



Photo source: Maurice Ramirez



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# Disposition Strategy for Properties in Reuse Area of Alameda Point

January 20, 2026



# Study Session Objectives

- Review 2023 Reuse Area Disposition Strategy Background and Goals
- Share Updated Information on Master Infrastructure Plan and Disposition Strategy
- Seek Feedback on Recommended 2026 – 2027 Disposition Strategy Work Plan

New infrastructure and sold buildings on West Tower Avenue

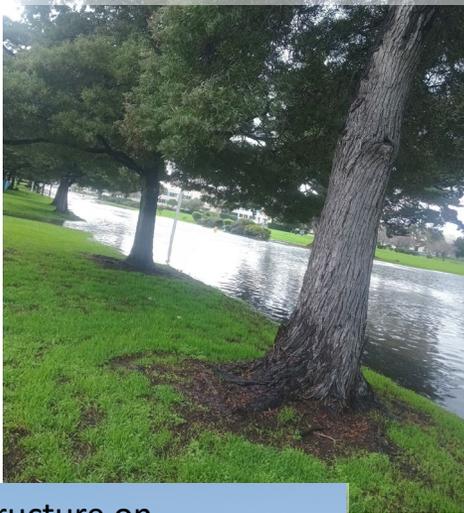


# Master Infrastructure Plan (MIP) Background

Outdated Infrastructure Being Removed



Flooding During "Super" King Tide Jan 2026



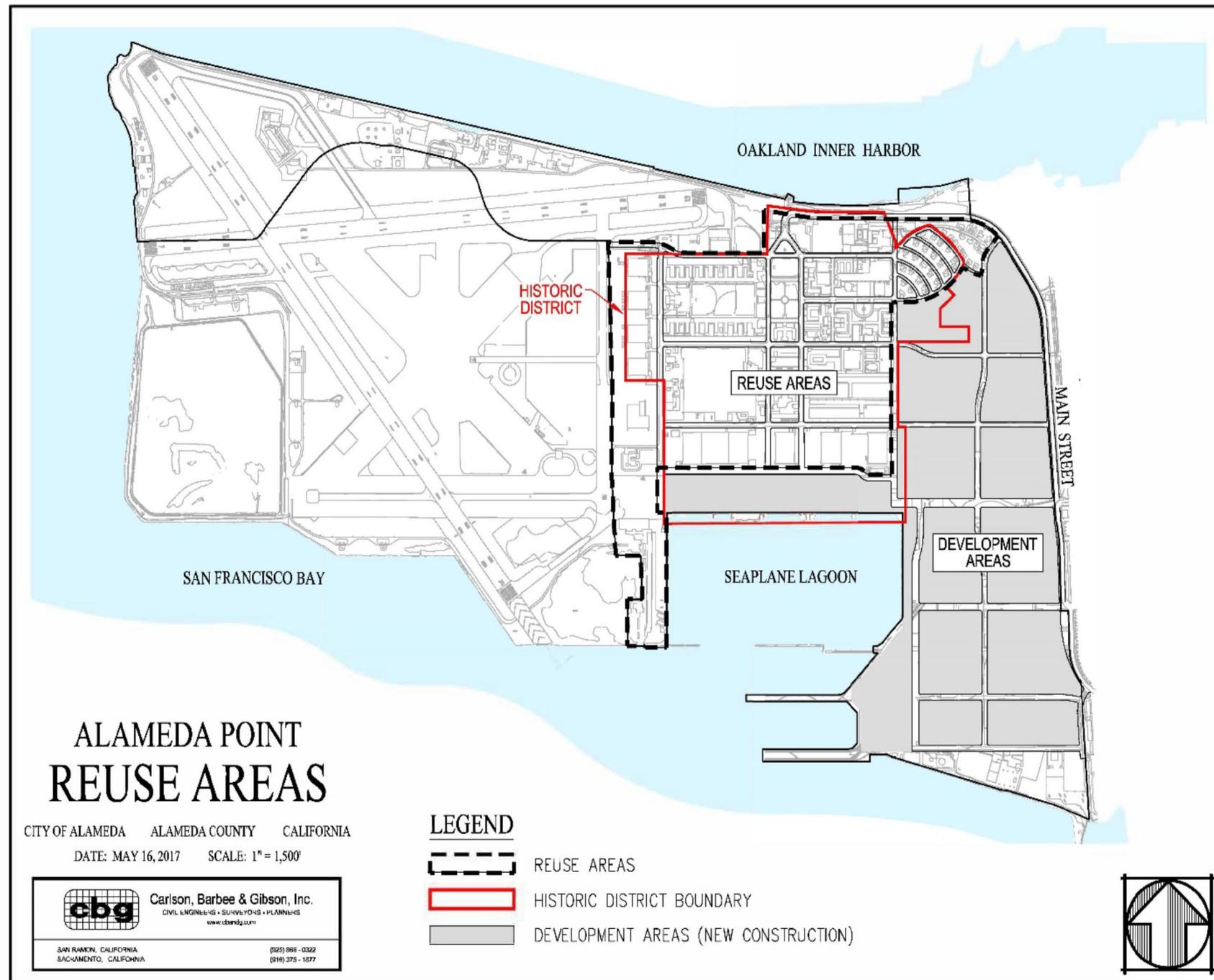
New Backbone Infrastructure on Saratoga Street



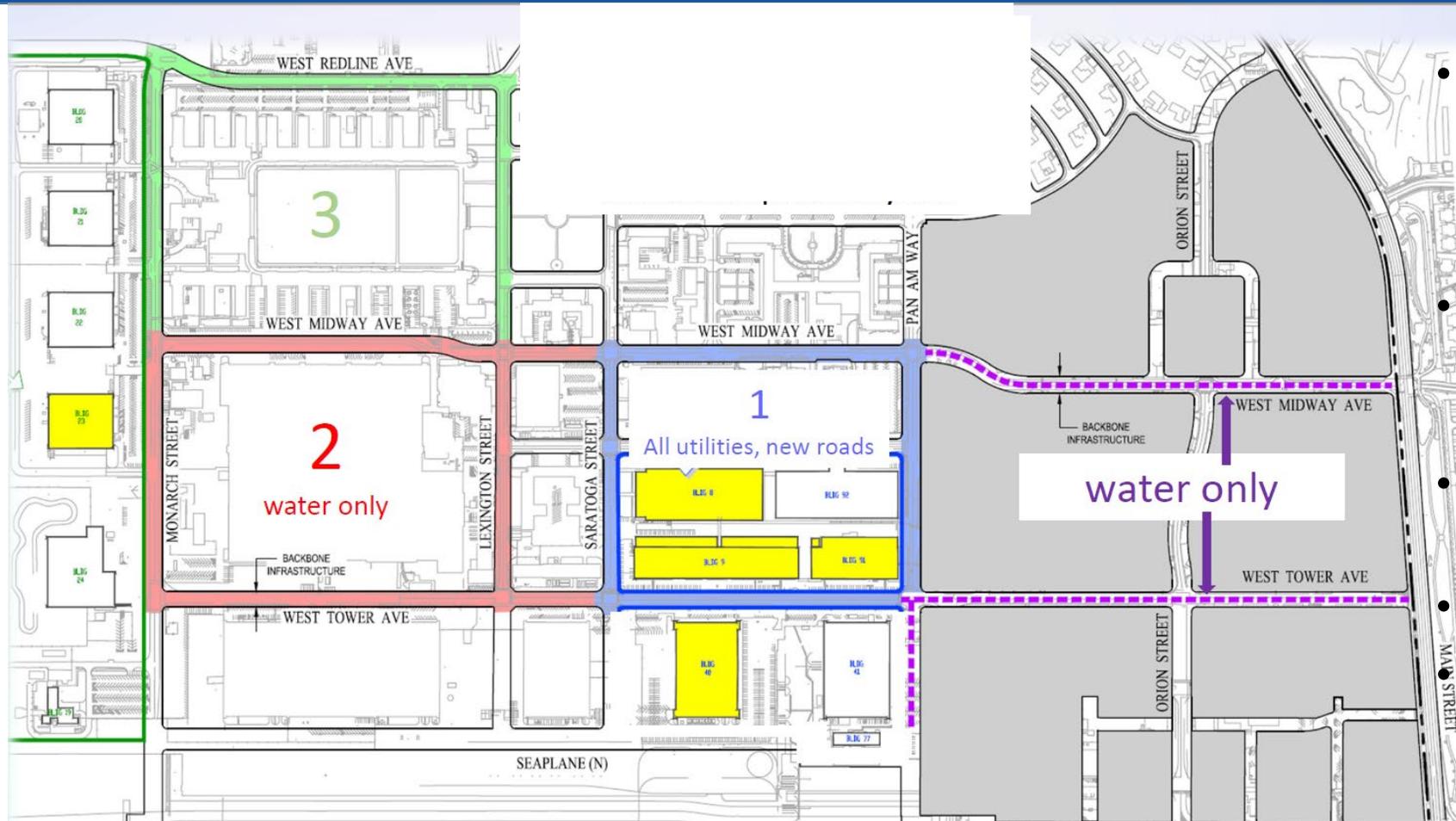
- **Replace Aging Infrastructure:** Water, sewer, power, stormwater, and roads require replacement, as called for in the MIP.
- **Invest in New Adaptation Infrastructure:** Sea and ground water level rise adaptation needs, bioswales
- **Other Complete Community Needs:** Parks, open space, recreational needs, multimobility needs (bike lanes, transit stops, sidewalks and lighting, bulb outs, shared parking areas)
- **Construction Phasing:** Plan improvements in connected phases to support system continuity and reduce disruption.
- **Overall Cost Estimates:** nearly \$900 million as of 2025, up from approximately \$700 million in 2020.

# Reuse Areas vs. Development Areas

- **Master developer-led infrastructure replacement in “Development Areas”**
  - Infrastructure as consideration for land
- **City-led infrastructure replacement in “Reuse Areas”**
  - Funded primarily through cumulative sale of individual, smaller properties
  - City leads on building infrastructure

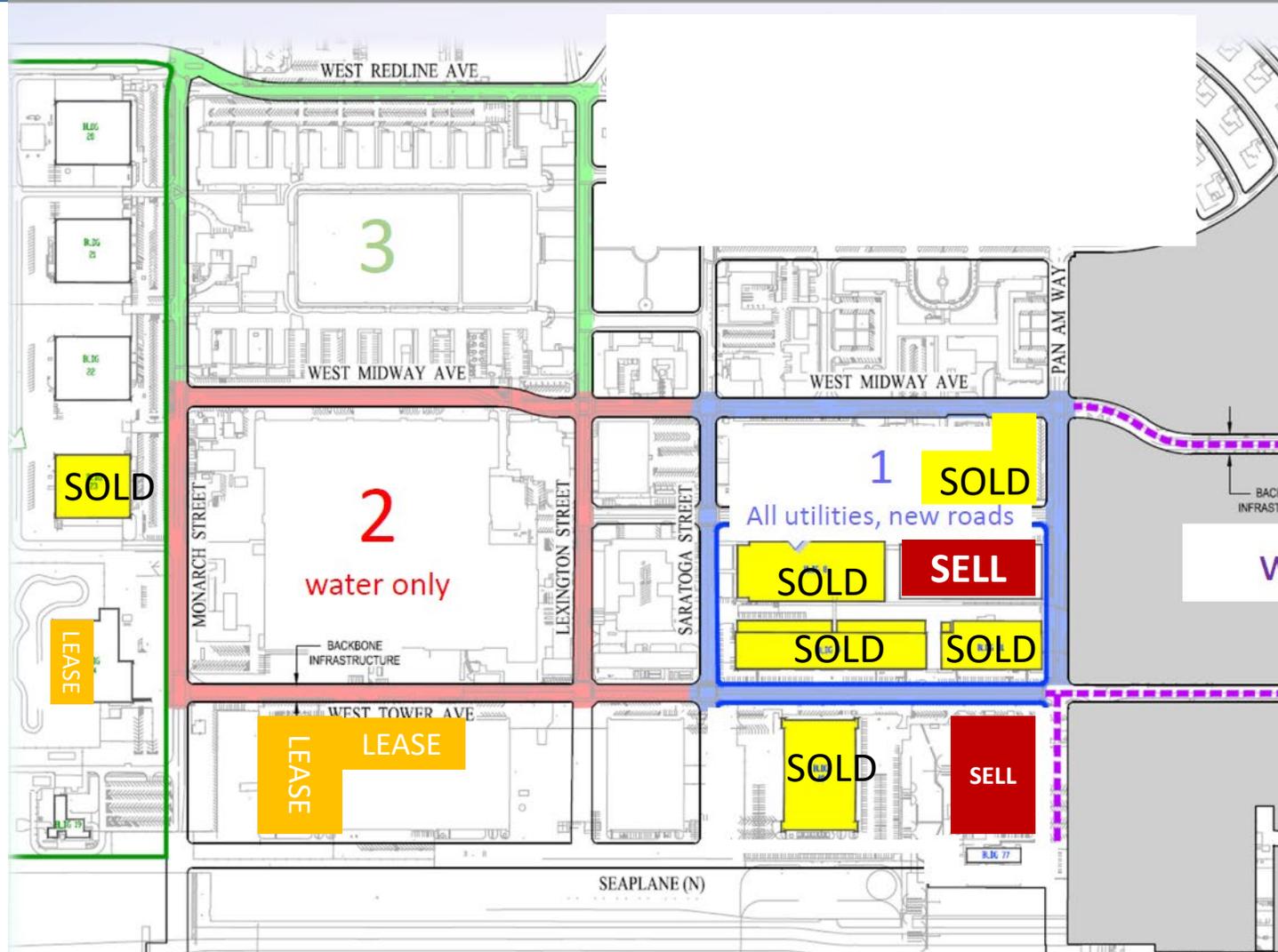


# Master Infrastructure Plan Planned Phasing in Reuse Area



- Phasing Plan from East Bay Municipal Utility District (EBMUD) 10-Year Water Infrastructure Agreement (2017-2027)
- West Midway Ave & West Tower Ave. Water lines from Main Street to PanAm Completed
- Reuse Phase 1 Backbone Streets Completed
- Reuse Phase 2 Water Completed
- West Midway Ave street improvements underway by Catellus (developer)

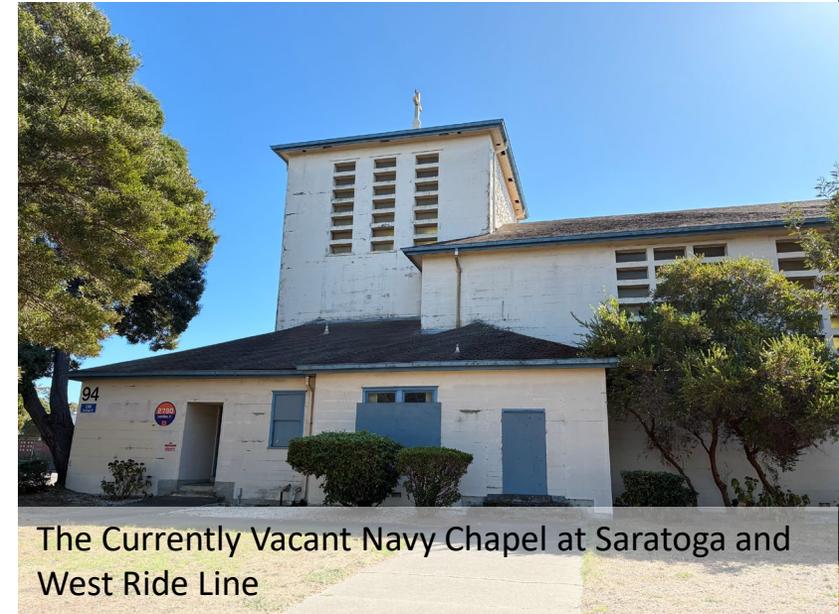
# 2023 Disposition Strategy Goals



- **Maximize land value and sale proceeds by selling adjacent to new infrastructure**
- **Retain high-value leasing assets until operational costs are reduced - continue leasing of hangars until adjacent backbone infrastructure has been completed**
- **Maintain flexibility - provide ability to be nimble, opportunistic**

# Alameda Point Funding & Revenue Context

- Conveyance agreement with Navy requires all proceeds from lease or sale in Alameda Point “to support long term job creation and the economic redevelopment of, or related to the Property” until 2037.
- City accounts for revenues and expenses in separate funds (Fund 290 and 291)
- City and property management expenses are covered by ongoing lease revenues.
- Sales of land to cover infrastructure costs.
- **It will be important to manage / reduce City operating expenses as lease revenues decrease, and balance sale of vacant and leased buildings.**



The Currently Vacant Navy Chapel at Saratoga and West Ride Line

# New Infrastructure Considerations

- Phase 2 backbone loop is estimated to cost **\$43 million**
  - This is the City's revenue target for short term property sales
- EBMUD Infrastructure Agreement Expires in 2027
  - This agreement allows the City to sequence land sales before infrastructure, a critical strategy given our funding constraints
  - City will need to negotiate a new agreement within the next year.



Storehouse Lofts and Adjacent New Backbone Street



# Disposition Updates Since 2023

- Construction costs are increasing faster than land values.
  - At **\$900 million**, the City would have to sell its land at **\$2.55 million per acre** on average to implement the MIP.
  - Negotiated sales price for Pacific Fusion deal was **\$2.25 million**.
- Many City-owned buildings in need of major investment, affecting land value.
- Lease revenues are insufficient to address the large-scale deferred maintenance on some buildings.



Building 16 currently vacant

Contractors repairing a hangar roof

Photo source: Courtney, Inc.

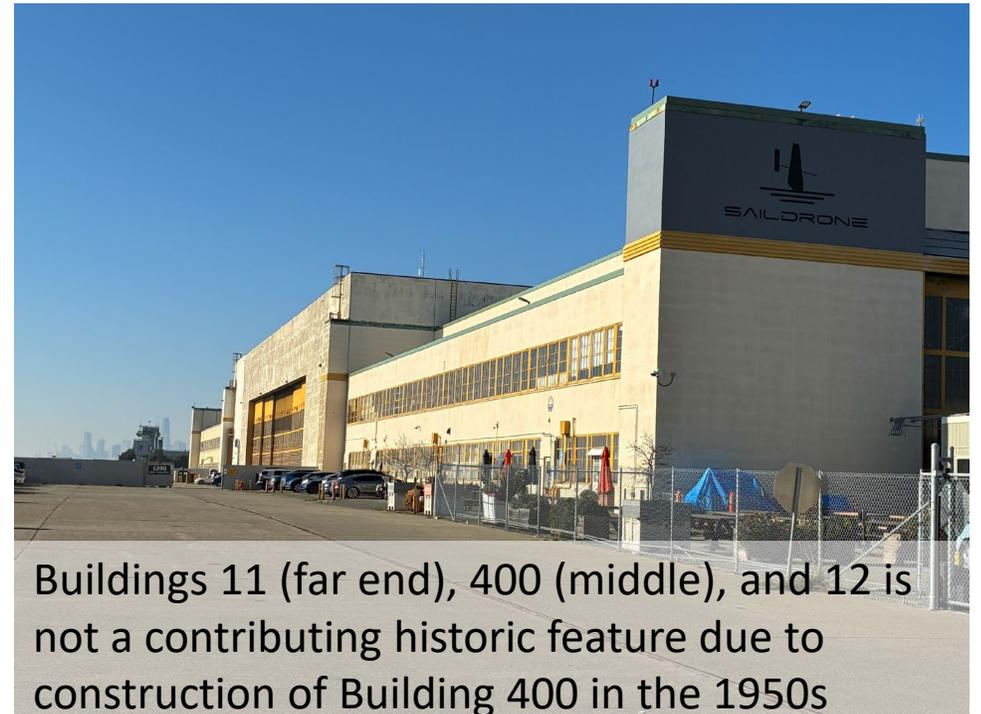
# Disposition Updates Since 2023: Building 41 (650 West Tower Ave)

- 118,000 sq ft hangar with 50' clearances at highest value location in Alameda Point
- 30,000 sq ft short term lease to Deep Ocean Explorer expires this fall
- Owned by Navy, part of next anticipated phase of conveyance ("Phase 3C")
- Navy completing PFAS Remedial Investigation; expect report by mid-2025
- Anticipate late 2027 conveyance, depending on PFAS findings
- **Staff recommends initiating RFP for long term lease with purchase option in 2026**



# Disposition Updates Since 2023: Building 11, 400, 12 Complex

- On Phase 2 infrastructure loop, has new water
- Building 11 – 110,000 sq ft hangar listed since 2022
- Building 12 – 110,000 sq ft hangar in long term lease to Saildrone
- Building 400 – 126,000 sq ft hangar partially leased to Saildrone and Google
- 400 owned by Navy (Phase 3C conveyance)
- Some of complex needs roof replacement; staff and tenants completing interim repairs as appropriate
- **Staff recommend advancing long term lease and sale of this complex in 2026-2027 due to building condition and market interest**



Buildings 11 (far end), 400 (middle), and 12 is not a contributing historic feature due to construction of Building 400 in the 1950s

# Disposition Updates Since 2023: Bachelor's Enlisted Quarters

- The BEQ complex consists of five buildings on 21 acres with around 500,000 SF of floor area, remains largely vacant
- Historically contributing structures and landscape
- Zoning flexible, allows for residential
- Building 2, south side, is on new water
- Frequently vandalized and requires high levels of property management
- Due to size, complexity, this will be similar to development deal vs simple sale
- **Staff remain open to offers on this property; pursue request for interest in 2027**



Photo courtesy of Maurice Ramirez

# Recommended 2026-7 Disposition Strategy Work Plan

**Continue to implement general goals of 2023 Disposition Strategy with the following specific activities:**

- Advance potential **sales in the Phase 1 loop** of Buildings 92, 7, and lot 101/114
- **Building 41:** Issue a Request for Proposals for a long-term lease with purchase option
- **\$43 Million:** Benchmark sales revenue target from these transactions. Explore other funding and financing options with City Council if this benchmark seems unachievable due to market conditions.
- **Lease** the other hangars on Monarch Street
- **Be open and opportunistic** if other offers come along that advance the goals of the Disposition Strategy

# Recommended 2026-7 Disposition Strategy Work Plan Additions

In addition to the core goals pursue the following additional activities:

- Explore potential long term lease & sale of the **Building 11/400/12 complex** in the Phase 2 loop
- Explore options for the **BEQ complex (Buildings 2, 3, 4)** in 2027
- Advance negotiations on a new agreement with EBMUD before the current one expires in 2027



# Questions / Feedback