

MINUTES OF THE SPECIAL CITY COUNCIL MEETING
TUESDAY- -APRIL 15, 2014- -6:00 P.M.

Mayor Gilmore convened the meeting at 6:03 p.m.

Roll Call – Present: Councilmembers Chen, Daysog, Ezzy Ashcraft, Tam and Mayor Gilmore – 5.

Absent: None.

The meeting was adjourned to Closed Session to consider:

(14-129) Conference With Legal Counsel - Existing Litigation (54956.9); Case Name: USA/Baykeeper v. City of Alameda, et al. United States District Court, Northern District of California; Case No. CV 09-05684 RS

Following the closed session, the meeting was reconvened and Mayor Gilmore announced that direction was given to staff.

Adjournment

There being no further business, Mayor Gilmore adjourned the meeting at 7:05 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 JOINT CITY COUNCIL
AND ALAMEDA PUBLIC FINANCING AUTHORITY (APFA) MEETING
TUESDAY- -APRIL 15, 2014- -7:01 P.M.

Mayor/Chair Gilmore convened the meeting at 7:14 p.m.

Roll Call - Present: Councilmembers/Authority Members Chen, Daysog, Ezzy Ashcraft, Tam and Mayor/Chair Gilmore – 5.

Absent: None.

Oral Communications

None.

Consent Calendar

Vice Mayor/Authority Member Ezzy Ashcraft moved approval of the Consent Calendar.

Councilmember/Authority Member Tam seconded the motion, which carried by unanimous voice vote – 5. [Items so enacted or adopted are indicated by an asterisk preceding the paragraph number.]

(*14-130 CC) Resolution No. 14910, “Approving Amendments to the Reimbursement Agreement, Dated as of December 1, 2003, and Approving a Fee Letter, Relating to the \$9,080,000 Alameda Public Financing Authority Variable Rate Demand Revenue Bonds (Alameda Point Improvement Project), 2003 Series A, and the \$4,360,000 Alameda Public Financing Authority Taxable Variable Rate Demand Revenue Bonds (Alameda Point Improvement Project), 2003 Series B, and Approving Official Actions. (City Council); and

(*14-14-01 APFA) Resolution No. 14-24, “Electing to Substitute the Remarketing Agent, Approving the Form and Authorizing Execution of a Remarketing Agent Agreement with the Successor Remarketing Agent, Electing to Remove the Confirming Letter of Credit, Approving the Form and Authorizing Execution of Amendments to the Indenture of Trust, Dated as of December 1, 2003, Approving Amendments to the Reimbursement Agreement, Dated as of December 1, 2003, and Approving a Fee Letter, All Relating to the \$9,080,000 Alameda Public Financing Authority Variable Rate Demand Revenue Bonds (Alameda Point Improvement Project), 2003 Series A, and the \$4,360,000 Alameda Public Financing Authority Taxable Variable Rate Demand Revenue Bonds (Alameda Point Improvement Project), 2003 Series B, and Approving Official Actions.

Adjournment

There being no further business, Mayor/Chair Gilmore adjourned the meeting at 7:15 p.m.

Respectfully submitted,

Lara Weisiger, City Clerk
Secretary, APFA

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

MINUTES OF THE REGULAR CITY COUNCIL MEETING
TUESDAY- -APRIL 15, 2014- -7:00 P.M.

Mayor Gilmore convened the meeting at 7:15 p.m.

ROLL CALL - Present: Councilmembers Chen, Daysog, Ezzy Ashcraft, Tam and Mayor Gilmore – 5.

Absent: None.

AGENDA CHANGES

None.

PROCLAMATIONS, SPECIAL ORDERS OF THE DAY & ANNOUNCEMENTS

(14-131) Proclamation Declaring April 2014 as Mary Rudge Month.

Urged moving forward with the Proclamation: Michael John Torrey, Alameda.

Mayor Gilmore read the proclamation and presented it to Mary's daughters Diana and Robin.

(14-132) Proclamation Declaring April 26, 2014 as Earth Day in Alameda.

Mayor Gilmore read the proclamation and presented it to Anil Bhagat, South Shore Center Property Manager.

(14-133) Proclamation Declaring April 20 through 26, 2014 as Arbor Day in Alameda.

Mayor Gilmore read the proclamation and presented it to the Public Works Superintendent.

(14-134) Mayor Gilmore read a proclamation declaring May as Asian Pacific Heritage Month and presented it to Benny Chin.

(14-135) Presentation on Alameda Municipal Power (AMP) at Alameda Point - Current and Planned Infrastructure.

The AMP Operations and Engineering Assistant General Manager gave a Power Point presentation.

Councilmember Tam inquired the infrastructure cost of site A and B.

The AMP Operations and Engineering Assistant General Manager responded the infrastructure would accommodate early development; infrastructure depends on

projects; any development in Area A would involve a 60/40 cost split.

In response to Vice Mayor Ezzy Ashcraft's inquiry regarding the split, the AMP Operations and Engineering Assistant General Manager stated the larger amount is the developer's share.

ORAL COMMUNICATIONS, NON-AGENDA

(14-136) Diane Foster, Harbor Bay Neighbors, submitted a letter and discussed the Harbor Bay Club.

(14-137) Kathy Moehring, Alameda Education Foundation (AEF), invited everyone to attend an upcoming AEF event on April 26th.

CONSENT CALENDAR

Mayor Gilmore announced that the plans and specifications for repair and resurfacing of certain streets [paragraph no. 14-143] and the plans and specifications for Alameda lagoon dredging [paragraph no. 14-144] were removed from the Consent Calendar for discussion.

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

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

(*14-138) Minutes of the Special and Regular City Council Meetings, and the Special Joint City Council and Successor Agency to the Community Improvement Commission Held on March 18, 2014. Approved.

(*14-139) Ratified bills in the amount of \$1,759, 649.33.

(*14-140) Recommendation to Authorize the City Manager to Execute a Second Amendment to an Agreement with Russell Resources for Environmental Consulting Services for Alameda Point Extending the Term for 15 Months and Adding \$183,500 to the Budget. Approved.

(*14-141) Recommendation to Accept the Quarterly Report on Litigation and Liability Claims Settlements Paid During the Period January to March 2014. Accepted.

(*14-142) Recommendation to Award a Fourth Amendment to Consultant Agreement in the Amount of \$37,277 to Schaaf and Wheeler for Engineering Design Services for the Sewer Pump Station Renovations for Reliability and Safety, Phase 1, No. P.W. 12-10-33. Approved.

(*14-143) Recommendation to Adopt Plans and Specifications and Authorize a Call for

Bids for Repair and Resurfacing of Certain Streets, Phase 33, No. P.W. 02-14-04.

The Public Works Director gave a Power Point presentation.

Vice Mayor Ezzy Ashcraft stated allowing Alameda streets to deteriorate at a faster rate than the City can repair is unacceptable; that she would like staff to find ways to spend more than what is currently being spent on street repair.

The Public Works Director provided an example of how long streets have gone without repair; stated he agreed to repave a street not paved since 1961.

Councilmember Daysog stated infrastructure issues are growing; a plan should be developed that recognizes there will be tradeoffs to reach the \$5 million delta; Council has to make tough decisions on behalf of the citizens, funds need to be put back into priorities.

The Public Works Director stated his department will be working closely with the City Manager's office in the upcoming budget cycle to work through the issues.

Mayor Gilmore concurred with Councilmember Daysog; stated there are tough tradeoffs; getting the public to prioritize needs is difficult; Council relies on public input; the City could not get the two-thirds vote to pass a measure since 50% of the public perceives that the roads are okay.

The Public Works Director stated as the condition of the streets goes down, the voice of the public gets louder and repairs become more expensive.

Vice Mayor Ezzy Ashcraft concurred with Mayor Gilmore about the public's perception; stated the deterioration does not stop; in addition to asking the public for tradeoffs, she encourages City staff to look for tradeoffs within City funds; as stewards of the City, Council relies on staff for information regarding the condition of City streets as well as feedback from the public.

The Public Works Director stated that he considers street repair as a City asset; like a home which is not maintained, roads will deteriorate and cost more to repair.

Councilmember Tam inquired if the City anticipates any potential increase in Countywide Measure B funds.

The Public Works Director responded the amount would depend on what passes and competing priorities.

The City Manager suggested bringing the issue back with more appropriate outreach; stated the discussion is straying into a Measure B discussion which is not on the agenda.

Mayor Gilmore stated that she would like a fuller discussion of the issue in another six to eight months; getting public input is very important.

Councilmember Daysog moved approval of the staff recommendation.

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

(14-144) Recommendation to Adopt Plans and Specifications, Authorize a Call for Bids for Alameda Lagoon Dredging, No. P. W. 11-13-26, and

(14-144 A) Resolution No. 14911, “Certifying the Final Mitigated Negative Declaration and Adopting Findings and a Mitigation Monitoring and Reporting Program for the Alameda Lagoon Dredging Project.” Adopted.

Councilmember Tam recused herself and left the dais.

The Associate Civil Engineer gave a brief presentation.

Vice Mayor Ezzy Ashcraft inquired what constitutes the Alameda West Lagoon Home Owners Association (HOA).

The Associate Civil Engineer responded the HOA includes residents on the south side of all five lagoons, not including the Gold Coast.

In response to Vice Mayor Ezzy Ashcraft’s inquiry, the Associate Civil Engineer stated the HOA has agreed to pay 30% of the cost of dredging, but no more than \$700,000.

Vice Mayor Ezzy Ashcraft inquired if the assessment is yearly, to which the Associate Civil Engineer responded that she does not know how the HOA collects fees; stated the HOA has funds to cover the dredging and the rest is covered by Citywide urban runoff fees.

Vice Mayor Ezzy Ashcraft stated 12,000 cubic feet of the dredge material will be used at Installation Restoration Site 1 at Alameda Point.

Councilmember Daysog stated the reason why Gold Coast residents are not part of the HOA is because of an agreement with Utah Construction; when the lagoons were installed, the resident’s beach front property was taken away.

Vice Mayor Ezzy Ashcraft moved approval of the staff recommendation and adoption of the resolution.

Councilmember Daysog Seconded the motion, which carried by unanimous voice vote – 4. [Absent: Councilmember Tam – 1.]

(*14-145) Resolution No. 14912, “Adopting Safe Harbors Under the Patient Protection

and Affordable Care Act.” Adopted.

(*14-146) Ordinance No. 3093, “Approving a Lease and Authorizing the City Manager to Execute Documents Necessary to Implement the Terms of a Lease with Navigator Systems for Seven Years with an Additional Five Year Option in Building 14 Located at 1800 Ferry Point at Alameda Point.” Finally passed.

(*14-147) Ordinance No. 3094, “Adding Section 30 5.17 to the Alameda Municipal Code to Provide Regulations Regarding Reasonable Accommodation in Compliance with the Federal Fair Housing Act, the California Fair Employment and Housing Act, and California Housing Element Law; Action is Categorically Exempt pursuant to California Environmental Quality Act (CEQA) Guidelines, Section 15305, Minor Alterations in Land Use Limitations.” Finally Passed.

REGULAR AGENDA ITEMS

(14-148) Summary: Adopt an Ordinance Amending the Alameda Municipal Code by Revising the Webster Street Business Improvement Area (BIA) Boundaries and Setting a new Surcharge for Large, Single Stand Alone Retail Stores within the BIA Boundaries and Determining that Adoption of the Ordinance is not a "Project" under California Environmental Quality Act (CEQA).

Introduction of Ordinance Amending Alameda Municipal Code Chapter VI, Sections 6-7.2(a), 6-7.2(b), and 6-7.5(j), and Adding Sections 6-7.5(a)6 and 6-7.5(e) to Revise the Webster Street Business Improvement Area (BIA) Boundaries and Setting a New BIA Surcharge Fee for Large, Single, Stand-Alone Retail Stores; Action is not a Project under CEQA because it is Organizational or Administrative Activities of Government that will not Result in Direct or Indirect Physical Changes to the Environment. Introduced.

Councilmembers Chen and Daysog recused themselves and left the dais.

The Economic Development Manager gave a Power Point presentation.

Outlined meetings that West Alameda Business Association (WABA) held with businesses which would be added to the district: Sandip Juala, West Alameda Business Association.

Urged approval of the staff recommendation: Sean Whiskeman, Catellus.

Vice Mayor Ezzy Ashcraft stated including all information in any correspondence is important to ensure clarity and transparency; commended Mr. Juala’s volunteer time and efforts for WABA in addition to managing his business; stated that she supports the staff recommendation.

Councilmember Tam inquired whether Aquatech and Mariner Square Athletic Club

(MSAC) will be participating more with WABA activities to be better informed.

The Economic Development Manager responded the two businesses are invited to all WABA events; the level of participation they would like to be involved in is their choice.

Councilmember Tam inquired if the two businesses were inspired by the conversations about the value of participating in WABA events.

The Assistant City Manager responded the two businesses left the meeting fully aware of the program; staff suggested having events at their businesses, but they were not open to the idea at this time.

Councilmember Tam moved introduction of the ordinance.

Vice Mayor Ezzy Ashcraft seconded the motion, which carried by unanimous voice vote – 3. [Absent: Councilmembers Chen and Daysog – 2.]

(14-149) Recommendation to Approve the Webster Street Business Improvement Area (BIA) Annual Assessment Report;

(14-149 A) Resolution No. 14913, “Resolution of Intention to Levy an Annual Assessment on the Webster Street BIA of the City of Alameda for Fiscal Year 2014-15. Adopted;

(14-149 B) Set a Public Hearing on June 17, 2014 to Levy an Annual Assessment on the Webster Street BIA.

Councilmembers Chen and Daysog recused themselves and left the dais.

The Economic Development Manager gave a Power Point presentation.

Vice Mayor Ezzy Ashcraft moved approval of the staff recommendation, and adoption of the resolution.

Councilmember Tam seconded the motion, which carried by unanimous voice vote – 3. [Absent: Councilmembers Chen and Daysog – 2.]

(14-150) Recommendation to Approve Outline for Request for Qualifications (RFQ) and Form of Exclusive Negotiation Agreement (ENA) for Two Development Sites at Alameda Point.

The Chief Operating Officer – Alameda Point gave a Power Point presentation.

Mayor Gilmore inquired when potential developers’ financial capability would be examined.

The Chief Operating Officer – Alameda Point responded staff would follow the RFQ for

Lawrence Berkeley National Lab (LBNL) model; stated a consultant economist would review potential developers' financials; there will be several stages, including a first cut to select which developer to interview; a more extensive, forensic evaluation process would take place once a short list is established.

Vice Mayor Ezzy Ashcraft inquired if the financial evaluation would take place during the RFQ process, to which the Chief Operating Officer – Alameda Point responded in the affirmative.

Vice Mayor Ezzy Ashcraft inquired if there will be a Request for Proposals (RFP) process, to which the Chief Operating Officer – Alameda Point responded in the negative; stated staff is not recommending an RFP process.

In response to Vice Mayor Ezzy Ashcraft's inquiry, the Chief Operating Officer – Alameda Point stated developers are being asked to submit a project description, instead of detailed site plans or architectural renderings and drawings; a qualified developer will have completed, actual successful projects comparable to Alameda Point ; staff recommends entering into an ENA with the selected developer for an aggressive six-month schedule which includes two potential milestones: a Disposition and Development Agreement (DDA) and a Development Plan (Plan), which both require Council approval at the end of the six-month ENA period.

Vice Mayor Ezzy Ashcraft inquired what happens if the Council does not approve the DDA and Plan at the end of the ENA period.

The Chief Operating Officer – Alameda Point responded staff will make a recommendation to the Council about how to proceed based on the experience of the six months; stated the community will have an opportunity to go through an extensive process to review the detailed plan; the ENA period is essentially a test relationship with a compact schedule to allow a decision to be made about whether or not to continue the relationship; ultimately, there is no obligation for the Council to approve the DDA or Plan.

Mayor Gilmore stated based on previous experience, developers are completely unfamiliar with the property when they submit renderings; during the ENA process, the developer realizes the expense for the projects depicted in the renderings is higher than anticipated and delivery falls short; the Council and the public end up feeling very disappointed.

Councilmember Tam stated that she respectfully disagrees with Mayor Gilmore; the City already has form based zoning and entitlements in place; without renderings, there is no understanding of how projects will look; the AMP Operations and Engineering Assistant General Manager stated that he needs to know what buildings will be on Alameda Point before moving on to the next phase; renderings are an important reality check for the Council, staff and the community.

Mayor Gilmore stated the mistake Council has made in the past is choosing a developer based on renderings, not financial capabilities.

Councilmember Tam referenced the Charles Company; stated the Council tried to evaluate the company's financial viability without renderings for six months.

Vice Mayor Ezzy Ashcraft stated that she takes exception to disqualifying applicants for submitting drawings; the Council, staff, and selection panel should be able to assess applicants on more than renderings; there are safeguards in place; she is concerned with the way the proposal is configured; that she would like a fuller picture of the project from the beginning.

Councilmember Daysog stated that he supports the RFQ approach; the project contours are specified, developers and land use planners can take ideas and elaborate to create a more detailed plan during the ENA process.

The Chief Operating Officer – Alameda Point continued the presentation.

The City Manager clarified that staff is not suggesting the RFQ not include drawings; stated photos, drawings and plans of completed projects are welcome; staff would like to see photos of what the applicant has already done, not what they are proposing to do.

Vice Mayor Ezzy Ashcraft stated staff can infer, based on similar projects an applicant has done in the past, what they are capable of doing for future projects.

The City Manager stated factors other than renderings need to be considered in the selection process.

Vice Mayor Ezzy Ashcraft concurred with the City Manager; stated that she takes exception to the language in the RFQ which states an applicant will be disqualified from the process if they submit renderings.

The City Manager stated that he insisted the language be included.

Vice Mayor Ezzy Ashcraft stated it can be made clear that renderings will not determine the selection.

The City Manager stated an RFQ becomes a public document after being submitted, which may expand the public's expectations.

Vice Mayor Ezzy Ashcraft stated Alameda has experience; the public should be given more credit regarding realistic expectations.

The City Manager stated the issue is the renderings have little or no basis in economic reality; until a developer has site control during the ENA period; renderings are a

distraction and poison the process.

Councilmember Tam stated Lawrence Berkeley National Labs (LBNL) is a good example; the renderings did not poison the discussion or prevent the Council from ascertaining the viability of the project.

The City Manager stated the LBNL project is a different case with a known end-user with financial backing from the State, University of California, and Department of Energy who knew the exact project specifications; the finance issue was off the table; the end-users of the Alameda Point development are still unknown.

Mayor Gilmore concurred with the City Manager; stated the community was not weighing in on what the LBNL project would look like, more so the community wanted LBNL to come to Alameda; the Alameda Point project has a mix of uses and tenants; LBNL was a specific end user.

Vice Mayor Ezzy Ashcraft stated that she would like to give the public an opportunity to possibilities; requested that current photos and drawings be submitted to see if projects have stood the test of time.

Councilmember Chen stated that he likes the aggressive, compact timeline and selection process involving community members; inquired whether the RFQ is a standard industry procedure, to which the Chief Operating Officer – Alameda Point responded in the affirmative.

Councilmember Chen stated the required \$150,000 down payment is low; inquired whether the amount can be increased.

The Chief Operating Officer – Alameda Point responded the down payment can be increased; stated the developers would have to pay planning fees in addition to the down payment.

Vice Mayor Ezzy Ashcraft inquired how staff determined the down payment amount and what would be planning fee costs.

The Chief Operating Officer – Alameda Point responded that increasing the down payment to \$250,000 would be okay; the down payment is to defray staff time, legal costs, and transaction costs; a \$30,000 to \$40,000 deposit for planning fees is required and could be replenished; staff wants investment in design.

The City Manager suggested increasing the deposit for Site A to \$250,000; stated the developer would have six months of control on a huge, single property which will be a great deal of cost; for Site B, the deposit amount should depend on the size of proposal.

Councilmember Chen inquired how the mixed-use areas of Site A will be divided.

The Chief Operating Officer – Alameda Point responded Site A is approximately 30 net acres; stated the average density would be 25 dwelling units per acre; as a comparison, Bayport has 7 dwelling units per acre and Del Monte is proposed to have 27 dwelling units per acre.

In response to Councilmember Chen's inquiry, the Chief Operating Officer – Alameda Point stated single-family homes are prohibited on Site A; the Town Center would be used to concentrate housing near transit.

The City Manager stated the main issue is the Navy's constraint of 1425 units, 200 of which are already allocated to the Alameda Point Collaborative, leaving 1225 units; staff proposed only 800 units to have flexibility to deal with more difficult historic buildings where the only use that makes economic sense is residential rehabilitation.

In response to Councilmember Chen's inquiry, the City Manager stated the Planning Board and Council approved a dense, transit-oriented development in Site A.

Councilmember Daysog stated 800 units is fine; Bayport has 590 units; the area towards the main gate is better suited for lower density; 400 units in the lower density area leaves plenty of space.

Vice Mayor Ezzy Ashcraft stated staff's determination of 800 units needs to be justified; that she is concerned about giving a finite number to prospective developers; staff made a significant decision and the item has not gone to the Planning Board; staff should proceed carefully and with transparency; that she would like input from the Planning Board.

The Chief Operating Officer – Alameda Point clarified that the Town Center plan does not have a unit count and is primary a form-based code; the Planning Board is not being asked to endorse a number of units; the Board is being asked to endorse the form, for example, the building height requirements, the massing, and the street walls.

The City Manager addressed the Vice Mayor, stated he is confident she is not insinuating staff is acting outside of transparency in the process.

Vice Mayor Ezzy Ashcraft stated it was not her intention to offend the City Manager; that she just wanted an explanation of how the 800 units in the RFQ was determined.

The City Manager inquired how many units are contemplated at the Bachelor Enlisted Quarters (BEQ) and Bachelor Officer's Quarters (BOQ).

The Chief Operating Officer – Alameda Point responded 200 units have been assigned to the historic district for redevelopment of the BEQ and the BOQ, there are 200 existing units and another 200 for the Main Street neighborhood.

The City Manager stated the impacts of the Main Street neighborhood and Town

Center/Transit Village have been extensively discussed by the Planning Board and set forth in the EIR, the Zoning Plan, and the General Plan Amendments; there is no lack of transparency, the 800 units is an attempt by staff to suggest a way to operate within constraints, balance issues and maintain a modest, flexible, and financially sound approach to the redevelopment of the former Base.

Mayor Gilmore inquired whether adding more housing units would be precluded in the future.

The Chief Operating Officer – Alameda Point responded there are many steps in the process; stated the Council has discretion, at numerous points during the process, to address the number of units planned at the site.

The City Manager stated the order in which the 1,400 units are developed would determine who has to pay the Navy premium; the EIR may need to be amended, the issue is who will pay.

Mayor Gilmore stated the Navy premium is particularly important regarding historic structures that are hard to rehabilitate even without the Navy premium; stated the premium should not be assigned to historic structures.

Vice Mayor Ezzy Ashcraft inquired whether the 68 buildable acres in Site A include the plume, to which the Chief Operating Officer – Alameda Point responded in the affirmative.

In response to Councilmember Tam's inquiry, the Chief Operating Officer – Alameda Point stated the density is an average of 25 dwelling units per acre.

Councilmember Chen stated the 800 units in Site A is the ceiling; the high density housing and commercial development would be a jump start; that he supports the process; commended staff.

Councilmember Daysog stated that he looks forward to seeing what consultants and partners would comprise a development team.

The City Manager stated the RFQ asks applicants to identify who they will be working with; a team could be comprised of more than one developer group.

Vice Mayor Ezzy Ashcraft inquired whether the RFQ contemplates how the developers will attract retail shoppers to the retail outlet sites in Parcel B.

The Chief Operating Officer – Alameda Point responded developers would be asked to provide information of their experience dealing with similar issues on past projects; staff can be explicit by requiring a transportation strategy to the retail outlets.

Stated the RFQ makes planning decisions that have not been discussed; assumptions

in the RFQ are not explained; 800 units were not discussed with AC Transit; that he is not suggesting not going forward with the RFQ; Site A tells developers what they are going to deliver; suggested numbers be reviewed or more flexible: John Knox White, Alameda.

Stated that she is excited to see project more forward; the property is positioned to take advantage of exciting market to attract a Class A developer; the project is focused on commercial and housing is a component; 800 units is a good number; retail at Parcel B is an important component: Karen Bey, Alameda.

Councilmember Daysog stated the Alameda Point project has many constraints, including environmental, traffic, and regulatory, which affect density; the project cannot reach the density needed to make a transit oriented development work.

Councilmember Chen stated that he is skeptical there will be any interest; suggested testing the waters to see what happens.

Vice Mayor Ezzy Ashcraft stated Alameda Point has already attracted exciting tenants and interest; the stakes are higher; the assigned 800 unit number could be problematic because existing infrastructure is not being supported; the project is feasible with the right combination; more flexibility on the number of housing units is needed; that she prefers a floor of 800 units.

Councilmember Tam stated Alameda is competing with other cities; the market should be allowed to inspire; the most flexibility should be given to the developer to help pencil out transit oriented infrastructure with the number of units needed to make the project work; more constraints should not be added.

Councilmember Chen stated that he cannot support a floor of 800 units; he does not see an issue with the density; the proposal is attractive enough already.

Councilmember Daysog stated going from 25 units per acre to 31 units per acre will not have a significant impact on the transit oriented infrastructure; supports starting with 800 units; if a future developer wants to go beyond 800 units, it is on their dime.

Councilmember Tam stated every commercial development Alameda has been involved with has required waivers and subsidies; inquired what is the level of commitment to a transit oriented development.

Councilmember Daysog stated the commitment is to build the best transit oriented development within all the constraints facing Alameda Point.

Vice Mayor Ezzy Ashcraft stated Alameda Point is going to develop over 25 to 30 years, at some point the ceiling of 1,425 is not going to be a problem; the first project should take advantage of the interest in residential development and let the developer demonstrate what has been done in other areas with higher density; that she does not

want to give up on a transit oriented development.

* * *

(14-151) Vice Mayor Ezzy Ashcraft moved approval of considering the Akerman contract [paragraph no. 14-152] after 10:30 p.m.

Councilmember Daysog seconded the motion, which carried by the following voice vote: Ayes: Councilmembers Chen, Daysog, Ezzy Ashcraft and Mayor Gilmore – 1. Noes: Councilmember Tam – 1.

* * *

Councilmember Chen left the dais at 10:00 p.m. and returned at 10:02 p.m.

Vice Mayor Ezzy Ashcraft stated the Council has to have vision and is well positioned to move forward; that she does not want to compromise; there is no harm in allowing flexibility.

* * *

Councilmember Tam left the dais at 10:50 p.m. and returned at 10:52 p.m.

* * *

Councilmember Chen stated the entire allotment of units should not be used in 30 acres of space; suggested assessing a \$50,000 per unit premium for any units above 800.

Mayor Gilmore stated that she concurs with Councilmember Chen; the fees could be used to help the historic district; she is concerned that historic district structures will remain vacant while the rest of Alameda Point flourishes because the costs are so great to rehabilitate the historic buildings; Council made a promise to the community to focus on jobs; the discussion has been on housing.

Councilmember Tam stated Council is focused on jobs and a viable job center; Alameda is competing with cities like San Francisco when discussing transit oriented development; Site A is an attractive site for a job center which would be subsidized by housing; any job center requires sales tax breaks; potential future costs should be factored in.

Vice Mayor Ezzy Ashcraft inquired what a developer would pay for infrastructure impact fees for 800 to 1000 units on Site A.

The Chief Operating Officer – Alameda Point responded \$91 million for Site A, including estimates of site grading and demolition.

Vice Mayor Ezzy Ashcraft inquired if the \$91 million is for the entire Site A, to which the Chief Operating Officer – Alameda Point responded in the affirmative; stated the amount includes \$17 million in parks and open space.

Councilmember Tam inquired whether Site A would be \$1.3 million per acre, to which

the Chief Operating Officer – Alameda Point responded in the affirmative; stated the developer's fair share is actually \$1 million per acre, excluding site grading and demolition costs; the developer would actually be paying above their fair share with the infrastructure package.

In response to Councilmember Tam's inquiry, the Chief Operating Officer – Alameda Point stated about 55 acres of the full 68 acres can be developed; the total is \$71 million for infrastructure plus site grading cost, which is \$16 million more than the developer's fair share.

The City Manager stated the value of the view has always been considered; an acre on the seaplane lagoon is more valuable than an acre in the middle of the adaptive reuse area.

Councilmember Daysog stated that he wants to make sure Council and staff understand the economics of the fee, which might make more units unfeasible.

The Chief Operating Officer – Alameda Point concurred with Councilmember Daysog; stated if the fee structure is not be feasible, the developer may not propose more units; expressed concern about discussing feasibility questions which become property negotiations; \$91 million for Site A is a lot of money; the higher burdens are placed on residential uses instead of commercial uses.

Councilmember Chen stated the Council has one chance to add the fees; the developer can offset the cost with the total number of residential units they will build.

Councilmember Tam stated the community's main concern is traffic; jobs and housing create traffic; there has to be viable transit to deal with traffic issues; further stated if the penalty for going over 1,425 units is financially viable, it does not preclude the developer from going over.

The Chief Operating Officer – Alameda Point stated staff has been coordinating with AC Transit as part of the Transportation Demand Management Plan (TDM); with the project description in the EIR, AC Transit may be able to add a new transit line for Alameda Point; the TDM also proposes having shuttles running to BART during peak hours; free Easy Passes paid by special taxes will also be provided to all employees and residents of Alameda Point.

Vice Mayor Ezzy Ashcraft stated in addition to adding new lines, frequency of service should also be considered; inquired whether a developer building 1,000 units on Site A would still be viable.

The Chief Operating Officer – Alameda Point responded that she does not know; there are different factors that affect the viability which is part of the infrastructure burden; there are negotiations to be had on land value.

Vice Mayor Ezzy Ashcraft stated the \$50,000 per unit fee seems punitive.

The City Manager stated the fee is effective banking against a future penalty.

Vice Mayor Ezzy Ashcraft stated remaining flexible is important; there is less concern with the number of units at Site A as long as additional money will be assessed.

Mayor Gilmore stated the concern is not necessarily about the number of units, but the burden on future development; the historic structures would be the least able to carry the \$50,000 per unit penalty.

Councilmember Daysog stated that he is ready to move forward and wants to be clear that building beyond the 1400 units is not within Council's scope.

Vice Mayor Ezzy Ashcraft moved approval of staff recommendation with the modification that the RFQ will assign at least 800 units for Site A with the stipulation that any number units above 800 would include a \$50,000 per unit fee; and RFQ submittals are not to include site plans or renderings at this stage.

Councilmember Daysog seconded the motion.

Councilmember Chen requested an amendment to the motion to amend the \$150,000 deposit to \$250,000.

Vice Chair Ezzy Ashcraft suggested \$200,000 deposit as a compromise.

Councilmember Chen agreed to a \$200,000 deposit.

Mayor Gilmore summarized the motion to approve the staff recommendation with the amendments of a \$200,000 deposit on Site A, a \$50,000 premium on units over 800, and the stipulation that site plans and renderings are not to be submitted at this stage.

On the call for the question, the motion carried by unanimous voice vote – 5.

(14-152) Recommendation to Authorize the City Manager to Enter into a Three-year Contract with Akerman, LLP for Federal Legislative Services in the Amount of \$7,500 per Month, Not to Exceed \$270,000, with an Option, Requiring Action of the City Council, to Renew After Two Years and Six Months.

The Assistant City Manager gave a Power Point presentation.

Vice Mayor Ezzy Ashcraft inquired a staff person is related to a former Oakland Councilmember Dixon, to which the Assistant City Manager responded in the affirmative.

Vice Mayor Ezzy Ashcraft inquired how wide are the six attorneys spread.

The Assistant City Manager responded the firm currently has 12 clients.

Vice Mayor Ezzy Ashcraft inquired what type of reporting can be expected.

The Assistant City Manager responded a monthly report would be provided; the firm builds plans geared toward obtaining funds instead of just informing the City about available funds.

Councilmember Tam inquired whether the funds proposed for the Akerman contract are structured differently than Senator Perata's contract.

The Assistant City Manager responded in the negative; stated the funds are structured the same; there will be more lobbying in Sacramento at the State level instead of at the federal level.

Councilmember Tam inquired what type of funding Akerman secured for the Port of Oakland.

The Assistant City Manager responded in 2009, Akerman secured \$30 million to improve barge traffic and reduce air pollution at the Port; since 2003, Akerman secured \$175 million for dredging projects working with US Army Corp of Engineers.

Councilmember Chen inquired how much the Port of Oakland paid Akerman per year, to which the Assistant City Manager responded that he did not ask the Port for that information.

Vice Mayor Ezzy Ashcraft moved approval of the staff recommendation.

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

CITY MANAGER COMMUNICATIONS

(14-153) The City Manager introduced the new Economic Development Manager; announced a workshop would be held next Tuesday to address parking in the business districts; commented on the fabulous public policy discussion tonight.

ORAL COMMUNICATIONS, NON-AGENDA

None.

COUNCIL REFERRALS

None.

COUNCIL COMMUNICATIONS

(14-154) Councilmember Tam announced the Alameda Police Officer's Association conducted a successful Easter Egg Hunt at Woodstock Child Development Center and would hold one at the Midway Shelter next Tuesday.

ADJOURNMENT

(14-155) There being no further business, Mayor Gilmore adjourned the meeting at 11:21 p.m.

Respectfully submitted,

Lara Weisiger
City Clerk

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