

MINUTES

REGULAR MEETING OF
CITY OF ALAMEDA ECONOMIC DEVELOPMENT COMMISSION
THURSDAY, APRIL 17, 2008
7:30 PM

1. CALL TO ORDER AND ROLL CALL

Chairman Wetzork called the meeting to order at 7:30 p.m.

Present: Chairman Wetzork. Commission Members: Autorino, Bonta (arrived at 7:35 p.m.), Dahlberg, Lindsey, Ryan, Schmitz, and Zuppan

Absent: None

Vacancy: (1)

Staff: Eric Fonstein, and Rosemary Valeska

2. MINUTES

2.a. Minutes of the Regular Meeting of March 20, 2008

Motion (Dahlberg), seconded, and unanimous (with abstention by Lindsey) to approve the minutes of the Regular Meeting of March 20, 2008, as submitted.

3. CONSENT CALENDAR

(None)

4. ORAL COMMUNICATIONS – PUBLIC

One public speaker, Bill Smith.

5. UNFINISHED BUSINESS

(None)

6. NEW BUSINESS

6.a. Alameda Point Update

Pat Keliher, Vice President, Operations, of SunCal Companies gave the presentation. There was one public speaker, Bill Smith. Mr. Keliher stated that Alameda Point was on the top of SunCal's list and was still being funded. SunCal has done some restructuring over the past several months. He recapped the community meetings held on October 24, 2007, which featured a presentation regarding additional identified constraints,

e.g., the long range effects of global warming on Alameda Point; and December 13, 2007, which featured a presentation regarding Measure A-compliant (Alternative A) and non-Measure A-compliant (Alternative B) land use alternatives.

Commission Member Zuppan asked Mr. Keliher if the Navy was now aware of the conditions at Alameda Point. Mr. Keliher responded that the Navy did get a presentation regarding this. Commission Member Zuppan stated that this project has been going on for ten years now, and asked Mr. Keliher what kind of time line we were looking at now. Mr. Keliher responded that the Navy was the wild card. The secret to this development was diversity and you have to be able to react to the marketplace; the success of Alameda Point will come from having a balance. It could take three to five years before they can start doing something.

Commission Member Schmitz stated that he was interested in how Alternatives A and B would impact the demands on the school district. He asked Mr. Keliher how many people he anticipated living on Alameda Point. Mr. Keliher responded that transportation would ultimately decide the number of units; however, it was too early to tell. Something like another bridge or a new tube would dictate a lot of what they could or could not do. Under Alternative A, there would not be enough housing units to trigger the need for a new school.

Commission Member Dahlberg asked about the cost of the project from beginning to end. Mr. Keliher responded that it could cost anywhere from \$600 million to \$1.2 billion, depending upon the balance and the phasing. Commission Member Dahlberg asked about the net worth of SunCal. Mr. Keliher responded that SunCal is a privately held company, which is owned by two brothers, and that he would request that information for Commission Member Dahlberg. Commission Member Dahlberg asked about SunCal's new financial partner. Mr. Keliher responded that it was D. E. Shaw & Co. in New York. He also confirmed that the Navy's stated price is \$108 million. Commission Member Dahlberg asked how often SunCal meets with the Navy. Mr. Keliher responded that the City has been acting as the go-between with the Navy and SunCal; however, it was time to get the Navy to the table. Commission Member Dahlberg asked about the status of environmental clean-up. Mr. Keliher responded that the Navy has been cleaning it up for years; however, the overall status of the clean-up is not entirely clear. He added that SunCal had offered to pay for a privatized clean-up of the "Phase II" area; however, the Navy refused that offer.

Commission Member Autorino commented that the Navy doesn't seem anxious to unload Alameda Point. Mr. Keliher responded that he could not answer that. He added that the Navy says they are very motivated to unload this land; however, the Navy is having problems transferring land

all over the country, e.g., Treasure Island. Commission Member Autorino asked if there was anything that we could do to try and speed up this process. Mr. Keliher responded that once we figure out what we want to accomplish, then the Navy will start to listen. Commission Member Autorino commented that SunCal is a “pretty astute company”; however, it seems like SunCal is saying, “we have a pig in a poke.” It seems that the initial approach was somewhat “Pollyanna,” and now they act surprised about what they have found out there. Mr. Keliher brought up the flood plain map as an example; the original map they had to refer to was 25 years old. SunCal had to base its due diligence on the Preferred Development Concept (PDC) assumptions. They are thankful that they found these problems now – now they know what they have and can now address these problems. He added that they have a much better understanding of what they have to do to develop Alameda Point. Commission Member Autorino commented that we are losing money every single day – we have a prime piece of property and we are not doing anything with it. Mr. Keliher stated that we need to strike the right balance.

Commission Member Bonta asked about the detailed plan for community engagement. Mr. Keliher stated that it would take a couple more months. SunCal is getting its team back together and talking with the City.

Commission Member Dahlberg asked about SunCal’s litigation in Southern California. Mr. Keliher responded that he didn’t know anything more than what was reported in the newspapers.

Commission Member Ryan asked about the runways. Mr. Keliher responded that the Navy may transfer this area, through the Federal to Federal transfer process, to the Veterans Administration for its proposed new facilities. Commission Member Ryan asked about the Navy’s plans for the dock facilities where the MARAD ships were currently berthed. Mr. Keliher responded that he did not know that right now.

Commission Member Zuppan asked if the flood plain had been an issue in the original PDC. Mr. Keliher responded that it was.

Commission Member Schmitz commented that he appreciated the level of detail in SunCal’s due diligence and that he hoped that it would continue. Mr. Keliher responded that SunCal doesn’t just tell people what they want to hear; e.g., there will be a discussion of Measure A.

Chairman Wetzork stated that before you buy a piece of goods, you have to be sure of what you are buying, and that is what SunCal is doing here. Mr. Keliher responded that you will always have surprises, especially with military bases. Chairman Wetzork stated to Mr. Keliher that the EDC will look forward to a future meeting. Mr. Keliher responded that he would work with staff to arrange for quarterly updates.

This item was presented for information, only; no EDC action was requested.

7. REPORTS

7.a. Oral Report: Chairman Wetzork – EDC representative to the Pedestrian Task Force

Chairman Wetzork reported that the task force held a meeting last week to review the draft plan. This plan will be scheduled for presentation to the EDC.

At this time, Chairman Wetzork made a request for a volunteer to take his place as the EDC representative on the Bicycle Plan Task Force. The commitment would be to attend three more meetings in the next six to eight months. Commission Member Schmitz volunteered.

7.b. Oral Report: Commission Member Schmitz – EDC representative to the Alameda Point Advisory Task Force

Commission Member Schmitz reported that the next community meeting was scheduled for May 5.

8. WRITTEN COMMUNICATIONS

8.a. Upcoming EDC Agenda Items

8.b. *Redevelopment – Building Better Communities*

9. ORAL COMMUNICATIONS – COMMISSION MEMBERS AND STAFF

9.a. Staff Update – Alameda Theater & Parking Structure Project, including preparations for Grand Opening Events

Mr. Fonstein reported that the Theatre Gala was scheduled for Wednesday, May 21, from 6:00 – 10:00 p.m. This will be a formal, black-tie event. The fund raiser will benefit the restoration of the historic curtain and the mezzanine-level mural. Tickets cost \$100 each, and can be purchased on-line through a special website created for the event, www.alamedatheatreopening.com. Also, tickets can be purchased in person at Bank of Alameda's Park Street branch. Food, spirits, and live entertainment will be available throughout the entire theatre/cineplex complex. Advertisements will be run in the local newspapers and notification letters will be sent to board and commission members. The theatre will open for business on Thursday, May 22, with the new Indiana Jones movie. A free community celebration/open house is scheduled for Saturday, May 24.

Commission Member Comments:

- Commission Member Autorino stated that he saw Jennifer Ott's April 15 theater project update presentation to the CIC. Even though the pictures were amazing, the pictures don't do it justice.
- Chairman Wetzork stated that we would add regular SunCal updates to the Upcoming EDC Agenda Items report.
- Commission Member Zuppan stated that the Chamber's "Breakfast with the Mayor" was scheduled for Friday, April 25, at the Alameda Elks Lodge.
- Commission Member Autorino stated that he was concerned that SRM's Esplanade project at Harbor Bay Business Park had not been brought before the EDC. Mr. Fonstein responded that the entitlement process for projects outside of the redevelopment areas did not normally include EDC review.

10. ADJOURNMENT

The meeting was unanimously adjourned at 8:52 p.m.

Respectfully submitted,

Eric Fonstein
Development Manager

EF:rv