UNAPPROVED

MINUTES OF THE SPECIAL CITY COUNCIL MEETING

TUESDAY- -JANUARY 25, 2011- -7:00 P.M.

Mayor Gilmore convened the meeting at 7:36 p.m. Councilmember deHaan led the Pledge of Allegiance.

ROLL CALL – Present: Councilmembers Bonta, deHaan, Johnson, Tam and Mayor Gilmore – 5.

Absent: None.

AGENDA ITEM

(11-042) Recommendation to Receive a Presentation by Kemper Sports Management on the Chuck Corica Golf Complex and Provide Direction to the Acting City Manager to Continue Negotiations, Develop Deal Points for the Preferred Option, and Return to the City Council with a Long-Team Lease Agreement.

The Acting City Manager gave a brief presentation.

Ben Blake, Kemper Sports Management, gave a Power Point presentation.

In response to Mayor Gilmore's inquiry regarding the cost going from $400,000 for 36 holes down to $100,000 for 27 holes, Mr. Blake stated the budget for a 36-hole golf course and facility is around $1.4 million; the cost is about $300,000 per 9 holes; taking 9 holes out of play in terms of water, labor, mowing, fertilizer, and overall equipment, saves $300,000.

Councilmember Johnson inquired whether 2.5% growth is predicted for the current year, to which Mr. Blake responded the growth would be after improvements are completed.

Councilmember Johnson stated numbers provided for other courses in the area show a decrease in rounds for 2010; Alameda had an 8.7% decrease in 2010, a 3%decrease in 2009 and an over 9% decrease in 2008, which is significant.

Mr. Blake stated this season has been one of the rainiest in years, which has had an impact on the whole market; the National Golf Foundation (NGF) has access to many golf courses and is showing an 8.7% drop.

Councilmember Johnson inquired whether the trend is nationwide, to which Mr. Blake responded in the affirmative; stated NGF provides a monthly report which he could share with the Council.

In response to Councilmember Johnson's inquiry about how essential the 2.5% increase in play is, Mr. Blake stated Kemper is willing to take the risks and believes the

golf course and facility have the potential; if improvements are made and good conditions are consistently kept, Kemper believes play can come back; clearly, the golf industry is not well.

Councilmember Johnson stated things are not going well in the economy; 2.5% growth might be aggressive; inquired what would happen if the increase is not met.

Mr. Blake responded Kemper is taking the operating risk; stated location tends to be a big driver; the location is good; Kemper has to get the golf course in top condition and make improvements to compete in the market place.

Councilmember Johnson stated increases in green fees should not be relied upon.

Councilmember deHaan stated Kemper is proposing $5 million in capital improvements for 27 holes and $8 million for 36 holes; stated the amounts do not equate and he has problems with them.

Mr. Blake stated the $8 million was from the NGF study and included major renovations of changing holes and building new greens.

Councilmember deHaan inquired what the real capital improvement would be for 36 holes, to which Mr. Blake responded Kemper does not believe that 36 holes work because there is not enough demand; Kemper can only afford to spend around $5 million based on the number of rounds and revenues to make economics work.

In response to Councilmember deHaan's inquiry whether the contract would be for 30 years, Mr. Blake stated the deal would be for 20 to 30 years; the number of years has not been negotiated.

Councilmember deHaan stated the $5 million investment would be spent upfront; inquired how long improvements would take.

Mr. Blake responded hopefully, two years, but possibly 3 years.

Councilmember deHaan inquired whether Kemper would spend $5 million for 36 holes, to which Mr. Blake responded Kemper does not have an interest in 36 holes; Kemper believes the course would be better off with 27 good holes; the demand for 36 holes is not there.

Councilmember deHaan inquired whether the City has an analysis of the spreadsheets Kemper provided, to which Mr. Blake responded in the affirmative; stated Kemper prepared 6 scenarios and there were numerous meetings [with City staff] on the scenarios.

Councilmember deHaan inquired whether Kemper does not see 36 holes as feasible and is not interested in going in that direction, to which Mr. Blake responded that is

correct in terms of Kemper investing the money.

Councilmember Tam stated 108 new holes have been added to the region over the last 10 years; inquired whether there was an expectation that golf would be growing when the new courses were built.

Mr. Blake responded real estate developers bought large amounts of land, needed open space and elected to build golf courses, which raises property values; building the courses had nothing to do with the economics of golf itself; 3,000 to 4,000 courses could closed [nationwide] to get the equilibrium back.

Councilmember Tam inquired whether demand would increase enough to make having 36 holes during the 20 to 30 year period [of the lease].

Mr. Blake responded Kemper does not believe play will get back to peak levels for many, many years, if ever; stated the industry thought the baby boomers were going to play more golf; with the economy, people working more, and people having different interests, statistics show baby boomers are not playing as much as was anticipated; there are many issues, one of which is people think golf takes too much time and does not fit in the active, shorter segment lifestyle.

In response to Councilmember Tam's inquiry whether Kemper believes the 2.5% growth assumption is realistic, Mr. Blake stated the location and product could drive that kind of growth with marketing.

Councilmember Tam inquired whether the risk is on Kemper, to which Mr. Blake responded in the affirmative.

Councilmember Tam stated when the lease with Kemper started in March, the City no longer collected the Return on Investment (ROI) and the reserve was a little more than $612,000; inquired whether depletion [of the reserve] has been due to decline [in play] and maintenance work.

The Acting City Manager responded the City is still collecting the cost allocation, Payment in Lieu of Taxes (PILOT) and payment surcharge; stated the ROI was discontinued this fiscal year; the amounts in the current budget are $319,640 for cost allocation, $202,220 for PILOT, and $171,960 for the payment surcharge.

The Recreation and Parks Director stated the fund balance varies widely due to the seasonal nature of the game; the amount is higher in spring than in winter, especially due to all the rain this winter; work had to be done on the cart chargers, the driving range fencing, and the retaining wall on Island Drive.

Councilmember Tam stated that she would like to better understand the rate of depletion of the fund balance; further stated the staff report recognizes that the fund balance would be depleted over time because of the decline in revenues.

The Recreation and Park Director stated the amount would probably last 18 months as long as there are no serious maintenance issues.

Councilmember Tam inquired whether the fund still continues to go down in spite of the rate at which the fund is depleted decreasing when Kemper started, to which the Recreation and Parks Director responded in the affirmative; stated the [depletion] amount was $700,000 when the City was operating the course and is $350,000 under Kemper; Kemper has cut the amount in half.

Councilmember Johnson inquired whether spending $5 million on 36 holes would not allow Kemper to improve the course to the extent needed to increase the level of play to generate more revenue, to which Mr. Blake responded in the affirmative.

Councilmember deHaan stated the estimate to upgrade the Mif was $500,000; inquired whether the amount is similar to Kemper's estimate, to which Mr. Blake responded that he would have to review the estimate; stated Kemper's budget is very specific about the what needs to be done.

Vice Mayor Bonta inquired whether there are other 36-hole courses and whether having 36 or 27 holes is more common.

City Consultant David Sams responded there are a few 36 hole courses in the East Bay area; stated the courses were probably built over 30 or 40 years ago; in the last 20 years, 2 notable courses that have been built, Cinnabar Hills and Poppy Ridge, have 27 holes; both could have constructed 36 holes and after extensive study, determined 27 holes would return a better profit; the trend now is to build 27 or 18 holes.

In response to Mayor Gilmore's inquiry how the 27 hole golf courses are doing financially, Mr. Sams responded the courses are doing better than they would be doing with 36 holes.

Vice Mayor Bonta inquired whether one option is for Kemper to continue to manage the current course under a management agreement without a long-term lease, to which Mr. Blake responded in the affirmative; stated the presentation was on Kemper's proposal to invest $5 million; if the City opts to keep 36 holes, Kemper would love to continue to manage the property; 36 holes on the investment side does not work for Kemper.

Vice Mayor Bonta inquired whether there would be capital investment under the 36-hole scenario, to which Mr. Blake responded in the negative.

In response to Vice Mayor Bonta's inquiry about what Kemper anticipates would happen under said scenario, Mr. Blake stated the course needs capital improvements to be competitive; that he would expect the number of rounds and revenue to continue to decline if improvements are not made; the market is competitive and rates have been lowered; golfers are sophisticated and can compare pricing on line; a good product is

needed to compete.

Vice Mayor Bonta inquired whether the reserve would continue to be tapped under a management agreement for 36 holes, to which Mr. Blake responded in the affirmative.

Vice Mayor Bonta inquired the amount of lease payments that would be made to the City under the 27-hole scenario.

Mr. Blake responded modeling has been done showing rounds, revenues and expenses; stated the negotiations with the City regarding the length of the lease and other factors would determine how the profit would be divvied up.

The Acting City Manager stated the amount, which would return for Council approval, would not be collected for several years until capital improvements are finished; the amount has not been negotiated.

Vice Mayor Bonta inquired whether there are similar leases, to which Mr. Blake responded Mr. Sams could get said information for the City.

Vice Mayor Bonta stated Mr. Blake indicated the City would continue to receive lease payments even if Kemper's projections were not realized; inquired whether there is potential for profit sharing if growth projections are exceeded.

Mr. Blake responded in the affirmative; stated the matter is negotiable; Kemper would evaluate its risk; the deal has to be good for both parties or it will not work; there will be a finite amount of money and the City and Kemper have to figure out what is fair.

Councilmember Johnson inquired whether Kemper believes the course could be viable for the next 40 years without City subsidy, to which Mr. Blake responded capital improvements have not been made for a number of years and the useful life of items have been exceeded.

In response to Councilmember Johnson's inquiry whether the course would see a greater decline in rounds due to the declining condition of the course, Mr. Blake stated the City has to consider said risk; the rate is consistent with other courses; as better courses lower rates, players can trade up.

Councilmember Johnson stated Alameda residents have told her that they play other courses for $25, including a cart, which would cost $38 in Alameda.

Mr. Blake stated golfers like variety; course conditions tend to be the number one driver in repeat play; courses not in good condition have a hard time competing.

Councilmember Johnson inquired whether Kemper believes its proposal could keep the course competitive for the next 40 years, to which Mr. Blake responded in the affirmative.

Speakers: Grace Na, Alameda High Ladies Golf Team; Sharon Nam, Alameda High Ladies Golf Team; Jane Sullwold, Golf Commission; Joe Van Winkle, Alameda; Paul Weir, Alameda Golf Club; John Curliano, Alameda; Bill Weir, Alameda Junior Golf Association; Bill Schmitz, Golf Commission and Commuters Committee; Robert Sullwold, Alameda; Bob Blanchard, Alameda Commuters Golf Club; Jon Spangler, Alameda; Jim Strehlow, Alameda; Tony Corica, Alameda; Ron Salsig, Alameda; Karen Bey, Alameda; former Councilmember Lil Arnerich, Alameda; Bob Bloomberg, Alameda; William Moore; and Steven Slauson, Alameda.

The following people submitted speaker slips, but did not speak: Tom Medaglia, Alameda Golf Club Commuters; Emish Radloff, Alameda Golf Club; Dave Bratzler, Alameda; Dennis Knights, Alameda Golf Club; Jon Hasegawa, Alameda Junior Golf Association/Alameda Golf Club; Betsy Gammell, Golf Commission/Junior Golf Board/Alameda Women's Golf Club; Tim Scates, Alameda; Alexander Stevens, Alameda; Pam Curtis, Alameda; George Gammell, Alameda Men's Golf Club; Mike Schmitz, Alameda Men's Golf Club; Howard Brizending, Alameda Men's Golf Club; Bill Gibbs, Alameda Men's Golf Club; and Ron Taylor, Alameda Men's Golf Club.

Mayor Gilmore stated that she has questions about the capacity to hold tournaments, such as Commuters and East Bay Junior Golf; inquired what would happen with the 27-hole configuration and how both tournament players and members of the public would be accommodated.

John Vest, Kemper Sports, responded the East Bay Juniors and Commuters events are very important to Kemper and have a lot of history; stated Kemper wants to continue to have said events; the East Bay Juniors event involves over 200 players on a Tuesday and Wednesday; the players would take up the majority of the 27 holes, which would impact open play during parts of the day; a special could be run to accommodate open players in the afternoon; Kemper's priority would be to accommodate tournament players.

Mayor Gilmore inquired whether non-tournament players are impacted with the current 36-hole configuration, to which Mr. Vest responded not as much; stated Kemper gets creative and puts players on the opposite 9 holes.

Mayor Gilmore inquired whether renovations would require the course to be shut down or whether certain parts would just be shut down.

Mr. Blake responded Kemper would keep 18 holes open at a minimum; stated the goal is to close as little as possible and get the work done as quickly as possible.

Vice Mayor Bonta inquired whether both 27 and 36 holes can accommodate the tournaments, however 27 holes would cause an impact on open players, to which Mr. Vest responded in the affirmative; stated players just dropping by might have to wait.

Vice Mayor Bonta inquired whether the Commuters and East Bay Juniors tournaments could be run as successfully as in the past [with 27 holes], to which Mr. Vest responded in the affirmative.

In response to Mayor Gilmore's inquiry about how the tournament works with 27 holes, Mr. Vest stated there would be two waves of tee times: one in the morning and one in the afternoon.

Mayor Gilmore inquired whether both waves would be able to finish play before dark and whether the next phase of the tournament would be done the next day, to which Mr. Vest responded in the affirmative; stated players teeing off in the afternoon the first day, would tee off earlier the next day; players would not be affected the second weekend because only 18 holes are played.

In response to Councilmember Tam's inquiry whether differentiating costs relative to the renovation of 36 holes versus 27 holes is possible, Mr. Blake stated 36 holes of irrigation has a higher cost than 27 holes; the goal is to have three very nice 9 holes; spreading the money over 36 holes could dilute underground and visual repairs to not have the same impact as 27 holes; Kemper wants 27 high quality holes and there is not enough money to do that for 36 holes.

Councilmember Johnson stated there is preference for the north course over the south course; inquired how the three 9 holes would work together and how people would not mind playing 9 holes of the south course.

Mr. Blake responded the existing 18 holes on the north would be cleaned up and infrastructure would be improved; stated visual improvements would be directed to the third 9 holes [on the south course] to have it match the two 9 holes on the north course; there are enough trees [on the 9 holes at the south course that would be renovated] to give it a similar feel; the fourth 9 holes [on the south course] are much more open, have less trees, and he is not sure a match could be accomplished on said holes.

Councilmember Johnson inquired whether Kemper's vision is to operate the course like Poppy Ridge, to which Mr. Blake responded in the affirmative; stated there would be three starting tees and the three nines would be rotated.

Councilmember deHaan stated the south course has more land; the north course is more traditional for an average player; there is a demand for longer courses; there is ability to have two tournaments right now; 27 holes would push out regular players when there are tournaments; 27 holes might be done when building a new course because of capital outlay; Alameda is blessed with very low debt service; other courses have to make lots of money just to cover debt service; inquired how many acres there would be from closing down 9 holes, to which the Recreation and Parks Director responded 40 acres.

Councilmember deHaan stated a certain amount maintenance would be required for the

40 acres, which would be a cost to the City; parks cost $300,000 to $500,000 to operate; said burden would be pushed back onto the City; the drainage systems feed each other; there are problems with the canal service, which receives runoff from Harbor Bay Business Park; better management allowed the course to open after rain days ahead of other courses, which is commendable; that he has not had the opportunity to see [Kemper's] data; the Council needs to understand what is on the table; he raised the golf funding issue 6 years ago; the golf course has to make money; good logical decisions have to be made; the process has taken a year; that he has not received the information, which should be put on the table and brought to the Council, public and Golf Commission; transparency is important; Kemper has done a great job; changing course mid stream would be a travesty; that he wishes Kemper would be open to 36 holes.

Mayor Gilmore inquired whether closing 9 holes and allowing the acreage to go fallow would cause a drainage problem, to which the Recreation and Parks Director responded drainage would remain the same if the existing system were left as is.

In response to Mayor Gilmore's inquiry about drainage and fallow acreage, the Recreation and Parks Director stated renovations to the drainage system for the rest of the course would be designed knowing existing conditions, including water being received from the Business Park; costs would depend upon usage of the fallow acreage; passive uses, such as dog walking, would have minimal costs; the cheapest solution would be to shut down the area and do weed abatement.

* * *

Councilmember Tam left the dais at 9:58 p.m. and returned at 10:00 p.m.

* * *

Councilmember Johnson stated juniors have been able to play golf because it is affordable; most other cities do not allow junior residents to play for $1 and non-resident juniors to play for $10; keeping some parts of the fee schedule, especially monthly passes for residents, is important; the course is an asset and should be kept affordable for Alameda residents; annual passes, junior rates and senior discounts should be kept; inquired whether Kemper intends to keep said rates.

Mr. Blake responded Kemper and the City would review the fee schedule together; stated the process would be transparent.

The Recreation and Parks Director stated including the rates in the final contract, which would come back to Council, is common.

Councilmember Johnson stated the high school golf teams use the courses; that she would like said issues spelled out; right now, Alameda residents can play cheaper at other courses due to special deals; keeping rates affordable for Alameda residents is important.

Mr. Blake stated Kemper now has the ability to run discounts.

The Recreation and Parks Director stated adoption of the Master Fee Resolution allowed Kemper to run promotions.

Councilmember Johnson inquired whether rate issues were reviewed as part of the economics and whether investing $5 million will work economically, to which Mr. Blake responded in the affirmative.

Mayor Gilmore stated the Council has been very clear how it feels about promoting junior golf, which is a priority going forward; the course has always been a value course; renovations are needed; the course should not be priced out of the reach of residents.

Mr. Blake stated the market would dictate the issue; golfers would be lost if Kemper does not react to aggressive pricing.

Councilmember Johnson stated that she wants provisions in the lease to ensure residents have lower rates.

Mr. Blake stated 35% of the play is residents; Kemper would want flexibility on non-resident play.

Mayor Gilmore stated that she would like Ms. Sullwold and Mr. Van Winkle to address a hypothetical assuming Kemper is right regarding there being an over supply of golf in the area, the number of rounds, and the amount of investment that can be made; inquired where compromises could be made between saving 36 holes and saving golf for the future.

Mr. Van Winkle responded assuming Kemper is right on supply and demand and the $5 million to renovate 27 holes, he would further assume renovating 36 holes would cost $5.9 million; that he expected Kemper to offer to fill the gap tonight with the $1 million set aside to build a new Mif; based on the assumptions, there is a capacity problem and juniors would be crowded out.

Mr. Sullwold reviewed figures; stated the amount to renovate 36 holes should be closer to the $6 million proposed by Bellows, rather than the $8 million from the NGF study; that she is fighting the hypothetical because there should be an opportunity to ask Kemper questions about the assumptions; following the assumptions, leads down the path that the City has to go with Kemper [recommendations]; however, said point has not been reached; there should be a chance to ask questions.

Mr. Van Winkle stated there could be some synergy, such as shifting money saved from not needing junior tees to improving 36 holes.

Mayor Gilmore stated staff indicated the golf reserve fund would be burned through in 18 months at the current rate; it is agreed that capital investment is needed; questioned

whether the golf course should be bet against the City taking more time, deciding to keep 36 holes, going out with another Request for Proposals (RFP), and negotiating a contract before 18 months runs out; stated that she does not want to be in a situation where there is no money left in the golf fund balance and the City is looking to subsidize the golf course from General Fund revenues; the City took money from the golf fund in the past; the money is gone; that she would not take a decision between golf and other services, such as police, fire and libraries, to the voters.

Ms. Sullwold questioned whether the City should be forced into making a decision for the next 20 to 30 years because the City will not take the time to investigate the very superficial presentation made tonight.

Mayor Gilmore stated one knows there would be golf in Alameda for at least two generations [going with Kemper's recommendation].

Mr. Van Winkle stated going out with an RFP or Request For Inquiries (RFI) would be reasonable; companies that would not respond to the previous RFP have expressed interest.

Councilmember Tam stated the City talked to 65 firms and received two RFP responses; requested a review of the process; inquired what was the ability for Bellows to issue debt.

The Recreation and Parks Director responded the difference in the funding mechanism for the capital is that Kemper's funding would come from a $7 million corporate bond that Kemper would guarantee and the last discussions with Bellows in 2009, involved the City issuing the bond and making a donation from the enterprise fund balance; the Kemper offer poses less risk to the City.

Councilmember Tam inquired whether Mr. Van Winkle has information on the other companies' ability to issue bonds, to which Mr. Van Winkle responded in the negative; stated when he called the other companies about operating the Mif, they offered the comments; that he has not investigated the companies' bonding ability; all run lots of big golf courses.

Councilmember deHaan stated a new process should not be started; Kemper put together data; that he has not seen the data; he would not make a decision until he sees the data; Council should be given the opportunity to review the existing information and the analysis of 27 versus 36 holes; that he does not need to negotiate with another party; he needs to understand the deal at this point.

Mr. Blake stated Kemper delivered the information to the previous Interim City Manager.

Councilmember deHaan stated the information should have been provided to the Council and Golf Commission.

Councilmember Johnson inquired when the first RFP was issued; stated Kemper has been operating the golf course for over 2 years.

The Acting City Manager responded July 2008.

In response to Councilmember Johnson's inquiry when the golf study was done, the Acting City Manager responded it was presented to Council in January 2008.

Councilmember Johnson stated the issue has been ongoing for over 3 years; money continues to be spent down; cutting the transfer money requires Police and Fire services to be cut; decisions are not easy; inquired how long completing the negotiations would take.

The Recreation and Parks Director responded 60 to 90 days.

Councilmember Johnson inquired whether staff cannot move forward until Council provides direction on the configuration, to which the Recreation and Parks Director responded in the affirmative; stated the Mif issue has been settled; the configuration is the only other thing.

Mayor Gilmore inquired what the upcoming agendas look like, to which the Acting City Manager responded there are a number of large items on February 1st; budget adjustments would be brought to Council on February 15th; both meetings are going to be quite lengthy; redevelopment would be discussed on February 1st.

Mayor Gilmore stated if the matter is put off to a later date, she would not be inclined to send it to the Golf Commission; she would be willing to have it come back to Council for a drop dead vote, which would give an opportunity for the back up information to be reviewed and discussed; a decision needs to be made.

Ms. Sullwold stated if the Golf Commission receives the information, a meeting could be held to allow the Commission to provide a written report to Council and e-mail questions to Mr. Blake.

Councilmember Tam stated that she thinks the compromise seems good; that she would like to see the plans Kemper submitted; the Council and Golf Commission should have the opportunity to review the information; questioned whether the matter could be placed on the meeting when redevelopment would be addressed.

The Acting City Manager responded the agenda for the February 1st meeting would be distributed in two days.

Councilmember Tam inquired whether the matter could be placed on February 15th, to which the Acting City Manager responded the meeting would be very late.

In response to Mayor Gilmore's inquiry about a date shortly thereafter, the Acting City

Manager responded March 1st is the next meeting.

Mayor Gilmore inquired whether the matter could be added to the March ARRA night, to which the Acting City Manager responded in the affirmative; stated that she would check to see if Kemper is available.

Mayor Johnson inquired whether a special meeting could be held, to which the Acting City Manager responded Council could be polled.

Councilmember Tam inquired whether February 16th would work.

Mayor Gilmore inquired whether the Clerk could poll for February 16th.

Councilmembers indicated availability.

Mayor Gilmore stated the preferred date is February 16th; March 2nd would be the alternate date depending on Kemper's availability.

Mr. Van Winkle inquired whether Wadsworth's attendance could be considered since the company is a critical member of moving forward.

In response to Mayor Gilmore's inquiry regarding a reason to do so, Mr. Van Winkle stated Wadsworth is going to advise Junior Golf how it will work, including renovation; renovation plans need to work together; waiting until March 2nd might allow Wadsworth to attend.

Mayor Gilmore stated Wadsworth could be invited either date.

Councilmember Tam suggested Mr. Van Winkle share the plans with Wadsworth.

Mayor Gilmore stated the Council direction is to bring the matter back on February 16th or March 2nd.

Ms. Sullwold inquired whether she could request that information on the Kemper proposal be provided to the Golf Commission, to which Mayor Gilmore responded in the affirmative.

Councilmember deHaan inquired whether more direction could be given on the information that would be provided back; that he is not sure everyone wants to go said direction, but both options [27 and 36 holes] should be reviewed; data would be provided to the Golf Commission; that he would like to understand what will happen to the other 9 holes if the 27 hole option is chosen; he wants to know costs and needs to understand water runoff; he wants said feedback at the next meeting.

Mayor Gilmore stated the direction to Kemper is to provide the details supporting what was presented tonight; Council is not asking for anything new.

Councilmember deHaan stated that he is asking for the information from staff, not Kemper.

Mayor Gilmore stated Kemper needs to let the City know when it is available and provide backup details.

The Acting City Manager stated information for both the 27 and 36 hole scenarios would be provided; further stated the Council would decide what to do with the land if 9 holes are closed; staff has options, not plans; the decision about whether or not to go with 27 holes needs to be decided before staff does a large amount of work.

Mayor Gilmore stated that she does not want staff to do so; Council just wants to know the amount of the hit to the Recreation and Parks Department budget.

The Acting City Manager noted staff could negotiate with Kemper to do the mowing.

ADJOURNMENT

There being no further business, Mayor Gilmore adjourned the meeting at 10:39 p.m.

Respectfully submitted,

Lara Weisiger
City Clerk

The agenda for this meeting was posted in accordance with the Brown Act.

UNAPPROVED

MINUTES OF THE SPECIAL CITY COUNCIL MEETING
TUESDAY- -FEBRUARY 1, 2011- -5:30 P.M.

Mayor Gilmore convened the meeting at 5:30 p.m.

Roll Call – Present: Councilmembers Bonta, deHaan, Johnson, Tam and Mayor Gilmore – 5.

Absent: None.

Speakers: Domenick Weaver, Alameda Firefighters; Jeff Del Bono, Alameda City Firefighters 689; and Lance Leibnitz, Alameda Police Department.

The meeting was adjourned to Closed Session to consider:

(11-043) Conference with Labor Negotiators; Agency negotiators: Joe Wiley, Craig Jory and Human Resources Director; Employee organizations: Alameda City Employees Association, Alameda Fire Managers Association, Alameda Police Managers Association, Alameda Police Officers Association, Alameda Police Officers Non-Sworn, International Association of Firefighters, International Brotherhood of Electrical Workers, and Management and Confidential Employees Association.

Following the Closed Session, the meeting was reconvened and Mayor Gilmore announced that the Labor Negotiators discussed bargaining issues related to the International Association of Fire Fighters and Council provided direction; Labor Negotiators discussed bargaining issues related to the Alameda Police Officers Association and Council provided direction.

Adjournment

There being no further business, Mayor Gilmore adjourned the meeting at 7:40 p.m.

Respectfully submitted,

Lara Weisiger
City Clerk

The agenda for this meeting was posted in accordance with the Brown Act.

UNAPPROVED

MINUTES OF THE REGULAR CITY COUNCIL MEETING
TUESDAY- -FEBRUARY 1, 2011- -7:00 P.M.

Mayor Gilmore convened the meeting at 8:28 p.m.

ROLL CALL - Present: Councilmembers Bonta, deHaan, Tam and Mayor Gilmore – 4.

Absent: Councilmember Johnson – 1.

AGENDA CHANGES

None.

PROCLAMATIONS, SPECIAL ORDERS OF THE DAY & ANNOUNCEMENTS

None.

ORAL COMMUNICATIONS, NON-AGENDA

(11-) Michael John Torrey, Alameda, presented a plaque to Mayor Gilmore.

(11-) Jenny Lee, Oakland, discussed problems with her use of the Library and submitted information.

(11-) Kathy Moehring, Alameda, discussed the West Alameda Business Association cutting the Executive Director position.

(11-) Adam Gillitt, Alameda, discussed correspondence received from the City Attorney's office being posted to a blog.

CONSENT CALENDAR

Mayor Gilmore announced that the Bills [paragraph no. 11-] and the Resolution Opposing the Governor's Proposal [paragraph no. 11-] were removed from the Consent Calendar for discussion.

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

Vice Mayor Bonta seconded the motion, which carried by unanimous voice vote – 4. [Absent: Councilmember Johnson – 1.] [Note: Mayor Gilmore abstained from voting on the Minutes.] [Items so enacted or adopted are indicated by an asterisk preceding the paragraph number.]

(*11-) Minutes of the Regular City Council Meeting Held on January 18, 2011.

Approved.

Mayor Gilmore abstained from voting on the Minutes.

(11-__) Ratified bills in the amount of $4,964,627.05.

The speaker withdrew his speaker slip.

Councilmember Tam moved approval of the bills.

Vice Mayor Bonta seconded the motion, which carried by unanimous voice vote – 4. [Absent: Councilmember Johnson – 1.]

(*11-__) Recommendation to Award a Contract in the Amount of $234,000 to Columbia Electric, Authorize a Twenty Percent Contingency to Implement the Woodstock to Webster Street Neighborhood Improvement Project, and Authorize the Acting City Manager to Execute the Contract and Related Documents. Accepted.

(*11-__) Recommendation to Award a Contract in the Amount of $185,831, including Contingencies, to Waterworks Engineers for the Preparation of Engineering Documents for the Upgrade of the City of Alameda Sewer Pump Stations, Phase 3: Bay Farm Island Pump Station Rehabilitation, No. P.W. 12-10-35. Accepted.

(*11-__) Resolution No. 14547, "Appointing an Engineer and an Attorney for Island City Landscaping and Lighting District 84-2. Adopted.

(*11-____) Resolution No. 14548, "Appointing an Engineer and an Attorney for Maintenance Assessment District 01-1 (Marina Cove)." Adopted.

(11-____) Resolution No. 14549, "Opposing the Governor's Proposal to Abolish Redevelopment Agencies in California." Adopted.

The Deputy City Manager – Development Services gave a brief presentation.

Councilmember Tam requested staff to address whether schools would benefit if redevelopment funds are not preserved.

The Deputy City Manager – Development Services stated currently, funding is based upon attendance; there is no direct relationship between property tax generated and how much money schools receive.

Councilmember Tam stated the 2010 budget reflects that the State took $2 million; the School District indicated it receives less money from the State; School Board Member Mike McMahon stated the State would have given the School District less money if the City gave the School District funding for the Woodstock Child Redevelopment Program.

The Acting City Manager stated the State would have withdrawn a proportionate amount of funding to the School District if the City was able to give the School District money for the Woodstock Child Redevelopment Program.

Speaker: Trish Herrera Spencer, Alameda; Gretchen Lipow, Alameda (submitted handout); Robb Ratto, PSBA; and Ashley Jones, Alameda.

Mayor Gilmore requested that redevelopment information be posted on the City's website.

Councilmember deHaan stated many funding streams and programs are in question at this time; mandated programs are fighting against social programs; the City has paramount projects moving forward; SunCal wanted $200 million for infrastructure to come from bonding.

Councilmember Tam stated that she and the Acting City Manager attended a briefing with Senator Loni Hancock and State Treasurer Bill Lockyer; the dire strait of the State's budget was discussed; the State budget will be in a downward spiral without job creation; the City is trying to position itself to attract the America's Cup, create infrastructure, and be competitive for the Lawrence Berkeley National Laboratory project; pitting one major important cause against another is unfortunate; Council is very supportive of the School District.

Councilmember Tam moved adoption of the resolution.

Vice Mayor Bonta seconded the motion, with the caveat to add language regarding the State's budget difficulty and some expression of support for exploring appropriate ways to resolve the issue.

Under discussion, Mayor Gilmore stated the Governor used redevelopment successfully in Oakland; proposing such a drastic cut is a little disingenuous.

Councilmember deHaan stated the climate is not getting better; the City cannot afford to lose the momentum.

On the call for the question, the motion carried by unanimous voice vote – 4. [Absent: Councilmember Johnson – 1.]

REGULAR AGENDA ITEMS

(11-__) Public Hearing to Consider Introduction of Ordinance Amending Sections 30-6, 30-36, and 30-37 of the Alameda Municipal Code to Improve the Design Review and Sign Ordinance Provisions for the City of Alameda. Introduced.

The Planning Services Manager gave a brief presentation.

Speaker: Chris Buckley, Alameda Architectural Preservation Society (AAPS).

Mayor Gilmore stated the window picture handout would be extremely useful.

Councilmember deHaan inquired how many AAPS recommendations have been incorporated in the ordinance, to which the Planning Services Manager responded all.

Councilmember deHaan inquired whether the suggested indexing would be worthwhile.

The Planning Services Manager responded the Guide to Residential Design needs an overhaul; stated staff would ensure internal consistency between the Guide and the ordinance.

Vice Mayor Bonta inquired whether staff disagrees with anything recommended by AAPS.

The Planning Services Manager responded staff needs to study the Secretary of Interior Standards section regarding the window replacement handout; stated a historic building would be held to a different standard; the Secretary of Interior Standards is an interesting document and is Statewide; an addition to a historic building should not look original so as not to create false historicism; the question is whether a bungalow window replacement designed to look the same would be considered false historicism.

Councilmember deHaan stated garages cannot mimic historical architecture.

Councilmember Tam stated some people do not think there is enough outreach to the realty community or to people who speak a second language; inquired how information could be provided.

The Planning Services Manager responded the Building Official provides newspaper articles; stated that he could co-write articles on things to consider when buying a home and on architectural preservation; effectively communicating in another language is very challenging.

Councilmember Tam stated ethnic media, such as the World Journal, would be happy to translate the article in a different language.

The Planning Services Manager stated staff would look into the matter.

Vice Mayor Bonta stated posting handouts in different languages on the website would be helpful; making the experience more pleasant, less time consuming, and simpler would be good; staff should continue to find ways to improve the experience.

The Planning Services Manager stated staff is starting to provide one-page handouts.

Mayor Gilmore stated packets should be sent to large realty companies; staff should

talk to head brokers because realty companies often have agents who specialize in older homes.

The Planning Services Manager stated the Community Development Department has a Customer Service Improvement Committee that is in the loop and can help.

Councilmember Tam moved introduction of the ordinance, with changes suggested by AAPS.

Councilmember deHaan seconded the motion, which carried by unanimous voice vote – 4. [Absent: Councilmember Johnson – 1.]

(11-___) Introduction of Ordinance Amending the Alameda Municipal Code by Adding Section 3-7 at Article I, (Finance) of Chapter III (Finance and Taxation), Regulating Holders of State Video Franchises. Introduced.

The Public Works Director gave a presentation.

Mayor Gilmore inquired whether funds could be used to upgrade the Chamber's audio equipment, to which the Public Works Director responded staff is looking into the matter.

The Acting City Manager stated the City Clerk's Office is putting forth a request to do some significant audio/visual upgrades; band-aids are not working.

Councilmember Tam moved introduction of the ordinance.

Vice Mayor seconded the motion, which carried by unanimous voice vote – 4. [Absent: Councilmember Johnson – 1.]

Vice Mayor deHaan stated AT&T is starting to provide internet services.

The Acting City Manager stated staff has a conference call scheduled tomorrow with AT&T to discuss broadcasting the public channel.

The Public Works Director stated the City has received its first franchise check from AT&T in the amount of $200.

Councilmember deHaan stated Comcast has a local studio in Hayward; having AT&T provide a local studio would be nice.

The Public Works Director stated the State issues franchises; providing a local studio is no longer required.

CITY MANAGER COMMUNICATIONS

(11-___) Overview of SB 375, the Regional Sustainable Communities Strategy and the Opportunities for Involvement by the City of Alameda

The Planning Services Manager gave an overview of the regional process.

Councilmember Tam stated SB 375 has become a very controversial issue with the League of California Cities; inquired how the City would meet regional goals and obligations under the Sustainable Communities Strategy in light of the status of Alameda Point; stated the City does not have a certified Housing Element.

The Planning Services Manager responded Alameda Point and regional planning efforts are happening simultaneously; stated planning Alameda Point will be easier once the State regional housing numbers come out; Alameda Landing is entitled; the Northern Waterfront is more difficult to predict; Alameda Point is the big issue; all processes are in the same timeframe.

Mayor Gilmore stated the City has always felt that the Association of Bay Area Government's (ABAG's) obligated number has been disjointed; the new process allows more input.

The Planning Services Manager concurred with Mayor Gilmore; stated Oakland understands how housing in Alameda would affect its transportation system.

Mayor Gilmore inquired when the City's next Housing Element would be due, assuming the process stays on schedule.

The Planning Services Manager responded that he is not sure; stated the current cycle is for 2007-2014; the City will not know its allocation until late 2012 or early 2013 and cannot start the process without knowing said allocation.

Vice Mayor Bonta stated the City has a current allocation but does not have a certified Housing Element; having a certified Housing Element should be a priority.

The Planning Services Manager stated the Planning Board has requested a status report; a draft Housing Element has been prepared and has been sent to the State.

Councilmember deHaan inquired whether ABAG came back with a modified position.

The Planning Services Manager responded the housing allocation for the current cycle is approximately 2,000 units which is about as aggressive as the last cycle; stated the number of units is not the tough issue; the issue is affordability; 1,000 of the 2,000 units have to be affordable; the change between the 1993 Housing Element and the current Housing Element is that the State assumes affordability would be possible with 30 units; by nature, high density housing is affordable.

Councilmember deHaan stated 2,000 homes is not that aggressive considering the

Northern Waterfront, Alameda Point, and Alameda Landing.

The Deputy City Manager – Development Services stated the 2,000 units is for 2007-2014.

The Planning Services Manager stated the City has always been able to show that it has land; affordability is the issue.

Councilmember deHaan inquired whether all County cities are seated and participating in the new process, to which the Planning Services Manager responded in the affirmative.

(11-__) Presentation on Redevelopment Funding

The Deputy City Manager – Development Services gave a brief presentation.

ORAL COMMUNICATIONS, NON-AGENDA

None.

COUNCIL REFERRALS

None.

COUNCIL COMMUNICATIONS

(11-__) Consideration of Mayor's Nomination for Appointment to the Planning Board.

Mayor Gilmore nominated Charles Patrick Wallis for appointment to the Planning Board.

(11-__) Mayor Gilmore gave a report on her trip to Washington D.C. to attend the U.S. Conference of Mayors.

(11-___) Councilmember Tam gave a report on the Environmental Quality Policy Committee, the ABAG presentation on the 50th anniversary, the League of California Cities East Bay Division meeting, and a briefing given by Senator Loni Hancock and California Treasurer Bill Lockyer.

ADJOURNMENT

(11-___) There being no further business, Mayor Gilmore adjourned the meeting in memory of former School Board Member Berresford Bingham at 10:23 p.m.

Respectfully submitted,

Lara Weisiger
City Clerk

The agenda for this meeting was posted in accordance with the Brown Act.