Proclamation Declaring March 2016 as Women in Military History Month.

Mayor Spencer read and presented the proclamation to Army Veteran Julie Thelen.

ORAL COMMUNICATIONS, NON-AGENDA

(16-128) Former Councilmember Lil Arnerich, Alameda commended the former Interim City Manager and welcomed the new City Manager.

CONSENT CALENDAR

Mayor Spencer announced that the Investment Policy [paragraph no. 16-131], the Annual Report on Alameda Landing [paragraph no. 16-133], the Settlement Agreement with Renewed Hope [paragraph no. 16-135], the Two Year Port Services Agreement [paragraph no. 16-136], and the Resolution Approving the Final Map [paragraph no. 16-138] were removed from the Consent Calendar for discussion.

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

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

(*16-129) Minutes of the Special Meetings and Regular City Council Meeting Held on

February 16, 2016. Approved.

(*16-130) Ratified bills in the amount of \$2,079,295.47.

(16-131) Recommendation to Approve the City of Alameda Investment Policy.

Outlined changes made to the Investment Policy: Kevin Kennedy, City Treasurer.

Mayor Spencer inquired what the changes are in the Section 3e.

The City Treasurer responded that the section reflects the City's objectives and community desires, not just State Policy; the addition to the section is coal based industries; any coal based companies will be excluded.

Mayor Spencer inquired whether the policy prohibits 51% of gross revenues from cigarettes, gambling or alcohol products, yet 0% of any coal based products, to which the City Treasurer responded in the affirmative.

Mayor Spencer inquired whether the City currently invests in any coal based company.

The City Treasurer responded in the negative; stated the restriction will not have an adverse effect on the risk or return of the portfolio.

Mayor Spencer inquired whether CalPers has the same restriction.

The City Treasurer responded in the affirmative.

Councilmember Oddie stated the changes to the Investment Policy are a good statement for Alameda and impact climate change and global warming.

Councilmember Oddie moved approval of the staff recommendation.

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

(*16-132) Recommendation to Endorse the San Francisco Bay Clean Water, Pollution Prevention, and Habitat Restoration Program June 7, 2016 Ballot Measure. Accepted. [630-30]

(*16-133) Recommendation to Accept the Annual Report on Alameda Landing Transportation Demand Management (TDM) Program and Review the Recommendation to Expand the Transportation Management Association (TMA).

Councilmember Daysog read a report on the upward trajectory of the number of people taking the shuttle; stated there has been a lot of movement with regard to Citywide transit.

Councilmember Daysog moved approval of the staff recommendation.

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

(*16-134) Recommendation to Approve Revision of Underground Utility District Policy to Have Four Members of the Public Appointed to the Underground Utility District Nomination Board Rather Than Three. Accepted.

(16-135) Recommendation to Amend Section 4.1 of the 2001 Settlement Agreement with Renewed Hope Housing Advocates, Arc Ecology, the Former Community Improvement Commission and Alameda Reuse and Redevelopment Authority (now “the City”), the Alameda Housing Authority, and Catellus Corporation to Allow Site A at Alameda Point to Move Forward with Building Senior Affordable Housing Units Where It Had Previously Been Restricted.

Stated there is a need for senior housing; Renewed Hope supports the addition of more senior housing: Laura Thomas, Renewed Hope.

Vice Mayor Matarrese moved approval of the staff recommendation.

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

(16-136) Recommendation to Authorize the City Manager to Execute Documents Necessary to Implement the Terms of a Two Year Port Services Contract with Bay Ship and Yacht Company at Alameda Point.

Urged acceptance of the contract with Bay Ship and Yacht; stated the company has been in Alameda for 22 years and employees 350 people: Leslie Cameron, Bay Ship and Yacht.

Stated Bay Ship and Yacht is a great contributor to the Maritime industry; urged approval of the Bay Ship and Yacht contract due to the experience and relationship with the community: Michael McDonough, Chamber of Commerce.

Urged approval of the Bay Ship and Yacht contract: Chad Peddy, Bay Ship and Yacht.

Urged approval of the Bay Ship and Yacht contract: David Mik, Power Engineering.

Stated Bay Ship and Yacht is proactive in addressing environmental cleanup for the property they took over; they are committed to remediating the property and protecting human health and the environment: Amy Wilson, TRC Company.

Stated Bay Ship and Yacht has invested over \$20,000,000 in the infrastructure:

managing the customers in the business is a part of their core structure; the company would like to continue to work in Alameda: Allen Cameron, Bay Ship and Yacht.

Stated the decision making process for awarding the contract was not handled in a fair manner; there is lack of transparency; the criteria described to him significantly differs from the final analysis; additional consideration is warranted before a final decision is made: Kevin Krause, TKO Environmental and Marine Services.

Stated Bay Ship and Yacht does quality work and takes care of its customers; he strongly supports the Bay Ship and Yacht contract: Robert Cullmann, Chamber of Commerce and eon Technologies.

Stated Bay Ship and Yacht has a contract with College of Alameda to train people to be in the industry and create jobs upon graduation; urged approval of the Bay Ship and Yacht contract: Kari Thomson, Chamber of Commerce.

Councilmember Ezzy Ashcraft requested clarification on the issues raised by Mr. Krause.

The Assistant City Attorney listed the criteria itemized in the RFP; stated that Mr. Krause's issues are that TKO was the lowest bidder, Bay Ship and Yacht adjusted their price before the interviews, and the price should have been weighted heavier than it was; TKO has as much, or more experience than Bay Ship and Yacht; outlined the steps in the bid dispute process; stated he is confident that staff followed the process; the Request for Proposal (RFP) listed 7 criteria that the City uses in the decision making.

Mayor Spencer inquired what the 7 items in the criteria were.

The Assistant City Attorney read the 7 criteria.

Mayor Spencer inquired what responsiveness to the RFP means, to which the Assistant City Attorney responded completeness.

The Assistant City Attorney stated that before the interviews of the bidders, the scope of the RFP changed; Bay Ship and Yacht lowered their price, while TKO and a third bidder kept the price the same.

Mayor Spencer inquired whether Bay Ship and Yacht's original price was \$54,000 while TKO was \$36,750, which is a \$17,250 difference per month, 30% more, on a two year contract, which equates to over \$200,000 per year, to which the Assistant Community Development Director responded in the affirmative.

The Assistant City Attorney responded the price was not the determining factor in selecting Bay Ship and Yacht.

Councilmember Ezzy Ashcraft inquired whether staff took into consideration all 7 criteria, not just price, to which the Assistant City Attorney responded in the affirmative.

Mayor Spencer inquired whether Bay Ship and Yacht will be using a maintenance software to keep track of all the maintenance and services requested and performed; inquired whether TKO will also be using maintenance software.

The Assistant Community Development Director stated TKO did not mention they would use any special software; it was compelling for the Bay Ship and Yacht proposal; the City thought the tracking device to be important.

Mayor Spencer inquired if the City spoke with TKO about providing the special software if it was a deciding issue.

The Assistant Community Development Director stated it was not the deciding factor, it was one of many elements.

Mayor Spencer stated staff did not ask TKO if they could offer the special software.

The Assistant Community Development Director stated the applicant is responsible for providing their qualifications and level of service; the City understands the sensitivity of cost; staff felt it was okay to go with the higher bidder because of the level of service; the current port manager will be paying \$530,000 annually for rent.

Mayor Spencer stated it does not mean that the City has an extra \$200,000 to give away.

The Assistant Community Development Director stated the City is not giving the money away; the City is getting a service.

Vice Mayor Matarrese inquired whether only Bay Ship and Yacht adjusted their price when the scope of work was changed, not the other two bidders.

The Assistant Community Development Director stated after interviews with the three applicants, the City decided to remove the Bilge Oily Water Treatment System (BOWTS) in the scope of work and Bay Ship and Yacht adjusted their cost.

Vice Mayor Matarrese inquired if Patriot kept their cost the same.

The Assistant Community Development Director responded that Patriot elected not to bid on the project.

Vice Mayor Matarrese inquired whether the \$36,750 was the same price that was bid prior.

The Assistant Community Development Director responded that Bay Ship and Yacht's

bid is still higher than TKO.

Vice Mayor Matarrese inquired what the total budget is for maintaining the piers and the port.

The Assistant Community Development Director responded \$325,000 annually for the port management services and \$100,000 for maintaining the piers as a line item.

Vice Mayor Matarrese inquired what is the value of the revenue that comes to the port.

The Assistant Community Development Director responded the Maritime Administration (MARAD) ships pay over \$2 million a year to the City.

Vice Mayor Matarrese inquired whether Power Engineering is also present at the port.

The Community Development Director responded Power Engineering will be moving their barge to Pier 1 and paying the City \$11.00 per linear foot.

Councilmember Ezzy Ashcraft moved approval of authorizing the City Manager to execute documents necessary to implement the terms of a two year port services contract with Bay Ship and Yacht Company at Alameda Point.

Vice Mayor Matarrese seconded the motion.

Under discussion, Mayor Spencer stated the difference between the two bids is significant and staff should justify spending the difference prior to bringing it to Council.

Councilmember Daysog stated Bay Ship and Yacht's proposal appears to be more thorough; he is confident that the City is making the right decision with Bay Ship and Yacht and the quality of service they provide; it is important to look at the quality of the proposal, not just the dollars and cents.

Mayor Spencer stated what Bay Ship and Yacht does for the community needs to be separate from the contract.

On the call for the question, the motion carried by the following voice vote: Ayes: Councilmembers Daysog, Ezzy Ashcraft, Matarrese and Oddie – 4. Noes: Mayor Spencer – 1.

(*16-137) Recommendation to Accept the Work of MCK, Inc. for Repair and Resurfacing of Certain Streets, Phase 34, No. P.W. 04-15-07. Accepted.

(16-138) Resolution No. 15132, "Approving the Final Map and Bond, Authorizing Execution of the Subdivision Improvement Agreement, and Accepting the Dedications and Easements for Tract 10305 (2100 Clement Avenue)." Adopted.

Councilmember Daysog stated that he voted no on the project and would remain consistent.

Vice Mayor Matarrese moved adoption of the resolution.

Councilmember Oddie seconded the motion, which carried by the following voice vote: Ayes: Councilmember Ezzy Ashcraft, Matarrese, Oddie and Mayor Spencer – 4. Noes: Councilmember Daysog – 1.

(*16-139) Resolution No. 15133, “Confirming the Terms and Conditions for Compensation for Alameda Fire Department Responses Away from their Official Duty Station and Assigned to an Emergency Incident (Mutual Aid).” Adopted.

REGULAR AGENDA ITEMS

(16-140) Resolution No. 15134, “Appointing Michaela Tsztoo as a Member of the Commission on Disability Issues.” Adopted;

(16-140A) Resolution No. 15135, “Reappointing Arthur Kurrasch as a Member of the Housing Authority Board of Commissioners.” Adopted;

(16-140B) Resolution No. 15136, “Appointing Tina Landess Petrich as a Landlord Member of the Rent Review Advisory Committee; and

(16-140C) Resolution No. 15137, “Appointing Robert Schrader as a Landlord Member of the Rent Review Advisory Committee.” Adopted.

Vice Mayor Matarrese moved adoption of the resolutions.

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

The City Clerk administered the Oath of Office and presented certificates of appointment to Ms. Tsztoo, Mr. Kurrasch and Mr. Schrader.

(16-141) Introduction of Ordinance Authorizing the City Manager to Execute Documents Necessary to Implement the Terms of a Ten-Year Lease with Two Ten-Year Renewal Options and an Option to Purchase with Alameda Point Redevelopers, LLC for Building 8, Located at 2350 Saratoga Street at Alameda Point. Introduced.

The Assistant Community Development Director and Ted Anderson, Cushman and Wakefield, gave a Power Point presentation.

Mayor Spencer inquired whether the market rate calculation is market rate after the money has been put into the building during the lease.

Mr. Anderson responded that the calculation assumes a shell cost.

Mayor Spencer stated the calculation is not the money that is being put in during the lease, to which Mr. Anderson responded in the affirmative.

Mayor Spencer inquired why the property is not currently leased; questioned why the City is doing an option to purchase.

Mr. Anderson responded the building is not leasable in its current condition.

Mayor Spencer inquired whether a tenant could lease the building and make the improvements.

Mr. Anderson responded it is possible, stated the building was marketed to everyone possible; a lessee's focus is typically to run their business, not to take on a renovation before they can even start their business.

Mayor Spencer inquired whether the City had tried to lease the building.

The Assistant Community Development Director responded the building has been on the market since the Base closed without any bites because of the investment required; buildings now have the purchase options to allow tenants to get the money to make improvements; tenants want to own the buildings; ownership is used to leverage financing; in order to move difficult buildings, people want to own them to get financing; the building is in the adaptive reuse zoning area, which gives the future end user flexibility; the old buildings need a lot of money to restore them; it is imperative to offer the opportunity to own to allow people to get money and invest.

Mayor Spencer inquired whether in the scenario the City currently owns the property and is now providing an option to purchase, to which the Assistant Community Development Director responded in the affirmative.

Councilmember Ezzy Ashcraft inquired whether the City has not had the money to rehabilitate the building.

The Assistant Community Development Director responded in the affirmative.

Councilmember Ezzy Ashcraft inquired whether the buyer would pay into the master infrastructure program if the option to purchase was exercised.

The Assistant Community Development Director responded the City set the price of the building to cover the fair share of infrastructure cost; the price has gone up to capture the infrastructure investment on waterfront properties and buildings that are desirable; the money goes into an infrastructure fund; the owner can use the money to make offsite improvements that the City would have to make anyway.

Mr. Anderson responded the owner needs to use the money in the first 24 months after

they purchase or the money goes into the General Fund.

Councilmember Ezzy Ashcraft inquired on the amount of the infrastructure fund.

Mr. Anderson responded the amount is \$1.8 million.

Councilmember Oddie inquired what is the developer's commitment for making repairs to the infrastructure of the building.

The Assistant Community Development Director responded that the tenant is putting \$10 million in the purchase price and \$8.5 million worth of improvements into the building; the total investment in the building is \$36.5 million.

Councilmember Oddie inquired if the building is just leased and not purchased what would be the price.

Mr. Anderson responded the lease would be \$1 million as the lessee completes repairs the first year; another \$1 million year 2, and another \$1 million year 3.

The Assistant Community Development Director responded the total would be approximately \$3.4 million dollars.

Councilmember Oddie inquired what it would cost the City to bring the building up to a tenantable situation.

The Assistant Community Development Director responded to make the building habitable, would cost \$8.5 million.

Mayor Spencer inquired what the lessee has to put in as a part of the lease.

The Assistant Community Development Director responded the \$3.4 million is only the infrastructure burden; the lessee would have to pay rent and the Citywide Development Fee.

Mayor Spencer inquired whether the money to make the building habitable is a requirement of the lease, to which the Assistant Community Development Director responded in the negative.

The Assistant Community Development Director responded there are benchmarks in the lease stating the lessee would have to spend \$3.4 million; the aggressive rent increases are designed make the lessee make the necessary improvements.

Mr. Anderson stated as time goes on, it will be more expensive for the lessee to have a building that cannot be occupied.

The Assistant Community Development Director continued the presentation.

Councilmember Ezzy Ashcraft inquired if work/live spaces are currently a part of the zoning for the area, to which the Assistant Community Development Director responded in the affirmative and continued the presentation.

Mayor Spencer inquired whether there is anything to encourage the 500 employees to use public transportation or bike to work.

The Assistant Community Development Director responded Alameda Point is part of a Transportation Demand District; stated there are a limit number of parking spaces available; tenants will pay into a TDM program and will be encouraged to use public transit.

Mayor Spencer inquired if tenants will need to provide public transportation alternatives to their employees.

Mr. Anderson responded the building resides on 3.4 acres; the employees will need to find alternate means of transportation to work.

Mayor Spencer inquired how the City would know the employees will not be parking in surrounding neighborhoods.

The Base Reuse Director responded that every tenant or property owner will have to prepare a TDM Plan Compliant Strategy and comply with the Alameda Point TDM; they will have to pay per square foot; tenants will be required to pay annually into the account; the fund will provide shuttles in the peak hours and provide bus passes to all employees; tenants will be required to submit a compliance strategy to the City.

Mayor Spencer stated they do not have to buy a bus pass, they can bike or walk; she does not want to have 600 more cars on the road and related parking.

The Base Reuse Director responded the overall TDM Plan is designed to encourage trip reduction goals and meet the requirements of the Environmental Impact Report (EIR).

Mayor Spencer inquired if anything requires the employees to not drive a car to work.

The Base Reuse Director responded the TDM provides frequent and reliable transportation services so that people get out of their cars; stated the land is leased to the tenants by the City so the parking could be enforced; the TDM makes sure people have options for transportation.

Councilmember Daysog stated there is good evidence that the shuttle system is working; the 15 minute headway turnaround will be good for commuters.

Councilmember Oddie questioned where the 600 new cars figure came from; stated there would be only be 480 new jobs and 110 temporary; the temporary jobs will expire

before the new jobs; a portion of the jobs will be jobs work/live units with tenants living on the premises; a portion may take the ferry into Alameda; a portion may walk; for those coming into the Island, it will be a reverse commute.

The Base Reuse Director responded the strategy is to provide more jobs and balance the housing on the Island.

Mayor Spencer inquired how many work/live units will there be.

The Base Reuse Director responded that the work/live housing is highly restrictive; stated the tenants would have to obtain a commercial license; the building is commercial use under the zoning.

Mayor Spencer inquired whether people will be living there; requested an estimate on how many units will be work/live units.

Councilmember Oddie left the dais at 9:00 p.m. and returned at 9:02 p.m.

Jonah Hendrickson, Alameda Point Redevelopers, gave a Power Point presentation.

Mayor Spencer inquired how many housing units will be in the building.

Mr. Hendrickson responded the current work/live zoning would allow for 100 units based on the Alameda Municipal Code and the square footage; stated the issue of use will be further discussed by the Planning Board during the master use permit process.

Mayor Spencer stated it is appropriate to discuss the number of units; inquired how many people per unit.

Councilmember Ezzy Ashcraft inquired whether the term work/live means that tenants would live and work in the same place and a commute would not be a part of the equation, to which Mr. Hendrickson responded in the affirmative.

Mayor Spencer inquired if a couple lives in the unit do both occupants need to work there or only one.

Vivian Kahn, Alameda Point Redevelopers, stated the work/live ordinance was specifically crafted to ensure the units are commercial spaces; it allows a maximum of 30% of the floor area to be devoted to residential uses and be no more than 400 square feet; at least one of the people occupying the space must have a business license and be conducting business; the ordinance is very strict and explicitly states the work/live units are for commercial use.

Mayor Spencer inquired whether the tenants would be working in Building 8; inquired

whether the tenants have to work in Building 8 or if they would be allowed to work in the City.

Ms. Kahn responded that a business license goes with the address and cannot be carried to another address.

Stated the project will benefit the Alameda Point; the developers will be putting \$8 million into the building before the lights can even be turned on; selling the building is the best option for the City; the tenants would like to give back to the community with apprenticeships and internships for youth: Michael McDonough, Chamber of Commerce.

Stated Building 8 is an adaptable building; he has worked on many large buildings like Building 8 and it takes a while to rehabilitate the large buildings: Dick Rutter, Alameda.

Stated that she is a banker and the option to purchase makes sense from a finance standpoint; it is creating jobs, which creates an economic engine for the City and tax revenues; urged Council to approve the project: Kari Thompson, Chamber of Commerce.

Stated Epic Middle School is a stem school; all the students take engineering design and fabrication; there is a need for space in Alameda for students to work with skilled craftsmen as they prepare themselves for the workforce; read a letter from Florine Roper urging Council to support the project: Francis Abbatatatuono, Epic Middle School.

Stated that he leases a space from Mr. Hendrickson why he transformed and cleaned up a once dilapidated building; Mr. Hendrickson will apply the same dedication to his work and tenants for the adaptive reuse of Building 8: Brandon Canchola, Treasure Island Woodworks.

Read different statements from tenants and community members of Berkeley regarding the Berkeley Kitchen Project; urged Council to support the project; stated Mr. Hendrickson will apply the same vision at Alameda Point: Adan Martinez, City of Berkeley, Economic Development Manager.

Stated that he works on behalf of landlords and tenants; he supports the project because warehouse and manufacturing space is needed; velocity and demand are present in the marketplace, the product is absent: Jeff Starkovich, Cushman and Wakefield.

Read a letter from Greg Harper with AC Transit Board who supports the project; stated the adaptive reuse of Building 8 will be a greatly designed makerspace; strongly urged support of the project: Vivian Kahn, Alameda Point Redevelopers.

Read a letter from Mayor Tom Bates of Berkeley in support of the project; discussed the

rehabilitation Mr. Hendrickson did on the Berkeley Kitchen Project; stated the adaptive reuse of Building 8 will surpass the success he achieved with Berkeley Kitchen: Kiran Shenoy, Berkeley Landmark Preservation Commission.

Stated allowing the project at Building 8 will attract more small businesses and allow them to have commercial success; urged Council approval of the project; read a letter from owner of Mission: Heirloom, Berkeley Kitchens; stated Berkeley Kitchen has allowed him to grow his business: Alain Shocron, La Noisette Sweets.

Read a letter from Berkeley Councilmember Darryl Moore; stated Mr. Hendrickson transformed a once vacant, landmark designated building into Berkeley Kitchens; the adaptive reuse of Building 8 will meet or exceed the success of Berkeley Kitchens; the City of Alameda will be greatly enriched by the development genius of Mr. Hendrickson: Ryan Lau, Legislative Aide, Councilmember Darryl Moore.

Stated Mr. Hendrickson's designs enliven community and are very accessible to the community; the City needs someone who can take the massive scale and bring it down to make it accessible to the community: Elisa Mikiten, Architect.

Stated Mr. Hendrickson is a developer who equally prioritizes profit, people and the planet; science, technology, engineering and math are used adding arts, innovation and entrepreneurship; read a letter of support from Janet Smith-Heimer, President of Bay Urban Economics; stated Mr. Hendrickson has a strong and effective reuse entrepreneurship and will create a lively makerspace community which will foster the City's goals for reuse and economic development in creative industries: Emylene Aspilla.

Stated that he is a tenant in one of Mr. Hendrickson's buildings; Mr. Hendrickson turned a rundown old machine shop into a sleek, clean hub of studios and workspaces for artists and small business owners; Mr. Hendrickson is a great developer; he strongly supports the project; Alameda providing a place for artists to go would be great so that they do not have to move to other places in the country: Patrick Dooley, Shotgun Players Theater.

Stated Mr. Hendrickson is a developer that follows through on projects; Mr. Hendrickson did a great job on Berkeley Kitchens; urged support of the project: Carrie Olson, Berkeley.

Spoke in support of Mr. Hendrickson and the work he did on Berkeley Kitchens; stated he will do the same for the Alameda project and the tenants will be happy because the project fills a need: Craig Boon, Nuthouse Granola.

Read a letter from Wendy Ross; urged support of Alameda Point Redevelopers creating an environment that supports the needs for small businesses in the community; stated that she has the upmost confidence they will do an extraordinary job on the project: Dalia Juskys, President of the Bank of San Francisco, Wendy Ross.

Stated that he is the owner of a makerspace in Oakland where kids and families can come and do large projects; he supports the project and hopes to be a tenant in Building 8: Parker Thomas, Steam Factory.

Read two letters from tenants of Berkeley Kitchens: Christy Kovacs, Muffin Revolution owner, stated Mr. Hendrickson is a great manager and would be a great candidate for the project in Alameda; stated the Berkeley Kitchens created a collaborative working environment for all the tenants; stated Mr. Hendrickson's vision for Building 8 is unsurpassed: Leslie Jacobowitz.

Read two letters from supporters of the project: Steven Camarretto and Jesse Rosalles; urging approval of the lease for Building 8 which will fit the character and needs of the community; stated the inclusion of Mr. Hendrickson and his team would only benefit the residents of Alameda; Mr. Hendrickson will be an excellent landlord and the project will work: Ira Jacobowitz.

Stated his company is a diverse operation, which hosted 35,000 people in their tasting room last year alone; the Building 8 project can host food producers, artists, makers and there is room for a lot of success stories in Alameda: Chris Jordan, St. George.

Read letters from tenants of Berkeley Kitchens: Shrub and Co. owner Juan Garcia stated: since moving into Berkeley Kitchens their business has grown; Mr. Hendrickson will do the same in Alameda; the City and citizens will be lucky to have him; Kathleen Frumkin stated: Mr. Hendrickson created such a positive use of space in Berkeley that is extremely rare to find; urged Council to support the project: Barbara Hendrickson.

Read two letters urging Council to go forward with the project; one from a very happy tenant at Berkeley Kitchens and the secretary of the landmarks preservation committee; stated Mr. Hendrickson has a track record of rehabilitating buildings into spaces that provide local artisans and makers an opportunity to run their businesses; urged Council approval of project: Alex Orloff, Berkeley.

Mayor Spencer called a recess at 10:10 p.m. and reconvened the meeting at 10:16 p.m.

Mayor Spencer inquired where the presentation speaks of the work/live discussion.

The Community Development Director responded that the work/live discussion is not in the presentation.

Mayor Spencer inquired whether there is a potential of 270 work/live units; inquired what is allowed in the building; stated the building can be sold for anything within the zoning.

The Base Reuse Director responded the tenant could submit an application for a conditional use permit and say they want to do 270 work/live units; the current project states the tenant does not want to do any more than 100 work/live units.

Mayor Spencer stated the 100 work/live units is not in the presentation.

The Base Reuse Director responded 100 units is a land use decision that the City has not discussed yet; stated the City has left open the flexibility for the developers to do a number of commercial uses; when the developer gets into the design, there is flexibility to come up with a plan and submit an application; ultimately, the City Council will make the decision.

Mayor Spencer stated there is a potential of 270 housing units; inquired if 270,000 square feet is allowed within the zoning.

The Base Reuse Director responded the zoning does not give the developer the right or ability to build work/live units; a conditional use permit is required.

Mayor Spencer inquired if there is the potential in Building 8.

The Base Reuse Director responded only if the Planning Board approves the request and the City Council upholds the Planning Board approval.

Mayor Spencer inquired if the person who arrived at the sales price valued the price at the potential of having 270 work/live units.

The Base Reuse Director responded the building has been valued as commercial use because work/live is commercial use; stated the building is not financed as residential; the project is restrictive in the way that it is structured; it is priced and zoned as commercial use.

Mayor Spencer stated it is zoned for work/live; the City's zoning states that every unit must be up to 1,000 square feet and Building 8 is 270,000 square feet.

The Base Reuse Director responded approval of work/live units would have to go to the Planning Board and could be called for review by Council.

Mayor Spencer inquired whether a sale price is being agreed upon, to which the Base Reuse Director responded in the affirmative.

Mayor Spencer inquired whether the price includes the value of work/live units, to which Mr. Anderson responded in the negative; stated basing the value on work/live is not appropriate.

Mayor Spencer inquired how many buildings in the area allow work/live.

The Base Reuse Director responded work/live is a conditionally permitted use for the adaptive reuse area.

In response to Mayor Spencer's inquiry, the Base Reuse Director stated the use is allowed on 1/3 of Alameda Point.

Mayor Spencer stated with all the community discussions regarding housing at the Point, the potential of the buildings being flipped has not been discussed.

The City Manager responded that a condition of approval could be added limiting the amount of work/live units.

Mayor Spencer stated work/live should have been included in the presentation and taken into consideration in the pricing; there has not been transparency with the community; there it is a potential impact on the community.

Vice Mayor Matarrese stated there is a housing parameter at the former Base; the fact that the building is being adaptively reused is an important factor to consider; the building currently has negative value and is costing the City money; he is ready to vote to support the project; one reservation is the cost to rehabilitate the building; another reservation is that Building 8 is ten times the size of Berkeley Kitchens; urged accelerating selling the building; proceeding is worth taking the risk to get the revenue stream.

(16-142) Mayor Spencer stated a motion is needed to consider the remaining agenda item on the wetlands mitigation bank [paragraph no. 16-143].

Councilmember Oddie moved approval of considering the remaining item.

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

Councilmember Ezzy Ashcraft stated the testimony from the people who have worked with the developer is great feedback; the project will be creating jobs; the development is needed; there are safeguards regarding the housing and work/live units; she is ready to support the project.

Councilmember Oddie inquired what the Assistant Community Development Director's role is in these types of situations.

The Assistant Community Development Director responded that she took an active role in investigating the financials of the applicant, going on site visits, and looking at other projects done by the applicant; stated she wants to ensure the City would get something out of the deal if it fails.

Councilmember Oddie inquired whether the Assistant Community Development Director's job is to get the best possible deal for the City.

The Assistant Community Development Director responded in the affirmative; stated with leases at Alameda Point, the fund is very delicate and in demand.

Councilmember Oddie inquired whether the deal is the best possible the City could get for Building 8.

The Assistant Community Development Director responded in the affirmative; stated the City was able to get a deal with more infrastructure for the building.

Councilmember Oddie stated the Assistant Community Development Director's job is to maximize what the City can get from any deal; any implication that the Assistant Community Development Director is not looking out for the best interest of the City is frustrating; one of the priorities of the Alameda Point Master Plan is to generate new economic development and employment opportunities; read some of the City's goals from the Master Plan; stated that he supports the project.

Councilmember Daysog stated the cost for developing Building 8 is doubled; each project should contribute towards major infrastructure; Alameda values the historic character of the site and wants to reuse the sites; these are the types of businesses and industries the City wants in Alameda; he supports the project; in terms of the economics, the City has done its due diligence; the traffic generation from the work/live housing would be less than typical housing.

Mayor Spencer stated according to the staff report, the work/live spaces are not considered residential and are not considered housing under the Navy's residential development cap; it is important to be transparent for the community.

Vice Mayor stated the debate over the number of work/live units can be done at the use permit stage.

Vice Mayor Matarrese moved approval of staff executing the lease [introduction of the ordinance].

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

(16-143) Response to City Council Referral Regarding a Possible Wetlands Mitigation Bank at Alameda Point.

The Base Reuse Director began her presentation.

Mayor Spencer stated a motion is needed to continue the meeting past 11:00 p.m.

The City Clerk stated the previous meeting went past 11:00 p.m., and the agenda for the April 5th meeting is full and the meeting might go past 11:00 p.m., which would require the Council to add meetings.

Councilmember Oddie inquired if the matter could be adjourned to the next meeting.

The City Attorney stated the Council is not continuing the item, it will be re-agendized.

CITY MANAGER COMMUNICATIONS

Not heard.

ORAL COMMUNICATIONS, NON-AGENDA

Not heard.

COUNCIL REFERRALS

Not heard.

COUNCIL COMMUNICATIONS

Not heard.

ADJOURNMENT

In order to not continue past 11:00 p.m., Mayor Spencer adjourned the meeting at 10:59 p.m.

Respectfully submitted,

Lara Weisiger
City Clerk

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