

**MINUTES OF THE REGULAR MEETING OF THE
ALAMEDA REUSE AND REDEVELOPMENT AUTHORITY
WEDNESDAY, December 7, 2011**

The meeting convened at 7:21 p.m. with Chair Gilmore presiding.

1. ROLL CALL

Present: Board Members Bonta, deHaan, Johnson, Tam and Chair Gilmore – 5.

Absent: None.

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

None.

3. CONSENT CALENDAR

(*11-081) Approve the Minutes of the Special and Regular Meetings of November 2, 2011.

Member Tam moved for approval of the Consent Calendar. Vice Chair Bonta seconded the motion, which carried by unanimous voice vote – 5. [Items so enacted or adopted are indicated by an asterisk preceding the paragraph number.]

4. REGULAR AGENDA ITEMS

(11-082) Presentation on Status of Disposition and Development Strategy for Alameda Point.

The Chief Operating Officer – Alameda Point gave a power point presentation summarizing the next steps for moving forward with the no cost reconveyance and development strategy for Alameda Point. Staff is providing the update to the Board before moving into the next phase of making recommendations. The summary focused on entitlement, transportation infrastructure, solicitation and transaction.

Speakers: Carol Gottstein discussed maximizing the land value of Alameda Point, specifically Building 94, Chapel.

Chair Gilmore stated accountability issues are a downside to Phased Development. The Chief Operating Officer – Alameda Point explained the key is to have really good design up front, and guiding documents that dictate how larger engineering and structure will work globally, so that the design is solid. There is concern about different developers doing backbone infrastructure for small pieces. Having a uniform developer for larger, 100- acre parcels, would narrow accountability issues with fewer people.

Member Tam discussed concerns about funding of predevelopment costs, backbone infrastructure, and that the days of tax increment bond funding may not be available because of the elimination of redevelopment. The Chief Operating Officer – Alameda Point remains positive that redevelopment will continue, and tax increment bonds will definitely be part of the plan. Staff will have more information on potential funding sources to present to the Board at a future meeting.

Member deHaan inquired where funding for predevelopment can be derived. The Chief Operating Officer – Alameda Point discussed the two sides to the equation – cost side and revenue side.

With reasonable costs, a developer can provide ideas to test assumptions. ARRA has a fund balance, with a certain amount spent on planning. Options will be explored to find ways to leverage for upfront costs. Staff is exploring other sources of low cost capital with contingencies built into the costs, with the same analysis used for other options.

Vice Chair Bonta inquired about the developer role as an advisor to ARRA. The Chief Operating Officer – Alameda Point explained that ARRA would be the property owner and maintain control over entitlement process. With the understanding that ARRA is not a developer, put out an RFQ for a development advisor, with a recommendation that the advisor actually be a developer with experience working on large-scale projects, not just a consultant. In this advisor role, the developer would actually work for the ARRA, are paid a monthly fee, but their contract can be terminated by the ARRA. The advantage from a transaction standpoint is that it would be a simple contract; the advisor has no actual rights to development or land. The concept is that the ARRA maintain control, work in a partnership, but ARRA would be the leader. Vice Chair Bonta inquired if there are any examples of that type of partnership. The Chief Operating Officer – Alameda Point stated that Hamilton AFB is a similar example. Hamilton hired a team of advisors, which included attorneys and economic consultants who planned and entitled all of Hamilton. They did an RFQ with developers and negotiated purchase and sale, but had entitlements all upfront.

Member Johnson expressed concern about handling the most difficult parcels or areas that will take longer to clean up. The Chief Operating Officer – Alameda Point discussed starting up efforts and creating value will make the property more valuable. Less money is taken out of the project by a master developer, which leaves more money in the project for development itself.

The Chief Operating Officer – Alameda Point informed the Board that staff would be coming back to the ARRA with an update in February.

(11-083) Presentation on the Status of the Lawrence Berkeley National Lab Second Campus Process.

The Chief Operating Officer – Alameda Point provided an oral update on the LBNL Second Campus process. LBNL announced that they postponed their selection decision to early 2012. The Chief Operating Officer – Alameda Point stated that it is staff's supposition that LBNL has made a selection, but they are making sure the DOE and UC Regents are on the same page and policy makers are on board.

5. ORAL REPORTS

None.

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

None.

7. EXECUTIVE DIRECTOR COMMUNICATIONS

None.

8. REFERRALS FROM THE GOVERNING BODY

None.

9. COMMUNICATIONS FROM THE GOVERNING BODY

Member deHaan gave a brief report on the December 1 RAB meeting. The main issue was the RAB's plan for ongoing years, specifically the schedule and frequency of meetings. The Navy proposed to meet on a quarterly basis to cut back on operations costs. Various options are still being explored, including teleconferencing capabilities. The RAB elected Dale Smith as Co-chair and Carol Gottstein as Vice Co-chair.

10. ADJOURNMENT

There being no further business, Chair Gilmore adjourned the meeting at 8:13 p.m.

Respectfully submitted,

Irma Glidden
ARRA Secretary