

MINUTES OF THE SPECIAL CITY COUNCIL MEETING  
WEDNESDAY- -DECEMBER 5, 2012- -7:00 P.M.

Mayor Gilmore convened the meeting at 7:10 p.m. Councilmember Tam led the Pledge of Allegiance.

ROLL CALL – Present: Councilmembers deHaan, Johnson, Tam and Mayor Gilmore – 4.

Absent: None.

ORAL COMMUNICATIONS, NON-AGENDA

None.

AGENDA ITEMS

(12-573) Recommendation to Accept the Economic Development Strategy for Alameda Point.

The Community Development Director gave a brief presentation.

Tim Kelly and Ernesto Vilchis, Keyser Marston Associates, gave a Power Point presentation.

In response Mayor Gilmore's inquiry about the work required to get buildings ready to rent, Mr. Vilchis stated the need differs depending on the building; continued the presentation.

Councilmember Tam stated some figures have to do with the feasibility of retrofitting or rehabilitating buildings; several buildings' costs have been identified; since the City does not have redevelopment any more, making the investments would require charging rent way above average; the I-80 corridor rent is \$0.41 per square foot; the City would have to charge \$0.80 per square foot, which would make rent infeasible even with long term leases; Alameda seems to have a higher vacancy rate than neighboring cities; inquired whether existing areas, like Park Street, Harbor Bay and Webster Street, might be cannibalized to obtain tenants at Alameda Point.

Mr. Kelly responded Alameda Point cannot and should not compete with Harbor Bay, Marina Village or Park Street; Alameda Point buildings are unique; tenants that are going to select Alameda Point, such as maritime tenants, are not going to go in on Park Street; the market has a lot of space; Alameda Point has to be marketed to tenants looking for bulk or specialized space; the rent is lower; in regards to costs, investors are taking on older buildings in San Francisco, Oakland, and Emeryville; the private sector could come forward with proposals; that he believes there are a set of numbers which work; individual buildings are pretty complex and involve electrical work, fire work and

clean up; rent would probably need to be \$0.40 to \$0.50 cents per square foot; office space, such as medical buildings, could have higher rent; tenants would not necessarily be stolen away from another part of the City; complete renovations would not work; hopefully, the private sector could find lower cost projects.

Mayor Gilmore stated given the numbers and the amount of commercial space in the market right now, the City needs to figure out how to market Alameda Point's uniqueness, which would appeal to certain businesses; not many places in the Bay Area could host maritime businesses; however, lots of places have commercial, office, or retail business space; Alameda has to offer something other cities cannot.

Councilmember Tam stated the maritime and nautical nature of Alameda Point is unique; using the estuary is one way to alleviate potential traffic problems, as well as making better use of the Ferry system; looking at the portfolio of tenants at Alameda Point right now, with the exception of Bay Ship and Yacht, other uses and establishing a spirits row are not maritime in nature; trying to build on existing leases through word of mouth is being discussed; inquired whether having existing tenants talk up Alameda Point would encourage use of the most reusable buildings.

Mr. Kelly responded that he has not been in every building; one building is more than one million square feet; imagining what would happen in said building is difficult, but the building would be an example of a unique property on the market; hopefully, private investors might find a way to use the building; current tenants include: Building 14, which has arts, Bladium, which might want to expand, Michaan's Auctions, specialty beverage businesses, and some smaller start-up companies around the old campus; there is quite a range of tenants; there are lots of opportunities; putting an investor and a business together might be one way; people are being forced out of Emeryville and other places, such as the Oakland Army Base; the film industry might represent an opportunity.

Highlighted business in Building 14 and encouraged developing and supporting the art community: Dean Santner, Alameda Point Studios; Adrian Seigal, Alameda Point Studios; John Callahan, Alameda Point Studios (submitted a video: *Miracle in a Box*); Byron and Cheryl Zook, Alameda Point Studios.

Expressed his support of the plan, the multi-pronged approach and long term leasing for tenants already at Alameda Point; stated his company would like to establish its presence in the City of Alameda for the long term: David Mik, Power Engineering.

Discussed the importance of preserving history and having any plan include a future for the Museum: Kin Robles, Alameda Naval Air Station Museum.

Encouraged staff be directed to hold another meeting with tenants: Doug Biggs, Alameda Point Collaborative.

Urged the City to be more aware of the types of tenants at Alameda Point; suggested community outreach and advertising; stated the study includes many strategies that should seriously be reviewed and provides ways to proceed with the Community Reuse Plan: Dian Lichtenstein, Alameda.

Expressed support of the strategy: Karen Bey, Alameda.

Suggested a brochure be created about the arts at Building 14; stated the Navy Base attracts many people yet seems to be running away from its Naval heritage; suggested using old nomenclature when rebranding the Base: Carol Gottstein, Alameda.

Stated the proposal is very strong but she does not quite understand the strategy around a Request for Proposals; inquired whether space would be sold to developers, which provides incentives; stated huge amounts of money are available if the City has policies enabling private enterprise; encouraged community brainstorming: Amanda Soskin, Alameda.

Mayor Gilmore stated receiving a broad range of perspectives from residents and business people is nice; the City does not have discussions with business people often.

Councilmember deHaan inquired how adaptive reuse and renovation of buildings was evaluated.

Mr. Kelly responded said evaluation is the recommended next step; stated Alameda Point needs to be broken up into multiple pieces so packages can be put together; the Council will need to address some policy issues.

In response to Councilmember deHaan's inquiry, Mr. Kelly stated the goal was not to figure out which buildings to tear down and which to sustain; the issue is how to get some of the buildings to a marketable, leasable space; investors would evaluate and determine how to reposition the buildings.

Councilmember Johnson stated that she likes the approach. which makes a lot of sense; the next step should be talking with investors to see what is needed to make investment attractive.

In response to Councilmember deHaan's inquiry on further recommendations, the Chief Operating Officer - Alameda Point stated the City has a lot on its plate: the Environmental Impact Report (EIR), the master infrastructure plan, the Town Center planning, and the zoning; the City has been focused on getting the land from the Navy; a number of items in the budget relate to conveyance; staff will be coming to the Council to discuss moving development forward through RFPs; the first order of business is to get the property from the Navy.

Councilmember deHaan inquired the status of the Water Emergency Transportation Authority (WETA) project.

The Chief Operating Officer - Alameda Point responded staff is still in conversations with WETA; stated a lease is almost negotiated; a number of environmental approvals are still being reviewed; WETA is receiving partial funding from the federal government and will go through a federal process similar to the City's process in terms of Section 106 and endangered species; infrastructure is being discussed as well as plans for WETA to locate its emergency operations center on the southern shoreline.

Councilmember deHaan noted the City is getting closer to finalizing remediation; stated marketing anything under remediation is hard.

In response to Councilmember deHaan's comments, the Chief Operating Officer - Alameda Point stated a significant portion of the Base, about 700 acres of uplands and 1200 acres in total, including submerged land, is being contemplated for the first transfer phase; areas would come to the City in 2019; the City still has the Lease in Furtherance of Conveyance (LIFOC) which is a master lease with the Navy that allows the City to continue to use and develop areas; Building 5 is not currently in the master lease; however, if a good tenant comes, the City could approach the Navy about using portions of the property and work around the remediation plan and schedule; there is flexibility; the first phase transfer will be significant.

Councilmember Tam noted the four recommendations included in the report are being done already; stated that she supports staff's recommendation to develop a process to have a cohesive vision to deal with development clusters and to have a policy to understand the best use of property given the remediation and types of buildings; there should be fuller public discussion with the community; the City is already putting together the infrastructure plan and environmental documents mandated by the settlement agreement with Oakland China Town; having a vision, cohesion and planning for both existing tenants and prospective tenants is important.

Mayor Gilmore stated having an understanding of other commercial and retail space available in the market is needed in order to move forward in a cohesive manner; the marketing report is only a piece of the puzzle; infrastructure, residential and the overall mix needs to be figured out; support existing businesses is important because they are going to be ambassadors for new businesses; the City should be opportunistic and flexible if a great new use comes forward.

Councilmember Johnson moved approval of the staff recommendation.

Councilmember deHaan seconded the motion, which carried by unanimous voice vote – 4.

### CITY MANAGER COMMUNICATIONS

(12-574) The City Manager announced the finalists of the annual East Bay Innovation Awards were announced and four of the 16 nominees in the entire East Bay are in

Alameda: Deep Ocean Exploration and Research, Perforce Software, Penabra Inc. and Saint George's Spirits; stated the finalists will be recognized at a gala event on January 31st at the Fox Theater in Oakland.

#### COUNCIL COMMUNICATIONS

None.

#### ADJOURNMENT

There being no further business, Mayor Gilmore adjourned the meeting at 9:11 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 CITY COUNCIL MEETING  
WEDNESDAY- -DECEMBER 5, 2012- -6:00 P.M.

Mayor Gilmore convened the meeting at 6:05 p.m.

Roll Call – Present: Councilmembers deHaan, Johnson, Tam and Mayor Gilmore – 4.

[Note: Councilmember Johnson arrived at 6:25 p.m.]

Absent: None.

The meeting was adjourned to Closed Session to consider:

(12-569) Conference with Legal Counsel – Existing Litigation (54956.9); Name of Case: East Bay Regional Park District, a Special District, and Angela Fawcett v. City of Alameda and City of Alameda City Council; Alameda County Superior Court Case No. RG12655685; East Bay Regional Park District suit against City on Housing Element.

(12-570) Conference with Legal Counsel – Existing Litigation (54956.9); Name of Case: Chinn-Scoffern v. W.R. Forde Construction, City of Alameda; Superior Court of California, Alameda County; Case No. RG12628456; Complaint filed against City alleging negligence of City and/or contractor causing a sewage backup into the basement of a single family home on Chapin Street.

(12-571) Conference with Legal Counsel – Existing Litigation (54956.9); Name of Case: Robert Zack, Bernice Jolliff, The Estate of Raymond Zack vs. City of Alameda, County of Alameda, and DOES 1 through 50, inclusive; Superior Court of California, Alameda County; Case No. RG12632015; This lawsuit stems from the tragic drowning of Raymond Zack at Crown Beach in May 2011. Family members are seeking unspecified monetary damages. Not heard.

(12-572) Conference with Legal Counsel – Anticipated Litigation; Initiation of litigation pursuant to subdivision (c) of Section 54956.9; Number of cases: One. Not heard.

Following the closed session, the meeting was reconvened and Mayor Gilmore announced that regarding the East Bay Regional Park District litigation, Council discussed the status of the lawsuit; and regarding the Chinn-Scoffern litigation, direction was given to staff.

Adjournment

There being no further business, Mayor Gilmore adjourned the meeting at 7:06 p.m.

Respectfully submitted,

Lara Weisiger  
City Clerk

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