AGENDA
Regular Meeting of the Governing Body of the Alameda Reuse and Redevelopment Authority

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Alameda City Hall
Council Chamber, Room 390
2263 Santa Clara Avenue
Alameda, CA 94501

Wednesday, February 1, 2006
Meeting will begin at 7:00 p.m.

1. ROLL CALL

2. CONSENT CALENDAR

Consent Calendar items are considered routine and will be enacted, approved or adopted by one motion unless a request for removal for discussion or explanation is received from the Board or a member of the public.

2-A. Approval of the minutes of the Regular Meeting of January 4, 2006.

2-B. Recommendation to Approve Policy Regarding Hiring Procedures for Special Legal Counsel Resolution Amending Resolution No. 002 Regarding the Powers and Authority of the General Counsel.

3. REGULAR AGENDA ITEMS

3-A. Presentation of the Final Preliminary Development Concept (PDC).

3-B. Recommendation to Approve a 20-year Lease with the Department of Transportation Maritime Administration (MARAD).

4. ORAL REPORTS

4-A. Oral report from Member Matarrese, RAB representative.

5. ORAL COMMUNICATIONS, NON-AGENDA (PUBLIC COMMENT)
(Any person may address the governing body in regard to any matter over which the governing body has jurisdiction that is not on the agenda.)

6. COMMUNICATIONS FROM THE GOVERNING BODY

7. ADJOURNMENT

This meeting will be cablecast live on channel 15. The next regular ARRA meeting is scheduled for Wednesday, March 1, 2006.

Notes:

- Sign language interpreters will be available on request. Please contact the ARRA Secretary at 749-5800 at least 72 hours before the meeting to request an interpreter.
- Accessible seating for persons with disabilities (including those using wheelchairs) is available.
- Minutes of the meeting are available in enlarged print.
- Audio tapes of the meeting are available for review at the ARRA offices upon request.

UNAPPROVED
MINUTES OF THE REGULAR MEETING OF THE
ALAMEDA REUSE AND REDEVELOPMENT AUTHORITY

Wednesday. January 4, 2006

2-A

The meeting convened at 7:13 p.m. with Chair Johnson presiding.

1. ROLL CALL

Present: Beverly Johnson, Chair of Alameda
Tony Daysog, Boardmember, City of Alameda
Doug deHaan, Boardmember, City of Alameda
Frank Matarrese, Boardmember, City of Alameda
Marie Gilmore, Boardmember, City of Alameda

2. CONSENT CALENDAR

2-A. Approval of the minutes of the Special Meeting of July 14, 2005.

2-B. Approval of the minutes of the Regular Meeting of September 7, 2005.

2-C. Approval of the minutes of the Regular Meeting of October 5, 2005.

2-D. Approval of the minutes of the Regular Meeting of December 7, 2005.

Member Matarrese motioned for approved of the Consent Calendar items. The motion was seconded by Member deHaan and passed by the following voice vote: Ayes – 4; Noes - 0; Abstentions – 1 (Member Gilmore abstained on 2-A and 2-B)

3. REGULAR AGENDA ITEMS

3-A. Update on Alameda Point Navy Negotiations and Land Use Planning

Steven Proud, Alameda Point Project Manager gave a presentation to update the status of Alameda Point on three different points:

1) Navy conveyance process. There are on-going discussions with the Navy. We're working with them to develop base case maps, land use plans, and common understanding of economic terms with the goal of creating a conveyance agreement. Member Matarrese clarified that 'compensation' means that we are going to pay the Navy for property that previously they were going to convey to us at no cost, a "no cost" conveyance. Mr. Proud confirmed and explained that the exact structure of that payment to the Navy has not yet been finalized.

Ultimately, all discussion will be memorialized in a Term Sheet, currently in development. The Term Sheet is the key document that goes with the Conditional Acquisition Agreement (CAA)

executed with APCP. Final approval of the completed Term Sheet needs to come from Washington before being executed.

Chair Johnson expressed concern and aggravation over the expense for attorneys for the CAM Fees, questioning why the Navy is going forward with litigation and forcing us to pay attorneys fees at this point in the negotiations.

Mr. Proud and David Brandt, Assistant City Attorney, explained the Navy's parallel, on-going legal process, and that the Navy had agreed to stay the proceedings. Mr. Brandt stated that the Navy will be contacted with a request to stay the proceedings once again. Mr. Proud further explained that one of the issues in the Term Sheet was resolution of the CAM dispute. The break-down of the fees will be reviewed.

Member Daysog discussed Public Auction (relating to the sale of property, i.e., Oaknoll) doesn't mean loss of local control.

2) Status of project budget. Activities we're currently involved in are conveyance of the property and Land Use Planning activities. Original bond amount was $3.5M covering an 18 months pre-development period. We are right on budget for land use planning, a little under budget on Navy Conveyance, but we have contractual obligations that bring us right on budget. Total ARRA cost is $2.8M or 82% of our budget – this amount understates what we really have available because we have contractual obligations, the real availability of funds is the $150,000 contingency money.

Member deHaan requested an explanation and background on the Bond. Mr. Proud explained that the Bond is secured by lease proceeds generated at Alameda Point. Total re-issue is approx. $12-$13M.

3) *Preliminary Development Concept (PDC) Project.* We are moving from draft to a final Development Plan. The Final PDC and will be presented at the 2/1/06 ARRA Meeting. Next steps – to finalize our conveyance agreement with the Navy and an Entitlement Process should the master developer elect to proceed. After the Entitlement Process, a Development and Disposition Agreement (DDA) will be presented for ARRA Board consideration; upon execution of the DDA, development of the site can begin.

Member Matarrese requested a concise report on how the bonding will be paid, the revenue stream and its sources identified, and written in plain English so that the public can be aware of what our situation is. Analysis that looks at certain portions of Phase 2 and/or Phase 3 are put to auction, what does that do to projections to covering these bonds.

Chair Johnson further discussed the CAM Fee litigation issue, stating that the ARRA is not authorizing any more monies to be spent on attorneys. Timing of the fees billing will be reviewed.

3-B. Recommendation to Approve: 1) A Sixth Amendment to Agreement with Russell Resources Extending the Term Six Months and Adding $40,000 to the Budget for Environmental Consulting Services within the Master Developer Footprint at Alameda Point and 2) a Fifth Amendment to Agreement with Russell Resources Adding $36,000 to the Budget for Environmental Consulting Services within the "Northwest Territories" at Alameda Point.

Steven Proud gave a brief summary of the services that Russell Resources provides, which primarily is the oversite of the environmental remediation program for Alameda Point.

Member deHaan motioned for approval of this item. The motion was seconded by Member Matarrese and passed by the following voice vote: Ayes – 5: Noes – 0; Abstentions – 0

4. ORAL REPORTS

4-A. Oral report from Member Matarrese, RAB representative.

Member Matarrese was unable to attend the last RAB meeting due to the DARE Graduation.

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

There were no speaker slips.

6. COMMUNICATIONS FROM THE GOVERNING BODY

Chair Johnson discussed the issue regarding the policies on hiring outside counsel, and that the policy should apply to all Boards and Bodies. She requested that the policy be brought to the ARRA so it can be adopted as part of ARRA.

7. ADJOURNMENT

Meeting was adjourned at 8:22 p.m.

Respectfully submitted,

Irma Glidden

Irma Glidden
ARRA Secretary

Alameda Reuse and Redevelopment Authority
Interoffice Memorandum

2-B

Date: February 1, 2006

To: Honorable Chair and Members
of the Alameda Reuse and Redevelopment Authority

From: Carol A. Korade
General Counsel

Re: Resolution Amending Resolution No. 002 Regarding the Powers and Authority of the General Counsel; Recommendation to Approve Policy Regarding Hiring Procedures for Special Legal Counsel

Background

On September 6, 2005, the City Council adopted a Resolution empowering the City Attorney to employ special legal counsel, within certain parameters, and a separate policy for new procedures which would provide: 1) greater Council oversight for expenditures on outside counsel fees, 2) a competitive process for the hiring of outside counsel, and 3) monthly financial reports on the status of expenditures on outside counsel fees. The Council expressed its desire that the same policy be submitted to the ARRA for its consideration, which would provide consistency among the various legislative bodies in Alameda.

The City Attorney/General Counsel's Office has been applying the City Council policy to its management of ARRA outside counsel budget, since the City Council adopted this policy in September 2005. In order to formalize this policy for the ARRA, the original ARRA Resolution No. 002 should be amended to further define the parameters of the General's Counsel's authority. Additionally a separate written ARRA policy has been created, a copy of which is attached to this staff report. There is an addition to this policy that would allow the Executive Director to authorize routine unlawful detainer litigation. This is consistent with prior authority.

Fiscal Impact

The outside counsel budget was previously appropriated by the ARRA on June 7, 2005.

Recommendation

Adopt a Resolution Amendment Resolution No. 002 regarding the Powers and Authority of the General Counsel, and adopt a separate policy regarding procedures for hiring special legal counsel.

Respectfully submitted,

Carol A. Korade
General Counsel

Attachment

Pls. insert signed signature page.

ARRA POLICY REGARDING PROCEDURES FOR HIRING OF SPECIAL LEGAL COUNSEL

- General Counsel is authorized by ARRA to spend up to $35,000 per matter from appropriated budget without prior ARRA approval

- ARRA-initiated litigation requires prior ARRA Authorization
  - Except for routine unlawful detainer litigation which may be authorized by Executive Director

- For matters estimated to cost less than $35,000, General Council hires outside co-counsel from legal panel selected through RFQ process

- General Counsel meets with ARRA in closed session at the earliest possible time and provides an analysis of the litigation, including litigation costs, as a confidential document if <u>any</u> of the following apply:

  - Estimated to exceed $35,000 in defense costs
  - Involving policy questions
  - Having significant ramifications for ARRA
  - If requested by ARRA

Limitations on Settlement Authority

- General Counsel's settlement authority is limited to $15,000 for all matters; settlement proposals exceeding $15,000 must be approved by ARRA

Reporting Requirements

- The General Counsel keeps ARRA apprised of the status of the litigation through periodic confidential reports

- Monthly financial reports provided on cost of outside counsel on litigation and transactional matters

- General Counsel provides confidential bi-annual litigation status in January and July, with updated budget and analysis

  - Litigation status reports identify outside co-counsel for each case

  - Litigation status reports summarize the proceedings of each ARRA-initiated and defense case, including all "closed" cases for the current fiscal year and the preceding five (5) fiscal years

- Litigation status reports include more detailed, separate confidential analysis provided for each litigation matter as attachments to the litigation status report
- Litigation status report includes costs of litigation and any settlement/ payments made by ARRA

- General Counsel meets periodically in closed session with ARRA to discuss any pending litigation matter

Limitations on Hiring of Outside Counsel

- General Counsel will limit his/her hiring of outside counsel legal services from one of the following legal panels, which shall have been selected by City Attorney/General Counsel using a competitive (RFQ) process:

  1) Bond Counsel
  2) Litigation Defense (Tort, Public Safety, Construction Contract, Federal, etc.)
  3) Real Property/Condemnation/Unlawful Detailer
  4) Miscellaneous Specialty (such as Tax, Labor, Federal/BRAC, Environmental/CEQA/Land Use, Airport)

- All new contracts for the outside counsel legal panel will be subject to the $35,000 spending limitation, without express authority to exceed the budget; City Attorney/General Counsel may not exceed this limitation on budgeted appropriations without seeking ARRA authorization in open session

ALAMEDA REUSE AND REDEVELOPMEN AUTHORITY
RESOLUTION NO.37

AMENDING RESOLUTION NO.002 REGARDING
THE POWERS AND AUTHORITY OF THE GENERAL COUNSEL

WHEREAS, the City Attorney of the City of Alameda acts General Counsel to the Alameda Reuse and Redevelopment Authority; and

WHEREAS, at a regular City Council meeting in September 2005, the City Council took action to empower the City Attorney to employ special legal counsel within certain budgetary parameters and also adopted a policy regarding hiring procedures for special legal counsel; and

WHEREAS, the Alameda Reuse and Redevelopment Authority desires to memorialize a procedure consistent with that of the City Council for the empowerment of the General Counsel, particularly with respect to the hiring of special legal counsel and amend Resolution No. 002 as set forth below;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE ALAMEDA REUSE AND REDEVELOPMENT AUTHORITY that the General Counsel shall have the power and it shall be his/her duty to:

1. Employ special legal counsel unless any of the following occur:

   a) Estimated legal fees to exceed $35,000, or
   b) Litigation involves policy questions, or
   c) Litigation has significant ramifications for the ARRA, or
   d) If requested by the Board, or
   e) Litigation is to be initiated by the ARRA.

   If any of the above criteria is present, the General Counsel must seek Alameda Reuse and Redevelopment Authority empowerment to employ special legal counsel as soon as practical. In the interim, special legal counsel retention is limited to the amount necessary to provide preliminary analysis and assistance.

2. Settle, compromise or discuss any litigation or claims in the amount of $15,000 or less; settlement proposals exceeding $15,000 must be approved by the Alameda Reuse and Redevelopment Authority;

3. Comply with Alameda Reuse and Redevelopment Authority Policy Regarding Procedures for Hiring of Special Legal Counsel.

* * * * * *

I, the undersigned, hereby certify that the foregoing Resolution was duly and regularly adopted and passed by the Governing Board of the Alameda Reuse and Redevelopment Authority in regular meeting assembled on the 1st day of February, 2006, by the following vote to wit:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

IN WITNESS, WHEREOF, I have hereunto set my hand and affixed the official seal of the said City this 1st day of February, 2006.

_____

Irma Glidden, Secretary
Alameda Reuse and Redevelopment Authority

Alameda Reuse and Redevelopment Authority
Interoffice Memorandum

3-A

February 1, 2006

To: Honorable Chair and Members of the Alameda Reuse and Redevelopment Authority

From: Debra Kurita, Executive Director

Re: Presentation of Revised Alameda Point Preliminary Development Concept

Background

In December 2003, the Alameda Reuse and Redevelopment Authority (ARRA) entered into a Conditional Acquisition Agreement (CAA) with Alameda Point Community Partners (APCP) that initiated an 18-month pre-development effort to prepare a Preliminary Development Concept (PDC) for Alameda Point. Pursuant to the CAA, the PDC should provide: *"a conceptual development program that conforms to the physical, economic, and environmental constraints of NAS Alameda, including the Project Site, and also fulfills the public goals for development of the Project Site which are set forth in the Alameda General Plan and the Alameda Point Reuse Plan."*

In January 2004, staff began developing a public engagement strategy and hiring a qualified consultant team. With the assistance of the ARRA, the Alameda Point Advisory Committee, and the Planning Board, staff began work on the PDC in the spring of 2004. For the next year, the staff/consultant team worked closely with the Alameda community and the City Boards and Commissions to prepare the PDC. A series of well-attended public workshops and numerous Board and Commission meetings provided the community with a variety of venues to comment on the full range of issues relevant to the PDC, including, but not limited to: public policy objectives, environmental constraints, regulatory constraints, including Measure A, alternative land use programs, historic preservation options, financial trade-offs, and alternative transportation strategies.

On July 14, 2005, staff presented the first draft of the PDC to the ARRA Board. Based upon comments received at the meeting, staff made a series of revisions to the PDC. Those changes were presented to the ARRA on October 5, 2005. At the October meeting, the ARRA requested some additional changes, which were then presented at the December ARRA meeting. At the December ARRA meeting, the ARRA directed staff to make a limited number of final changes and prepare the Preliminary Development Concept for final ARRA approval.

Discussion

Final ARRA approval of the PDC represents successful completion of a primary ARRA obligation under the CAA. However, the PDC is a preliminary concept and does not represent the final development plan for Alameda Point. It is anticipated that significant additional public planning will occur before a final development plan is prepared and approved by the City of Alameda.

The PDC includes the following changes requested by the ARRA at the December meeting:

Changes to the Executive Summary
The Executive Summary was further revised to emphasize and clarify that the PDC is a preliminary plan and that much more planning is still necessary and appropriate before a final plan can be approved by the City of Alameda. The Executive Summary was also revised to emphasize that the value of the PDC is that it highlights some of the most significant trade-offs and compromises that will be necessary to achieve a final, financially feasible plan for Alameda Point, given the site's unique physical, environmental, and local regulatory constraints.

Changes to the Land Use Chapter
The Land Use chapter was revised to further emphasize the importance of the non-residential component of the PDC land use program, including Work/Live uses. The revisions also clarify the intent and design of the retail component of the program and describe the next steps that will be necessary to attract the appropriate types of employment uses and restrict or prohibit inappropriate uses. The Land Use Chapter was also revised to remind the reader of some of the trade-offs and compromises that are imbedded in the residential component of the PDC land use program. Specifically, the revisions explain how the Alameda City Charter restricts the ability of the PDC to provide multifamily rental housing, condominiums, town homes, or the reuse of historic structures for multi-family residential purposes.

Next Steps Chapter
The Next Steps Chapter was amended to better describe the sequence of historic preservation studies and evaluations that will be completed during the planning process and well before any final decisions are made about which buildings should remain and which buildings should be removed. A new subsection was also added clarifying that an economic development strategy will be prepared to help guide the decisions over the long term as to which non-residential uses should be encouraged to locate at Alameda Point and which uses should be prohibited from locating at Alameda Point for transportation, environmental, or other reasons.

Appendix E: Financial Feasibility and Fiscal Neutrality: Appendix E was further modified to clarify how the project economics are structured to ensure that the final development plan does not result on a financial impact on the City of Alameda General Fund.

Environmental Determination

Acceptance of the PDC by the ARRA is an action that is statutorily exempt from CEQA pursuant to Section 15262 of the California Environmental Quality Act Guidelines. Section 15262 states that an action to approve or accept a planning study for possible future actions which the ARRA has not approved, adopted, or funded does not require the preparation of an EIR or Negative Declaration.

Fiscal Impact

This project is being funded by the 18-month pre-development bond approved by the ARRA Board in July 2004.

Recommendation

Approve the February 1, 2006 Preliminary Development Concept for Alameda Point.

Respectfully submitted,

Leslie A. Little
Development Services Director

Andrew Thomas
Supervising Planner

On file in the City Clerk's office:

A. Preliminary Development Concept, February 1, 2006
B. Appendix A: Transportation Strategy
C. Appendix E: Financial Feasibility and Fiscal Neutrality

City of Alameda
Alameda Reuse and Redevelopment Authority

3-B

February 1, 2006

To: Honorable Chair and Members of the Alameda Reuse and Redevelopment Authority

From: Debra Kurita
Executive Director

Re: Recommendation to Approve a 20-year Lease with the Department of Transportation Maritime Administration (MARAD)

Background

Staff has been negotiating the terms of a 20-year lease with the Maritime Administration (MARAD) since May 2002. Initially, Alameda Point Community Partners (APCP) took the lead in negotiations. The outline of the lease (term, space, new construction) was developed during those negotiations, however the process never yielded in a final agreement. In December 2003, former Deputy City Manager, Doug Yount, assumed responsibility for finalizing the long-term lease. After Mr. Yount's departure in February 2004, Development Services staff assumed responsibility to complete lease negotiations. During this period of time, MARAD has been operating under the terms of an interim lease. Terms of this interim lease are consistent with MARAD's prior lease terms, and have extended those terms, pending the final resolution of this long-term lease.

Currently MARAD is leasing Pier 2 and portions of Piers 1 and 3 at Alameda Point (See Attachment 1). The rent structure is on a per ship/ per day basis resulting in an average monthly rent of $145,000. This structure leaves the ARRA vulnerable if a major event sends ships to sea for long periods of time (tsunami in Indian Ocean, supply for military actions). MARAD also leases warehouse space in Building 168, which is 117,400 square feet. The rent for Building 168 is $34,000/month.

Discussion

Lease Terms
The proposed terms for the new 20-year lease provide flexibility to the ARRA at points that recognize MARAD's intensification of activity at Alameda Point.

Piers: The rent for the piers is structured as a flat fee. Initially pier rent is $150,000/month for the first two years. At month 25, the rent increases 3% annually. If Pier 3, which is currently shared with the Hornet, becomes available for exclusive use to MARAD, the rent will increase one-time by 3.5% as an acknowledgement of the additional pier space. If the ARRA does not

choose to make Pier 3 available to MARAD, only the annual 3% increases after year two will occur over the life of the lease. If the Hornet is ever moved to a location other than the Alameda Point Piers, MARAD has requested first right of refusal for Pier 1, thereby securing use to all the Piers. At that point a lease addendum for Pier 1 would need to be negotiated.

The lease contains a provision that allows MARAD to audit the premises for physical deficiencies. After the lease is executed, MARAD will perform an audit of the premises to ensure compliance with the technical requirements of the lease. MARAD will provide the ARRA with their final audit report. The ARRA will have four months to repair any deficiencies. Since MARAD has been a tenant at Alameda Point for nearly eight years, both parties anticipate minor deficiencies or repairs will be needed to the property.

Warehouse: With the execution of a new lease, the warehouse rent will increase 11% to $38,000/month for Building 168 with 3% annual increases. In anticipation of the redevelopment of Alameda Point, the lease also contemplates that the MARAD Warehouse, Building 168, may need to be relocated or reconstructed to conform to future re-use plans. If this occurs, the lease sets the warehouse lease rate for a new building at $.70 sf adjusted at the time of construction to the 2005 construction consumer price index.

In addition, early in the negotiations between MARAD and APCP, an architect developed a conceptual plan for a MARAD "complex" (Attachment 2). The complex would be a secure, enclosed area adjacent to Piers 2 and 3 with a space for a newly constructed 88,000 sf warehouse. The construction of this complex would be feasible only if the Hornet is relocated from Pier 3.

Dredging

Dredging the Alameda Channel is an ARRA requirement in the existing lease as well as the proposed long-term lease. In the new lease, MARAD is responsible to fund all dredging events and if the funds are not made available, the ARRA is not required to dredge. The ARRA will be responsible to perform annual soundings and perform dredging as needed. Currently soundings are provided by the Army Corps of Engineers, as the Alameda Channel is a federal channel. To comply with these requirements, a 20-year dredging/dragging plan has been developed by the ARRA and has been accepted by MARAD (Attachment 3). (Dragging is a less expensive method of moving the shoaled material in the channel to maintain depth.)

Fiscal Impact

The approval of this lease will result in $1,027,500 average annual net lease revenues to the ARRA. The MARAD lease is located within Tidelands jurisdiction, therefore these revenues are restricted to use for Tidelands eligible activities.

Recommendation

Approve a 20-year Lease with the Department of Transportation Maritime Administration (MARAD).

Respectfully submitted,

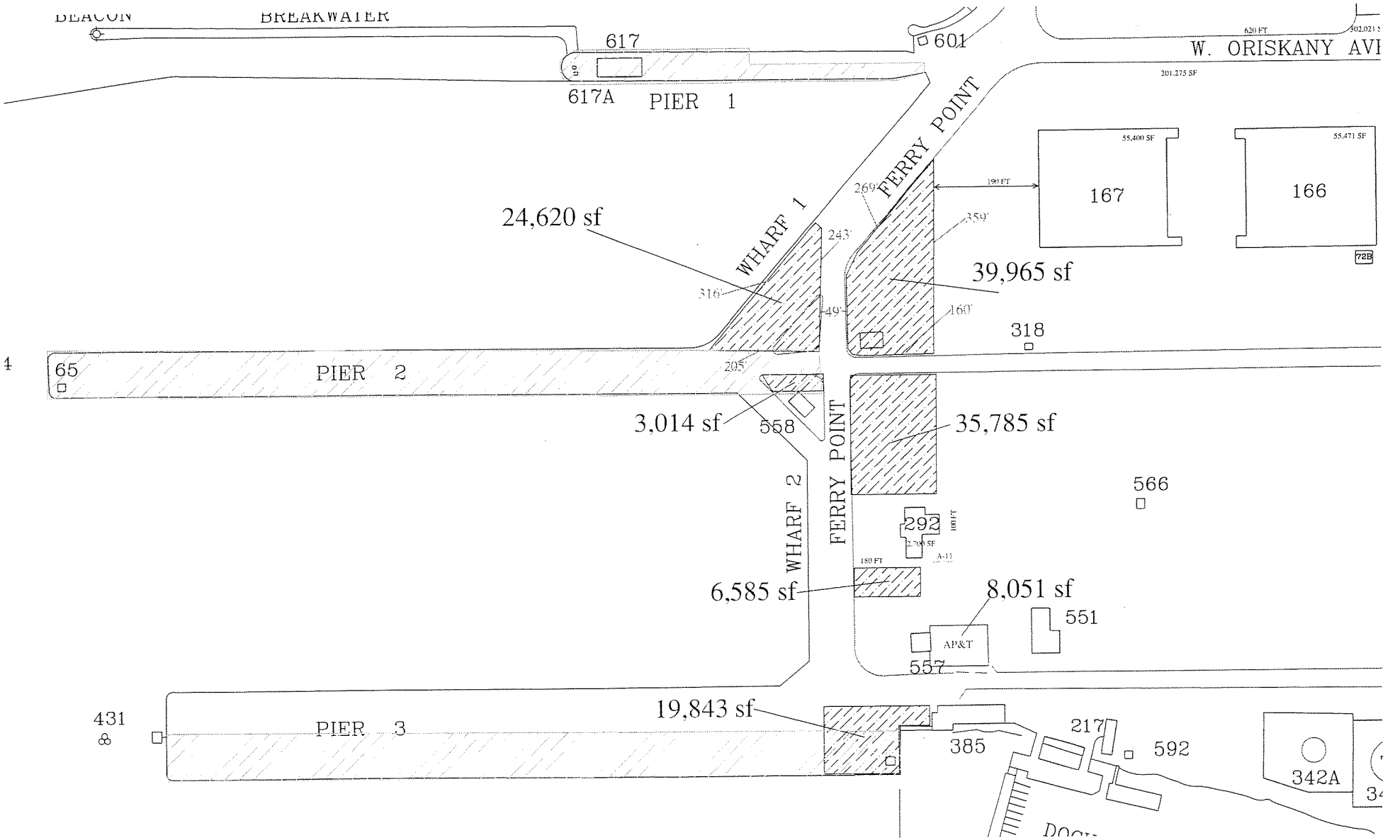
Leslie A. Little
Development Services Director

By: Nanette Banks, Manager
Finance & Administration Division

LAL/NB:dc

Attachment 1 – Current Leased Premises
Attachment 2 – Map of MARAD complex
Attachment 3 – 20-year Dredging/Dragging Plan

G:\Comdev\Base Reuse& Redevp\ARRA\STAFFREP\2006\02 Feb\3-B MARAD.doc


BEACON
BREAKWATER
617
601
617A
PIER 1
W. ORISKANY AVE
FERRY POINT
WHARF 1
24,620 sf
39,965 sf
167
166
318
65
PIER 2
3,014 sf
558
35,785 sf
566
WHARF 2
FERRY POINT
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8,051 sf
551
AP&T
557
431
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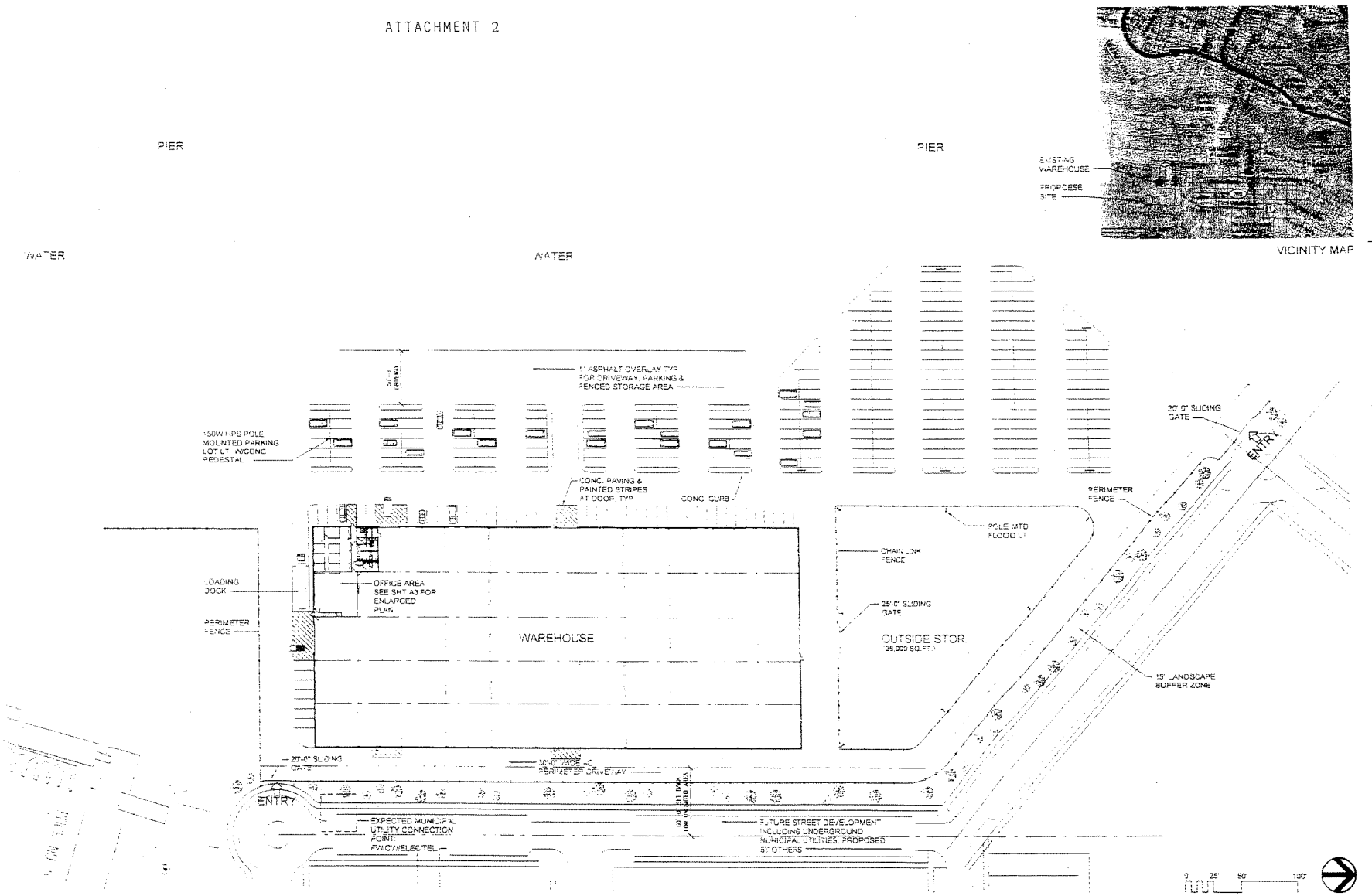
385
217
592
342A

ATTACHMENT 2



SITE AREA: APPROX. 348,000 SQ.FT. (8-ACRE) (EXCLUDING PIERS)

PARKING: 250+ CARS INCLUDING HANDI[illegible] D STALLS

BUILDING: 68,000 SQ.FT. (440' x 200')

MARAD SBS WAREHOUSE

ALAMEDA POINT
ALAMEDA, CA

US DEPARTMENT OF TRANSPORTATION

MARITIME ADMINISTRATION

MARSHALL/DUBAS CONSTRUCTION

murokami

CONCEPTUAL SITE PLAN

PROJECT NO.	03004
SCALE	1"=40'-0"
DRAWN	KM
CHECKED	
DATE	10/19/03

SHEET NO. A1

ATTACHMENT 3

ALAMEDA POINT CHANNEL

Annual Maintenance Dredging Cost Summary

Year	Total Dredging Quantity (cy)	Pay Dredging Quantity (cy)	Pay Dragging Area (sf)	Construction Costs				Engineering Costs	Total Project Costs	Notes/Comments
				Mob/Demob	Dredging / Dragging Cost	Total Cost	Total Unit Cost ($/cy or $/sf)			
1	149,000	119,000	n/a	$50,480	$455,770	$506,250	$4.25	$210,000	$716,250	Assumes 100% Alcatraz SF-11 Disposal
2	2,500	n/a	136,171	$18,400	$33,850	$52,250	$0.38	$36,000	$88,250	Dragging Operation
3	2,500	n/a	136,171	$18,400	$33,850	$52,250	$0.38	$36,000	$88,250	Dragging Operation
4	50,000	36,000	n/a	$50,754	$402,840	$453,594	$12.60	$177,000	$710,574	Assumes 95% Hamilton Disposal
	3,000	2,000	n/a	$0	$79,980	$79,980	$39.99			Assumes 5% Contaminated - Montezuma Disposal
5	2,500	n/a	136,171	$18,400	$33,850	$52,250	$0.38	$36,000	$88,250	Dragging Operation
6	2,500	n/a	136,171	$18,400	$33,850	$52,250	$0.38	$36,000	$88,250	Dragging Operation
7	148,000	106,000	n/a	$50,754	$1,157,520	$1,208,274	$11.40	$177,000	$1,625,214	Assumes 95% Hamilton Disposal
	8,000	6,000	n/a	$0	$239,940	$239,940	$39.99			Assumes 5% Contaminated - Montezuma Disposal
8	2,500	n/a	136,171	$18,400	$33,850	$52,250	$0.38	$36,000	$88,250	Dragging Operation
9	2,500	n/a	136,171	$18,400	$33,850	$52,250	$0.38	$36,000	$88,250	Dragging Operation
10	101,000	72,000	n/a	$50,754	$797,760	$848,514	$11.78	$177,000	$1,185,474	Assumes 95% Hamilton Disposal
	5,000	4,000	n/a	$0	$159,960	$159,960	$39.99			Assumes 5% Contaminated - Montezuma Disposal
11	2,500	n/a	136,171	$18,400	$33,850	$52,250	$0.38	$36,000	$88,250	Dragging Operation
12	2,500	n/a	136,171	$18,400	$33,850	$52,250	$0.38	$36,000	$88,250	Dragging Operation
13	198,000	142,000	n/a	$50,754	$1,540,700	$1,591,454	$11.21	$177,000	$2,048,384	Assumes 95% Hamilton Disposal
	10,000	7,000	n/a	$0	$279,930	$279,930	$39.99			Assumes 5% Contaminated - Montezuma Disposal
14	2,500	n/a	136,171	$18,400	$33,850	$52,250	$0.38	$36,000	$88,250	Dragging Operation
15	2,500	n/a	136,171	$18,400	$33,850	$52,250	$0.38	$36,000	$88,250	Dragging Operation
16	151,000	108,000	n/a	$50,754	$1,180,440	$1,231,194	$11.40	$177,000	$1,648,134	Assumes 95% Hamilton Disposal
	8,000	6,000	n/a	$0	$239,940	$239,940	$39.99			Assumes 5% Contaminated - Montezuma Disposal
17	2,500	n/a	136,171	$18,400	$33,850	$52,250	$0.38	$36,000	$88,250	Dragging Operation
18	2,500	n/a	136,171	$18,400	$33,850	$52,250	$0.38	$36,000	$88,250	Dragging Operation
19	249,000	178,000	n/a	$50,754	$1,934,860	$1,985,614	$11.16	$177,000	$2,522,524	Assumes 95% Hamilton Disposal
	13,000	9,000	n/a	$0	$359,910	$359,910	$39.99			Assumes 5% Contaminated - Montezuma Disposal
20	2,500	n/a	136,171	$18,400	$33,850	$52,250	$0.38	$36,000	$88,250	Dragging Operation
TOTALS	**1,125,500**	**795,000**	**1,770,223**	**$594,204**	**$9,269,600**	**$9,863,804**	**$12.41**	**$1,740,000**	**$11,603,804**	

Notes:

1.) All costs are estimated in 2005 dollars.

SPECIAL JOINT MEETING OF THE CITY COUNCIL AND
ALAMEDA REUSE AND REDEVELOPMENT AUTHORITY
WEDNESDAY - - - FEBRUARY 1, 2006 - - - 7:01 P.M.

Location: **City Council Chambers**, City Hall, corner of Santa Clara Avenue and Oak Street.

Public Participation
Anyone wishing to address the Council/Authority on agenda items or business introduced by the Council/Authority may speak for a maximum of 3 minutes per agenda item when the subject is before the Council /Board. Please file a speaker's slip with the Deputy City Clerk if you wish to speak on an agenda item.

ROLL CALL

AGENDA ITEM

1. Recommendation to Approve a Joint Operating Agreement for Various Alameda Point Collaborative Housing Projects and a First Amendment and Assignment Agreement for Spirit of Hope I Project at Alameda Point.

ADJOURNMENT

Please insert signed original

Beverly Johnson, Mayor
Chair, Alameda Reuse and
Redevelopment Authority

City of Alameda
Memorandum

February 1, 2006

To: Honorable Mayor and Members of the City Council

Honorable Chair and Members of the Alameda Reuse and Redevelopment Authority

From: Debra Kurita
City Manager/Executive Director

Re: Approve a Joint Operating Agreement for Various Alameda Point Collaborative Housing Projects and a First Amendment and Assignment Agreement for Spirit of Hope I Project at Alameda Point

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Background

As required by the federal Base Closure and Community Redevelopment and Homeless Assistance Act of 1994, the Alameda Reuse and Redevelopment Authority (ARRA) worked with the Alameda County Department of Housing and Community Development and an organized group of homeless service providers, known as the Alameda County Homeless Providers Base Conversion Collaborative (now known as the Alameda Point Collaborative (APC)) to determine the quantity of residential and commercial square footage that would constitute a reasonable accommodation of the homeless at the former Alameda Naval Air Station (Alameda Point). On May 3, 1995, the ARRA adopted the Standards of Reasonableness that provide general commitments related to future reuse goals at Alameda Point. In July 1995, the Alameda County Homeless Provider Base Conversion Collaborative submitted a Request of Property at Alameda Naval Air Station. The requests were considered by staff, and following negotiations, specific allocations of property were included in the Housing Element of the Naval Air Station (NAS) Alameda Community Reuse Plan approved by the ARRA in January 1996.

Several non-profit housing providers were allocated 200 existing housing units at Alameda Point for use by clients transitioning from homelessness. The original providers included, among others, Resources for Community Development, UA Housing, and United Indian Nation. These three Providers applied individually for various federal, state, and local funding sources and rehabilitated a total of 89 housing units within three separate housing projects called Miramar/Miraposa (32 units), Spirit of Hope I/II (45 units), and Unity Village (12 units). Between 2001 and 2005, the ARRA approved the assignment and assumption of two subleases, a Legally Binding Agreement and Property Lease (LBA) and certain funding agreements from these original Providers to the APC. All 89 APC units are located on land subleased to the APC by the ARRA through an LBA for each project.

In 2005, APC approached staff with a draft Joint Operating Agreement (JOA) that would allow APC to operate these three housing projects as one financial entity.

Discussion

Joint Operating Agreement
The proposed JOA between the County of Alameda, APC, City of Alameda and ARRA enables the APC to operate the 89 housing units as one project with unified cash flow, joint reserve accounts, books and records to enhance the efficiency and viability of operations of all three Projects. While APC will remain subject to the terms of the various existing financial agreements under the JOA, it will over time be able to consolidate requests for federal, state, local and other funding sources. The JOA will remain in effect so long as the APC is the Provider under the LBA for more than one of the Projects. The JOA requires the County and APC to notify the City and ARRA 45 days prior to any request to terminate the JOA and obligates the parties to meet and confer regarding any concerns. APC also remains subject to all the terms of the LBAs, including those provisions that require the maintenance of tenant and financial records as well as the City and ARRA's access to them upon request.

First Amendment and Assignment (Spirit of Hope I)
In 2001, the Spirit of Hope projects received both CIC and City funds for the rehabilitation of 45 housing units. Upon a review of the related funding agreements it was determined that acceptance of the JOA would require that the County assume the rights and obligations of the HOME Regulatory Agreement for the Spirit of Hope I project. The County has approved the terms of the First Amendment to Regulatory Agreement and Assignment and Assumption Agreement (First Amendment and Assignment) and will therefore be obligated to monitor this project for compliance with HOME regulations. This amendment for the Spirit of Hope I Regulatory Agreement does not have any impact on the ongoing rights and obligations of the County and City under the Alameda County HOME Consortium Sub-Recipient Agreement. The City is, however, no longer obligated to implement any HOME monitoring requirements. While the County will now provide annual HOME monitoring, the Spirit of Hope I units continue to count toward the City's Inclusionary Housing goals. The City has also been able to maintain its rights to indemnification under the terms of the Regulatory Agreement. APC has agreed to the terms of the First Amendment and Assignment.

The JOA and First Amendment and Assignment support APC's efforts to benefit from a better economy of scale for operations and management activities at the APC community. At the same time, annual monitoring requirements for the City are streamlined. APC has the financial capability, management expertise and operational capacity to manage these projects as one financial entity. The JOA also leaves open the possibility for 30 additional housing units to be covered under the agreement.

The City Attorney's office has approved the proposed Joint Operating Agreement and prepared the First Amendment and Assignment for consideration by the ARRA. The documents have been approved and executed by the County of Alameda and the Alameda Point Collaborative and are on file in the Office of the City Clerk. Upon execution of these agreements, APC can begin

its transition process and move forward with operating the 89 units as one project for purposes of day-to-day operations, as well as for annual funding cycles for federal, state and local funds. The JOA will help to ensure APC's ability to meet its financial commitments with the City.

Fiscal Impact

Per the Standard of Reasonableness, approving the Joint Operating Agreement for the housing projects and the First Amendment and Assignment for the Spirit of Hope I project meets the commitments of the accommodation plan for the Collaborative and future reuse goals at Alameda Point.

Recommendation

City Council and ARRA approve the Joint Operating Agreement for various Alameda Point Collaborative Housing Projects and City Council approve the First Amendment and Assignment Agreement for the Spirit of Hope I Project and authorize the City Manager/Executive Director to execute the Agreements.

Respectfully submitted,

Leslie Little
Development Services Director

By: Debbie Potter
Base Reuse and Redevelopment Manager

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