Alameda Reuse and Redevelopment Authority
Memorandum

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

From: Lisa Goldman
Acting Executive Director

Date: February 2, 2011

Re: Provide Direction on Key Aspects of Response to Lawrence Berkeley National Laboratory's Request for Qualifications for a Second Campus at Alameda Point and Approve Issuance of a Request for Qualification for Developers

BACKGROUND

The Lawrence Berkeley National Laboratory (LBNL) has issued a Request for Qualifications (RFQ) to property owners for a second campus to consolidate current programs that are located in leased space throughout the East Bay, and to prepare for long-term growth (Second Campus). The Second Campus will consolidate approximately 480,000 square feet of laboratory and office space in the first phase of development (Phase 1). The Second Campus must also have the development capacity for approximately two million gross square feet for future research and development facilities to meet LBNL's long-term needs during the next 30 to 50 years.

The Alameda Reuse and Redevelopment Authority (ARRA) has assembled an inter-departmental team to prepare the ARRA's response to the RFQ, led by the City Manager's Office with collaboration from Economic Development, Community Development, Public Works, and Alameda Municipal Power. Staff is also working closely with planning, civil engineering, geotechnical engineering, and environmental consultants to prepare the response to the RFQ.

DISCUSSION

Staff requests that the ARRA provide direction on four key aspects of the ARRA's response to the RFQ: site location, planning guidelines, financial incentives, and a request for qualifications for developers.

Site Location

Staff has identified an approximately 50-acre site in the southern portion of Alameda Point as the most competitive location for meeting LBNL's stated space and locational requirements for a Second Campus (Proposed Site) (Exhibit 1). As depicted on Exhibit 1, Phase 1 is proposed for the southwest corner of the Proposed Site, along Ferry Point Road between West Hornet Avenue and West Ticonderoga Avenue.

Staff selected the Proposed Site based upon the following considerations and criteria:

- The Proposed Site is not constrained by land use or development restrictions imposed by Tidelands Trust, the Wildlife Refuge Buffer, the Naval Air Station Historic District and the 100-year flood zone.

- The General Plan and zoning designations for the Proposed Site are consistent with the plan for the Second Campus. No General Plan amendment or zoning amendments will be necessary to develop the Second Campus at Alameda Point.

- The Proposed Site is immediately adjacent to, and compatible with, the Maritime Administration (MARAD) fleet operations at the piers in the southern portion of the property and the proposed Water Emergency Transportation Authority's (WETA) Central Bay Maintenance and Operation Facility.

- The Proposed Site allows for a land use transition and "buffer zone" between the Second Campus and the residential neighborhoods east of Main Street.

- The Proposed Site is strategically situated near the waterfront to provide the Second Campus with dramatic water views, as well as access to existing and proposed recreational uses, including the Bay Trail, that the RFQ identified as priorities for an ideal Second Campus location.

- The Proposed Site provides easy and direct access along Pacific Avenue to restaurants, retail stores and hotels along Webster Street for future use by LBNL employees and visitors. Additionally, as the remainder of Alameda Point redevelops, LBNL employees will have the opportunity to walk to restaurants, retail facilities, and hotels at Alameda Point.

- The Navy anticipates completion of environmental remediation at the Proposed Site in time to meet the construction timelines contained in the RFQ.

Staff requests that the ARRA approve the proposed site location for the Second Campus.

Planning Guidelines

As part of the ARRA's response to the RFQ, staff intends to outline clearly any planning guidelines LBNL should be aware of in planning for its development. Staff requests that the ARRA Board confirm the following planning assumptions:

1. Planning Entitlement Process: The ARRA will work with LBNL to establish long-term entitlements for full buildout of the Second Campus over a multi-year period. The process would allow for approval of entitlements for the full two million square feet of development and of pre-determined design standards for each

new building. Conformity with the pre-determined architectural and site planning design standards would be subject to Planning Board review and approval. This process would be similar to the planning process for new campus developments at the Harbor Bay Business Park.

2. Building Heights: The existing zoning height limit is 100 feet (approximately 9 stories), but building heights should be limited primarily to three to four stories, with the possibility for one or two "signature" buildings of five to six stories in height. These building heights are compatible with the four and five story high MARAD fleet ships and the USS Hornet, which are 93 feet from the waterline.

3. Parking: The first phase of the project is proposed to include surface parking spaces, with subsequent phases of the Second Campus to include structured parking to minimize the amount of land needed to accommodate LBNL's long-term employee parking needs.

4. Public Improvements: Street and infrastructure improvements will be needed to accommodate and serve the Second Campus. Staff envisions a main entrance at Main Street and Pacific Avenue, with street improvements from that intersection into the Second Campus.

Staff requests that the ARRA approve the proposed planning guidelines for the Second Campus.

Financial Incentives

The RFQ requests that respondents describe potential financial incentives that may be offered for selection of the Proposed Site from the City, County, State, utilities, etc. Staff recommends that the ARRA offer the Proposed Site at no cost to LBNL because of the many direct and indirect public benefits that will accrue to the City from the Second Campus at Alameda Point, including:

- A significant catalytic effect on the redevelopment of Alameda Point and Alameda Landing;
- Spillover demand for office and lab space at Alameda Point and in local business parks;
- New administrative, managerial and advanced degree positions and wages in the clean tech and life sciences fields with approximately 800 employees expected in Phase I; and
- Local spending by LBNL employees with increases in local retail sales.

Other financial incentives, such as fee waivers, tax rebates or reduced planning fees, would remain subject to negotiations with LBNL as part of future discussions.

Staff requests that the ARRA approve the financial incentive of offering the Proposed Site to LBNL for the Second Campus at no cost.

Developer RFQ

The LBNL RFQ for a Second Campus anticipates that short-listed respondents will engage an entity with appropriate development experience to participate in the detailed negotiations and construct infrastructure and building facilities required for the Second Campus. In response to this request, staff has prepared an RFQ for Developers with experience relevant to the proposed Second Campus development in the event that Alameda Point is short-listed (Exhibit 2).

Staff requests that the ARRA approve issuance of the attached RFQ for Developers.

Next Steps

Timeline for Decision-Making Process for LBNL Second Campus:

City Council to Approve Resolution of Support for LBNL Second Campus at Alameda Point	February 15, 2011
Responses Due	March 4, 2011
Site Selection (Short List)	April 2011
Site Selection (Detailed Negotiations)	June 2011
Preliminary Development Agreement	September 2011

Timeline for ARRA's Selection of Development Team for LBNL Second Campus:

ARRA Issuance of Developer RFQ	February 3, 2011
Responses Due	March 3, 2011
Staff Interviews	March 15, 2011
Selection Recommendation to ARRA	April 12, 2011

FINANCIAL IMPACT

The University of California (UC) intends to finance the development of the site. However, UC will also consider third-party financing, or a combination of public and private financing, if such financing would be more beneficial. It is expected that the City would receive many direct and indirect benefits from the Second Campus at Alameda Point. As a public institution, a Second Campus at Alameda Point will not generate any property or sales tax revenue for the City. The City anticipates that producing its

response may cost between $20,000 and $25,000, which will be paid through the existing ARRA budget.

MUNICIPAL CODE/POLICY DOCUMENT CROSS REFERENCE

1. The Naval Air Station Alameda Community Reuse Plan (1996) calls for the creation of a mixed-use, sustainable development at Alameda Point, including an emphasis on significant job creation.

2. The Alameda Point General Plan Amendment (2003) encourages a mixed-use development, which includes over two million square feet of commercial development.

3. The City's Economic Development Strategic Plan (2000 and 2006) Strategy #1 is the creation of industrial and office jobs.

RECOMMENDATION

1. Provide direction on key aspects of response to Lawrence Berkeley National Laboratory's Request for Qualifications for a Second Campus at Alameda Point.

2. Approve issuance of a Request for Qualification for Developers

Respectfully submitted,

Jennifer Ott
Deputy City Manager

By:

Eric Fonstein
Economic Development Department
Development Manager

Exhibits:

1. Proposed Site for Second Campus at Alameda Point
2. Request for Qualifications for Developers for LBNL Second Campus at Alameda Point