

DRAFT MEETING MINUTES
REGULAR MEETING OF THE
MAYOR'S ECONOMIC DEVELOPMENT ADVISORY PANEL
WEDNESDAY, NOVEMBER 2, 2016

1. CALL TO ORDER: 6:00 p.m.

ROLL CALL: Present: Chubb, Elsesser, Grunt, Laguerre, Mik (Chair),
Monteko, Sorensen, and Winters (Vice Chair).
Absent: Panlasigui

2. MINUTES:

The Economic Development Advisory Panel (Panel) unanimously approved July 20, 2016 minutes as is.

3. ORAL COMMUNICATIONS--PUBLIC: None

4. UNFINISHED BUSINESS: None

5. NEW BUSINESS ITEMS:

5-A. Review and Provide Comments on the Draft Alameda Marina Master Plan

The Panel unanimously agreed to cancel the agenda item, at the request of City staff and Pacific Shops, owner of the fee property at Alameda Marina.

5-B. Review Economic Development Strategic Plan (EDSP) Background Report, Provide Direction for Drafting the EDSP, and Appoint up to Three Members to a Subcommittee to Review Proposed EDSP Framework and Matrix.

City of Alameda's Development Manager Eric Fonstein made the staff presentation. The staff report and attachment can be found at:

<https://alameda.legistar.com/LegislationDetail.aspx?ID=2873847&GUID=BFE5664E-FC2C-401B-92BF-6FEB7ABCCDF1&Options=&Search=>

Mr. Fonstein introduced Sujata Srivastava and Derek Braun of Strategic Economics to guide the discussion by topics. Ms. Srivastava asked for impressions on the important findings contained in the Background Report.

1) Business Attraction and Retention

- Vice Chair Winters commented that it is hard to know how to perceive the growth numbers when presented as percentages. He would like to see the actual data numbers.

- Panel Member Grunt, to start the discussion, asked if Strategic Economics can provide some of its impressions. Ms. Srivastava answered that the EDSP needs to originate from community participation, including the EDAP, to set priorities. She said that the Bay Area is booming in high technologies, but Alameda is not benefiting as much as other cities. This might be an opportunity to pursue more jobs, but is an open question of what the community wants to do, with need to diversify job mix and create opportunities for different types of industries.
- Panel Member Chubb cited self-driving cars as a possible example of an emerging industry. He said that Alameda Point seems like the perfect place. He asked, why doesn't Alameda get these high tech industries? Ms. Srivastava said possible answers may be that people do not really know about Alameda or have negative perceptions about access into Alameda.
- Vice Chair Winters said that it seems like this is about access and awareness for why we are not seeing growth in particular segments. With limited points of access through the tubes, great ferry service, and close proximity to the airport, Vice Chair Winters said that the City needs to figure out a list of priorities, e.g., what industry is most important in terms of revenue generation and encourage growth of other industries in Alameda. He mentioned that you don't build your name off of things like ordinary restaurants. Rather, the City needs to build on things that are unique to Alameda.
- Panel Member Grunt stated that everyone wants technology (e.g. Uber moving to Oakland). He said businesses want to be together, which creates a critical mass. He asked, are there other industries more unique to Alameda?
- Chair Mik said when looking at the different industries, it is hard to tell what would be better. What the City is doing, he said, is planting seeds to grow and attract businesses. Maybe it is not about specific industries, but about fixing infrastructure—getting on and off the island—to enable growth and get that critical mass. He asked if the City has an opinion on this. Debbie Potter, the City's Community Development Director, said that the City wants to encourage this discussion, which can be looked at it from both directions: up front, what data tells us, and, the end goal, what the City is looking to achieve.
- Panel Member Elsesser suggested that the City should not chase the companies that want to be the next big thing (especially tech) because Alameda as an island is limited in growth sites—sites that have enough available space to allow companies to scale up quickly—and by restricted access. Then the question is, what else is there? Panel Member Elsesser thinks the two biggest issues are name recognition within Bay Area and the permitting process. The latter has been hurt by people contracted out in the permitting/inspection for both residential and commercial. On the commercial side, he said it is easier because businesses can go up the chain pretty quickly. However, there is growing concern of how you will be treated, particularly on the residential side. These are both fixable problems. With name recognition, he questioned if people/residents want to be known. The other problem, permitting, simply needs to be fixed.

2) Built Environment and Infrastructure

- Panel Member Monteko asked why is Berkeley not showing Class A office space. Ms. Srivastava said that Berkeley does not have a lot of new office space, except for the university, which is not open to the public market. Panel Member Monteko commented that there is a strength/weakness dynamic, opposite sides of the same coin: lack of Class A space and yet affordable. Panel Member Monteko stated that keeping rents low by not improving an area is not viable. She believes that you should always focus on providing quality space that people want to be in.
- Panel Member Monteko suggested thinking of mixed use development in “amenitizing” offices in two different ways: first, at Alameda Point, by creating amenities that allow people to eat, drink, and exercise near job centers; second, build office where there is existing retail. For example, she said South Shore Center is considering building second floor office space.
- Panel Member Grunt commented that a lot of the older, poor infrastructure is along the waterfront. He said it would be a shame to give up the maritime heritage. He believes that it is a strong identifier for Alameda within the Bay Area. No one has this nautical environment. He asked if there is a way to blend that with maker space, creative space, to contribute to the City’s uniqueness. He concluded that Alameda won’t be a major tourist destination like on the scale of Fisherman’s Wharf, but maybe can build its reputation based on the water.
- Chair Mik agreed that the City can be a regional tourist destination that connects with the water. He thinks that a big portion of the maritime ecosystem (smaller businesses like sailmakers, etc.) will disappear with waterfront development unless the City considers how to maintain those uses somewhere on the island. He said there is a lot of waterfront infrastructure that is marginally used right now. In that shuffle of best and highest use, maybe homes should be there and the maritime businesses be accommodated somewhere else. Alameda Marina is a beautiful location that can tie into a tourist scene and vibe like Spirits Alley.
- Vice Chair Winters suggested that if you ask people who don’t know Alameda, what is a great maritime area, their first thought is of Sausalito. It has beautiful waterfronts for local tourism. Sausalito has some industrial uses. He said that there are some attractions in Alameda that are accessible by boat; the City should continue to make more areas accessible by boat.
- Panel Member Monteko noted the example of Red Hook in Brooklyn, where Ikea supported a ferry to the store and generated spin-off restaurants and businesses. Perhaps Alameda can harness the power of retailers for water taxis and not to be only dependent upon WETA for ferry service.
- Chair Mik asked, does getting lots of restaurants, bars actually help in attracting other businesses?
- Vice Chair Winters responded that it does in his experience. He gave downtown Oakland as an example with restaurants going in first.

- Panel Member Elsesser replied that restaurants/bars may not necessarily be used as a big draw. His company was just looking for cheap space when they moved to Harbor Bay. But now amenities like restaurants are an attraction for younger professionals.
- Panel Member Monteko said her company only invests in “amenitized” real estate, or they will build the amenities, like adding a restaurant to an office park. Her point is that you drive rents through amenities. Ms. Srivastava added that there are places on North Park Street that could be built out as employment space (office) near existing amenities.

3) Workforce Development

- Panel Member Monteko asked if Alameda’s low ratio (jobs to employed residents) is partly due to an older population. Ms. Srivastava answered that Alameda is pretty consistent with the region.
- Panel Member Sorensen noted that Alameda’s public transit access connects a high share of people to San Francisco and Oakland.
- Panel Member Laguerre stated that the Peralta colleges are challenged in attracting administrators and teachers from out-of-state because of high costs. They have been thinking of using land at College of Alameda to build student/faculty housing. Other colleges in region have struggled to build student housing. The College of Alameda is dealing with homeless students as well.

4) Retail

- Panel Member Monteko said the findings hit the nail on the head. She has a concern that growth of retail at Alameda Point could cannibalize other areas if overbuilt. Soft goods are in danger. The danger, she said, is that Alameda winds up with empty spaces with over-building.
- Chair Mik noted that we joke about the 25 mph speed limit in the City, but connectivity is an issue, especially linking Alameda Point to the rest of the island. Low-hanging fruit could include speeding peoples’ journeys across the island (perhaps with express lanes) to retail centers or to get them on/off the island.
- Panel Member Grunt questioned, would a grocer actually come into a saturated market and cannibalize? The general response from other Panel members was yes; they will just target different market niches, such as prepared foods. Ms. Srivastava said that there is increased growth and differentiation among grocery stores. And grocery sales have increase. Ms. Potter added that groceries is one of the categories where Alameda does not have a sales leakage.
- Panel Member Chubb pointed out that new the Safeway at Alameda Landing took sales from the Lucky supermarket at Marina Village.

5) Tourism and Visitation

- Panel Member Elsesser noticed that the Hampton Inn in Harbor Bay is always full with business travelers, to the point Penumbra cannot get blocks of rooms for its sales meetings. They put people up in San Francisco. Maybe things will change when the Raiders leave.
- Vice Chair Winters asked, is anyone at the City in charge of policing sales tax to ensure that companies are recording their sales in Alameda? He knows of businesses at Alameda Point that record their sales tax elsewhere. Ms. Potter said that the City has a consultant who audits and tracks sales tax.
- Panel Member Chubb noted that none of the major visitor destinations (Crown Beach, USS Hornet, and the Antiques Faire) has a lot of restaurants and other businesses nearby to catch spinoff sales, the “lingering factor.” The attractions are isolated.
- Panel Member Elsesser said that it may be worth surveying to find out how many visitors actually dine or shop in the City. Not many people know about Crown Beach, despite its draw. How many people stay here for a meal after going to the beach? More business should be located near there. There has to be a way to capture beach visitation without upsetting everyone because of traffic growth.
- Panel Member Winters noted that food and drink are the highest sales tax generators.
- Panel Member Monteko agrees, it is a shame there is a courthouse and McDonalds cutting off the beach from the shopping center. Unfortunately, they have long leases and deed restrictions. The Sushi House shows that there is a strong market for restaurants along the water.
- Panel Member Sorensen said that it is bizarre and disappointing that Alameda has not been able to make a restaurant on the water work. There is no place that you can take a boat to dinner, like Sausalito and Jack London Square.

6) Other Thoughts about High Priority Issues

- Chair Mik commented that transportation seems like the biggest thread running through all of this. If we can fix that, it seems like businesses could grow organically at opportunity sites.
- Panel Member Grunt concurred, that there are problems both getting on/off the island and within island getting from one end to the other. Is it realistic for Alameda to create its own transit network?
- Panel Member Elsesser commented transportation is the key, but a lot of that will not practically be fixed. He suggests focusing on live/work dynamics, such as creating the kinds of places where people want to put their businesses. And maybe focus on businesses that do not need huge capability to scale and grow. He also suggests developing less expensive housing. The combination of these

things will create more vibrancy. It is not about attracting one large company that solves the problem.

- Chair Mik said that there is a lot of new housing development, so where are the jobs?
- Panel Member Elsesser responded, the City needs to offer people the option to live in Alameda, or else businesses will struggle. Anti-growth sentiment is also a challenge. He said fundamentally, if the City wants more people working here, then the City needs to allow more housing too. This is crucial.
- Panel Member Grunt stated the reality is that there will be more people in Alameda with the growth of the Bay Area.
- Chair Mik suggested that the issue seems to be more about transportation, which underlies the resentment about housing. People think the housing impacts their quality of life, but the complaint is that they cannot get to where they want to go.
- Panel Member Sorensen held that people have always not wanted change/growth near them. People used to push it to the west side, but they're getting a lot of growth there now too. The business districts are talking to each other out of common concerns of development at Alameda Point.
- Panel Member Monteko, responding to big picture ideas, said it would be good to know how other cities in roughly similar circumstances (tertiary to major gateway cities) dealt with these issues. Which cities had success and what have they done? What was their approach? It would be helpful to benchmark against other cities and knowing the pitfalls, i.e. lessons learned of what to do and not to do.
- Panel Member Chubb seconded this idea. We have been talking about the vision of what Alameda will be, but it would be nice to consider other cities as examples.
- Chair Mik asked, what was the city we talked about last time, up in Washington State or B.C.? (Answer, Granville Island.)
- Panel Member Monteko suggested also consider cities on the Hudson, examples which are disconnected but close to metropolitan areas. (Ms. Srivastava added Strategic Economics typically includes examples in the strategy options that are presented.)
- Panel Member Grunt commented that advances in transportation, driverless cars, millennials' attitudes towards driving may result in massive changes in the next decade. We should consider these long-term changes.
- Panel Member Laguerre said business and retention and quality and availability of a well-trained workforce are/should be priorities.
- An audience member mentioned that he did not see the rent stabilization ordinance and the future Veterans Affairs out-patient clinic in the report, which he felt were significant developments.

Mr. Fonstein outlined the next steps for the EDSP:

- With the comments provided tonight, Strategic Economics will draft a framework for the plan;
- An EDAP subcommittee with Lorre Zuppan from the Planning Board will review the draft framework
- The framework will then be presented at a community workshop and to the Planning Board and the City Council for comments.

The Panel decided that staff will circulate a doodle survey to the EDAP members to see who will be available for the subcommittee meetings.

5-C Presentation on Citywide Transit and Transportation Demand Management (TDM) Plan

Jennifer Ott, the City's Director of Base Reuse and Transportation Planning Department, introduced the item. The staff report and attachments may be found at:

<https://alameda.legistar.com/LegislationDetail.aspx?ID=2867453&GUID=A1D466A1-B5B7-45BD-AB2B-301EDADA4028&Options=&Search=>

Ms. Ott asked if the Panel had any questions or comments:

- Panel Member Elsesser asked how much money do the ferry boats lose by just the fare? Ms. Ott responded, "Fare-box recovery" depends upon the service, since some services are more successful than others. Main Street ferry fare-box recovery is about 70 percent, meaning that 30 percent of the cost is subsidized. By comparison, BART is approximately 90 percent recovery and AC Transit is 20 percent recovery. While infrastructure is more affordable, ferries are expensive from an operating standpoint because of gas and labor.
- Panel Member Chubb asked if the City is considering increased ferry connection between Alameda and Oakland. Ms. Ott answered that the City is applying for a planning grant for a water shuttle feasibility study. The study would examine how to increase the frequency of shuttles, particularly for bicyclists. The ferry system and bikes work really well together.
- Panel Member Sorensen inquired if the cars parked by the Main Street Ferry terminal are all from Alameda or are some from Oakland? Ms. Ott stated that approximately 95 percent belong to Alamedans.
- Panel Member Elsesser questioned what is the controversy over "complete streets," which adds bicycle lanes. Complete streets, Ms. Ott said, are controversial because they reduce the number of travel lanes and parking spaces.

- Panel Member Monteko asked if the City has applied for TIGER grants? Ms. Ott said that the City has applied two years in a row. The City has done well, but the grants are extremely competitive. There is tremendous need in the Bay Area and not enough money. The City actively goes after grants. The City just submitted for multiple state and county transportation grants.
- Mr. Chubb's question was inaudible on the recording. However, Ms. Ott offered her opinion that the City should consider buying bus passes for everyone in the City, which will provide fast service to BART and Oakland. She said shifting even a fraction of the residents to transit will have big benefit to congestion.
- Staff asked if Ms. Ott can address bike sharing. Ms. Ott said Alameda Point will start a pilot program of 15 bicycles over the next couple of years. The trick is the cost to implement. There are a lot of grants available for capital, but the real constraint is who pays for operations. One funding tool is to allow paid advertising in public facilities, but in the past this has been unpopular in Alameda.
- Panel Member Monteko commented South Shore Shopping Center is investing in bike lockers. Ms. Ott added there is an interesting café in Philadelphia on the waterfront, which is marketing primarily to bicyclists. Its business model was to attract bicyclists.
- Chair Mik and Panel Member Elsesser made comments that a private transportation association and shuttle system would be easier to get off the ground than a public shuttle system. Panel Member Elsesser also mentioned that the employment based shuttles, such as Harbor Bay, returns to the BART station empty. He suggested that there must be a huge capacity to use the return trips for residents. Ms. Ott remarked there is a trend to go the other way, by using private developer investments to supplement AC Transit, leveraging tax dollars to provide better service.

6. WRITTEN COMMUNICATIONS

6-A Pacific Pinball Museum Expo

Mr. Fonstein distributed flyers for the "Shoot the Moon" Exposition, November 11-13, 2016 at Alameda Point.

7. ORAL COMMUNICATIONS – Panel Members and Staff

A person announced the World Series score, tied 6-6 bottom of the 9th, Chicago at Cleveland.

8. ADJOURNMENT -- at 8:56 p.m. (in time to watch Chicago win in the 10th).