

CITY OF ALAMEDA

Memorandum

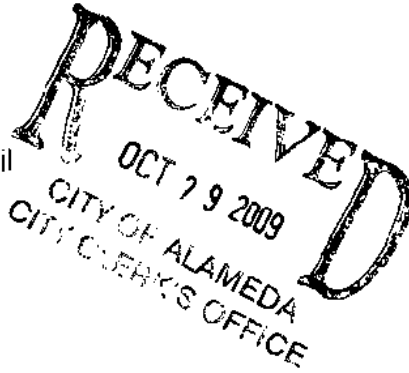
To: Honorable Mayor and
Members of the City Council

From: Ann Marie Gallant
Interim City Manager

Date: October 30, 2009

Re: City Council Request of October 20, 2009: Election Report Update

Off Agenda



The purpose of this off-agenda communication is to provide further quantification on certain references to financial impacts contained within the Alameda Point Initiative. Council requested this information during its discussion of the SunCal letter presented in the public forum on October 20, 2009. As stated during the referenced City Council discussion, staff is able to comment publicly only on the language contained in the initiative, and offers the following information accordingly:

Public Benefit

Section 2 - Subsection S of the Ballot Initiative states that Public Benefit costs are capped at \$200 million. Based upon the general descriptions contained within the Ballot Initiative for regional sports complex; parks and open space; improvements to seaplane lagoon frontage; Bay Trail extension; on-site and off-site traffic and transit improvements; ferry terminal and transit hub; fire station improvements; and, branch library, staff conservatively estimates that public benefit costs could range from approximately \$300 million to \$375 million.

Based upon engineering estimates using general unit prices for major categories of capital work, the public benefit projects listed above could not be constructed within the limitations of this Ballot Initiative cap.

Development Fee Exemption

The Ballot Initiative exempts the proposed development project from impact fees required of other developments. While Alameda Point development would be eligible for credits for a portion of these fees under present City ordinances, staff estimates that waiver of the fees as structured in the Ballot Initiative would provide the development with approximately \$51 million in additional fee credits beyond which the project would normally be entitled.

Non-Housing Tax Increment (80%)

Article 3.2 of the Development Agreement (DA) in the Ballot Initiative refers to a 'Public Benefit Contingency'. This article obligates the Developer to build the public benefits listed in Exhibit 4 of the DA, contingent upon receipt of 100% of the non-housing tax

increment (80%) generated from the Alameda Point property less certain obligated costs such as ERAF, pass-throughs, debt service, etc. Based upon the project description contained within the DA, an independent analysis estimates that the total net available non-housing tax increment under this Ballot Initiative would be approximately \$142 million.

Housing Tax Increment (20%)

Nothing in the Ballot Initiative specifically commits the 20% tax increment (housing set-aside funds). Section 8-3 of the Specific Plan states, "Affordable housing facilities also may receive funding assistance from a number of government programs, including redevelopment tax increment set-aside funds." An independent analysis estimates that the total net available housing tax increment under this Ballot Initiative would be approximately \$84 million.

Exclusive, confidential negotiations are now underway, which include detailed discussions on various pro forma calculations. Therefore, staff is not in a position to comment on any additional calculations or extrapolations on the aforementioned, which may have been determined as a result of these negotiations to date. These calculations are based solely on the language and description of the development project and the financial requisites contained within the Ballot Initiative.

Respectfully submitted,



Ann Marie Gallant,
Interim City Manager

AMG:dl

cc: Public Reference Binder