

**DRAFT MINUTES OF  
THE MAYOR'S ECONOMIC DEVELOPMENT ADVISORY PANEL (EDAP)  
REGULAR MEETING OF DECEMBER 13, 2023  
6:00 PM**

**1. CALL TO ORDER**

Chair David Mik called the meeting to order at 6:03 p.m.

**2. ROLL CALL**

Attendance: Chair Mik (remote), Eva Jennings (remote), Adam Elsesser, Brock Grunt, Debi Stebbins, Warren DeSouza, Madlen Saddik, Vice Chair Gia Schneider

Absent: Dan Poritzky, Mike Rose

City Staff: Lois Butler (secretary), Abby Thorne-Lyman, Annie Cox, Eric Fonstein, Jennifer Ott

**3. MINUTES**

**3-A Review and Approve June 22, 2022 Draft EDAP Minutes (2023-3626)**

A motion to accept the minutes as presented was made by Panel Member Madlen Saddik and seconded by Panel Member Brock Grunt. Nays: none. The motion passed 8-0.

**4. ORAL COMMUNICATIONS – PUBLIC**

Remote participant Louis Quadro of California Life Sciences began his comments by referencing Exhibit 5 from the city's Economic Development Strategic Plan, which identifies the life sciences sector as one of the six key industries for future growth. Strategies outlined in the report focus on marketing Alameda's advantages for life science businesses to compete for a greater share of the region's growth in this sector, removing regulatory barriers to growth and deepening the networks of local and regional business investors in Alameda.

Mr. Quadro said in Alameda County, the life sciences industry is an economic engine that employs nearly 28,000 people with an average annual income of approximately \$165,000. Together, the life science research, testing and medical laboratory sector saw a 15 percent growth in average wage and an 11.4 percent growth in employment from 2020-21.

He said the use of animal testing for drug, medical devices, vaccines, and chemical development products, which have been heavily discussed, is a critical component of research and development for the life science sector. For decades, the industry has worked to significantly reduce or replace animal use in new therapies whenever possible and refine the methods and treatments of animals.

Although new technologies have emerged as alternatives to animal studies, Mr. Quadro said there are still federal regulatory requirements that the biosciences industry must meet. While industry cannot eliminate the use of animals in research, it adheres to rigorous ethical guidelines governing the use of laboratory animals, including review of all activities by institutional animal care and use committee, the public health service, and U. S. regulations. Although a company may not initially conduct animal testing, it is critically important that it be available as an option, if required, as a condition of federal approval of new therapies.

He cautioned that the city's creation of policies to restrict animal testing within city-owned properties is in direct conflict with the city's economic development strategies plan and the ability for life sciences companies to flourish in Alameda. Alameda's life sciences industry is invested in its community—many of these companies are born here—and they want to remain committed, thoughtful leaders and be companies that the community is proud to have in its neighborhood. The biosciences industry changes lives for the better and with its cutting-edge innovative life-saving therapies. Mr. Quadro said to ensure the industry continues to thrive in the community, he asks decision makers to consider these factors prior to implementing limitations around the use of city-managed properties.

## 5. NEW BUSINESS

### 5-A Status Report on Implementation of the City of Alameda's COVID-19 Economic Recovery Plan (2023-3652)

Mr. Fonstein said the report was presented for information only, but that he was available to answer any questions.

Clarifying questions: none.

Discussion: none.

A motion to accept the status report was made by Panel Member Grunt and seconded by Panel Member Saddik. Nays: none. The motion passed 8-0.

### 5-B Discussion of Use Priorities for Alameda Point: Buildings 41, 92, 24 and 11 (2023-3653)

Attachments: [Exhibit 1 - Presentation](#)  
[Exhibit 2 - Alameda Point Occupancy Profile](#)  
[Exhibit 3 - Building Fact Sheets](#)  
[Exhibit 4 - Keyser Marston Associates Report: Alameda Point Reuse Area Disposition Framework Analysis](#)

Director of Base Reuse and Economic Development Department (BREDD) Abby Thorne-Lyman presented the use priorities along with John McManus of Cushman and Wakefield and David Doezema of Keyser Marston Associates, who are the city's technical subject matter experts for issues associated with the topic.

City intends to lease or sell at least four buildings in Reuse Area in next 18 months. BREDD seeks EDAP feedback on high level priorities for selection and negotiation process.

Background – Development vs. Reuse Areas

- Master Infrastructure Plan: Defines different implementation approaches due to site characteristics and constraints
- Reuse Areas: Building sales will fund infrastructure
- Development Areas: Infrastructure funded by new development

After her completion of the background part of the presentation, Ms. Thorne-Lyman opened the floor for questions.

Panel Member DeSouza asked about how the \$700 million estimated cost for infrastructure needed was arrived at and if there's any other way (agencies, redevelopment money) to fund any of the infrastructure.

David Doezema responded that the infrastructure plan was developed by an engineer on behalf of the city, and it includes the development and reuse areas. He also added that infrastructure is not only streets, but public parks as well. The funding source for the development areas is primarily the sale of buildings. There might be some grants, too, that come in later but that's not part of the plan.

Panel Member Grunt said that the intent from the presentation seems to be to sell Buildings 41 and 92 first to the same developer/interested party or to sell them separately. Ms. Thorne-Lyman responded that Building 92 is likely to be ready to be put on the market before Building 41 because Building 41 has yet to be conveyed to the city by the Navy but should be in 2024.

Building 92 is where the Alameda Food Bank is currently located but Ms. Thorne-Lyman said BREDD is planning to go to City Council in January 2024 to get approval to move Food Bank across the street so a building swap can be done so they can be vacated and ready. The buildings are not contiguous to each other, so it is not likely that they will be bought by one developer. Ms. Thorne-Lyman said she didn't see any benefit for the purchasing of both buildings. However, she noted that across the street from Building 92 there is land that's marked on the map as Building 114 where a building is partially burned out and there is a place where a building used to be that is labeled as Building 101. BREDD is exploring if there would be a benefit to providing both for sale to a private developer. And, once Building 92 is sold, that entire block would be private said Ms. Thorne-Lyman.

Panel Member Grunt asked what the city's thoughts are about the potential use of the buildings, or should it be left up to the tenants, buyers and developers?

Ms. Thorne-Lyman said that part of the question before the EDAP is whether in the potential sale of building 92 or 41, should use even be a factor? Part of it is a policy question.

### **Clarifying Questions**

Chair Mik asked whether these are going to be short-term leases so you have options, or will the city look for longer term leases where the developer might put some money into the building? John McManus said he thought with Building 92, the city is anticipating a straight sale. On Building 41, he said the plan is to offer a long-term lease with an option to purchase once the building has been conveyed from the Navy. And he said most buyers would want to exercise the option to purchase. To attract capital investment, the city would need to offer a 10- to 20-year lease with an option to purchase.

Vice Chair Schneider asked if Buildings 11 and 24 would be looking at shorter- or longer-term leases? Ms. Thorne-Lyman said the city would be open to either one at this point, depending upon the benefits to the city.

Vice Chair Schneider and Panel Member DeSouza agreed Building 11 is one that can be leased without any work needing to be done, given its condition.

Panel Member DeSouza asked Mr. McManus about the price per square foot to sell buildings. Mr. McManus said city had an offer in 2022 for Building 11 for \$25 million, or about \$220 per square foot.

Panel Member DeSouza said that given there are no life sciences companies presently located at Alameda Point, what are barriers and challenges to getting life sciences there? Ms. Thorne-Lyman said the City Council at its October 17 meeting expressed its ethical concerns about animal testing on city property around the potential lease of Building 11 to Science Corp. and generally within the city. The City Council's concerns were particularly on city-owned land; it was not about animal testing in the city. It was about animal testing on publicly owned land. Life science companies are welcome, as long as there are no animals involved, said Ms. Thorne-Lyman.

Panel Member Elsesser said that it's rare that life science companies run their own labs on site. They usually contract with licensed labs to conduct their testing, which have to be certified—and are regulated—by the government.

Vice Chair Schneider asked if there has been much interest in leasing space from life science companies at Alameda Point. Mr. McManus responded that there haven't been partially because they'd probably need to build a new building given all the needs of such a business, cleanliness of the facility, etc.

Ms. Thorne-Lyman listed the staff initial recommendations in her presentation. Add goal to Disposition Strategy focused on Economic Development priority sectors No animal testing on public land, but other life science uses welcome.

- Consider the Geographic Context of Individual Buildings  
Consider more “people-dense” uses in core mixed use area
- Reinforce Spirits Alley along Monarch Street
- Outlying areas for R&D / Innovation (less “people intensive,” allow for noisier, messier types of research)

#### **Possible Priorities for Leasing / Sales**

- **Financial return**
  - Highest financial offer
  - Greatest capital improvements to building
  - Stable tenant as demonstrated by longevity, access to capital, other measures of financial strength
- **Economic contributions to Alameda Point or City**
  - Expand local Alameda businesses
  - Focus on Economic Development Strategic Plan clusters

- Innovation
- Job growth or Quality (number / concentration, or type (eg middle skill))
- Small / independent woman-owned / minority-owned businesses
- **Placemaking and Community Benefits**
  - Active retail / consumer presence
  - Nonprofits / businesses with social or environmental mission

Ms. Thorne-Lyman said we are asking Panel Members how you would weigh these factors and maybe there are other major goals you have which are not represented here? Is it just about financial return for the city or is it also about use?

### **Prioritization Exercise**

**What role do you see Reuse Area playing in bolstering the City's goals?**

**What do you envision are the greatest priorities to the City when leasing/selling buildings in the Reuse Area?**

- Financial Return
- Financial Strength / Risk
- City Economic Contributions
- Placemaking & Community Benefits
- Other

**How would you evaluate a proposal from a lessee or investor, to ensure the City achieves its priorities?**

**Other recommendations on the evaluation and selection process?**

### **Chair Mik continued with Clarifying Questions**

Panel Member Debi Stebbins asked about the three sale properties, which are large buildings (92, 41, and 114). Given that they are adjacent to the future residential developments, does it make sense to try to attract people-dense users to such a large space? Does that put them in conflict with one another: finding a people dense use for a large space, unless multiple companies are within that large space? Is it realistic to sell to a job-dense kind of target? Ms. Thorne-Lyman said these are not sub-divided spaces but people-dense spaces would require it. Panel Member Stebbins commented, so, for example, you could see a retail development there, but it might almost be sold to a sub-developer there who would develop it into multiple retail spaces. Ms. Thorne-Lyman said she could see a need for more retail at Alameda Point. She said she didn't think the layout of Building 41 would lend itself to being sub-divided for retail. When asked by Panel Member Elsesser, "people dense" can refer to either customer or job density. It is about activation.

Panel Member DeSouza asked if the city is trying to set up zoning for different businesses at Alameda Point. It is the question we're asking you as a panel, said Ms. Thorne-Lyman: Is it appropriate for us to curate the use of buildings through the real estate transaction mechanism, not the land use control mechanism? Or should we not be trying to curate? And if we are trying to curate, our proposal is more people-rich in the eastern part of reuse area, more Spirits Alley on Monarch, and more R & D for Building 11.

City Manager Ott said that there is zoning that is flexible, which was very intentional in the reuse area, historic district, where the city's larger goal is to preserve the buildings, to be flexible from a zoning perspective. Should we, because we are the property owner, go beyond that very flexible zoning and start curating users in the transactions that the city enters in to?

Vice Chair Schneider asked about the level of interest in the buildings. Mr. McManus replied that when the city did an RFP in the fall of 2022, they had three or four good offers, and closed the RFP period in January 2023. Since then, the market has changed, and we'll see what we get in spring 2024. It could be two to 10 offers, he said.

Panel Member Grunt asked if the city wants to get out of the building ownership business. Director Thorne-Lyman replied "yes" and added with all the infrastructure in place so that Alameda Point is operating better.

### **Public Comments**

Speaker Anthony Casa of SRMErnst said he saw a greater value in selling off buildings in packages rather than one at a time over the next 18 months.

### **Discussion**

Panel Member Grunt reiterated that he'd be concerned about trying to impose restrictions on specific uses for buildings. Six general uses identified by the City back in 2019 still apply and has already shown the Point has already done a good job organically in satisfying those desires without being told. Mr. Grunt said he's not smart enough to tell a developer what they should fill the building with. He respects people that have the opinion no animal testing should be allowed, but it concerns him because life sciences are an important frontier for Alameda and the Bay Area. Also concerning is that the message would be interpreted by businesses that other things might be restricted at Alameda Point, too.

Vice Chair Schneider said given that the city has a goal of selling the buildings in the next 18 months in an economy and capital investment environment that isn't nearly as healthy as it was, putting excessive restrictions on the use of buildings is probably detrimental to the objective of selling buildings. If you have three offers on a building that are similar financially, then you can look at the usage proposals, but it's important to be flexible in this economic environment. Panel Member DeSouza concurred with Vice Chair Schneider's assessment and added that he is pessimistic that the sale of the buildings could be accomplished in 18 months. He said that we are in a tough economic environment where imposing a criterion might not be helpful.

Chair Mik said throughout its management of Alameda Point, the city has put its thumb on the scale. Early on, the city rightfully rejected a proposed Amazon warehouse, so financial gain alone shouldn't be the city's role. If the City has offers to buy the buildings, he felt it's the City's role to look out for its long-term interest and not the short-term financial gain.

Panel Member Elsesser said that tenants and building use has been good so far at Alameda Point, but he understands why people wouldn't want to put a business that conducts animal testing next to Firebrand or other food and beverage-oriented businesses. Development will happen organically, too, so it will take care of itself: the space will attract certain types of

companies. To the extent you have choices about what companies come in, it's great, but you must be flexible he said. He said patience might work best in a poor capital environment.

Mr. McManus said that the City did get back in touch with the companies that filed proposals in the fall 2022 RFP cycle and the question for 2024 is whether we will resume discussions with them or begin a new RFP process, which he said is something we'll need direction from City Council about.

Chair Mik asked Ms. Thorne-Lyman if BREDD was looking for the EDAP to provide recommendations? She replied no, but rather the department wanted the informal feedback that everyone has been giving us tonight.

Panel Member Elsesser suggested that the City streamline the approval process (e.g. approval by right rather than a lengthy RFP process) so that a prospective business could be secured, because time is not on our side, and set clear parameters for the sale and use of buildings up front, then the city will be successful. Cut through all the red tape so a prospective buyer could be secured.

Vice Chair Schneider said that because you must maintain the space and character of the buildings, and the nature of the buildings, that will provide a screen up front that many other properties don't have. That's both an attribute because of the unique, positive aspect of the spaces and is also a screen that results in a winnowed group of businesses that will have interest. What has developed out there somewhat organically is because the people who make it through the screen are businesses that want to be there and are willing to do what it takes to make the business grow.

Panel Member Saddik said City Council must be convinced that the building sales are important and that such issues as animals testing policy with Science Corp. send the wrong message to the business community because life sciences are the number one sector in Alameda before anything else. She suggested the sale of a building to a developer who could then transform it into multiple stores like The Marketplace on Park Street, so residents have ready access to a grocery store and other shops.

Ms. Butler said that one of the concerns of Webster Street's Business District is that with the build-out of retail at Alameda Point along with Target and Safeway, residents may not be driven to Webster Street for shopping.

Panel Member Elsesser stated that life sciences usually require more of a ground-up type of building. They are not a good fit for the existing type of product at Alameda Point. They are more suited for the business parks.

Vice Chair Schneider made a motion to close the discussion and seconded by Panel Member DeSouza. Ms. Butler clarified that a vote wasn't necessary since the item was for discussion purposes only.

**5-C Recommendation to Approve the 2024 Mayor's Economic Development Advisory Panel Meeting Schedule with Any Necessary Changes (2023-3654)**

Mr. Fonstein and Ms. Butler said the panel needs to meet once per year but there can be special meetings as needed. Ms. Butler added, we know you're busy running companies and we only want you to participate when we have information that's crucial for us. For example, Ms. Thorne-Lyman said, when the department begins to discuss the Enterprise District in the middle of 2024, we may want to call a special meeting.

Public Comments – None.

Vice Chair Schneider made a motion to approve the next annual meeting of the EDAP on December 11, 2024 and seconded by Adam Elsesser. Nays: none. The motion passed 8-0.

**6. WRITTEN COMMUNICATIONS:** None.

**7. ORAL COMMUNICATIONS – PANEL MEMBERS AND STAFF**

Ms. Butler announced that at the next meeting on December 11, 2024, Mr. Fonstein will be EDAP's new secretary.

Panel Member Warren DeSouza announced his resignation as the CFO of Sila Nanotechnologies Inc.

**8. ADJOURNMENT**

Chair Mik adjourned the meeting at 7:58pm.