From:	<u>Liz Taylor</u>
То:	Marilyn Ezzy Ashcraft; Tony Daysog; Trish Spencer; Tracy Jensen; Malia Vella
Cc:	City Clerk; Manager Manager; Lisa Maxwell; Nanette Mocanu
Subject:	[EXTERNAL] agenda items 3A 2023-2751 and 4A 2023-2750 March 7 2023
Date:	Tuesday, March 7, 2023 6:18:39 PM

Dear Mayor Ashcraft, esteemed city council members and staff

I'm writing in response to the upcoming council meeting on March 7, agenda items 3A 2023-2751 and 4A 2023-2750. Both of these items relate to Building 41 at 650 W Tower Ave. DOER is the city approved sub tenant to Wrightspeed/Revo. DOER has worked very hard to rebuild and diversify our for benefit, woman owned small business following the devastating dislocation from Alameda Marina. Impacts from Covid and nearly a year of backbone construction directly in front of our business have been additional challenges. At the time of our dislocation, we were reduced to just three people. Today we've rebounded, growing a very diverse, inclusive workforce of nearly thirty with projections to double by year end.

DOER is not funded by venture capital. Rather we are funded project by project, primarily by science, research and development with any profits reinvested locally into our people, community and capabilities. I have written many times over the past five years, mainly to Nanette Mocanu but frequently in copy to city council members expressing our strong desire to remain in Building 41, carrying out the educational and scientific mission we started in 1992 with the vision of Dr. Sylvia Earle.

We welcome the return of Jennifer Ott to Alameda and have had an opportunity to speak with her and Lisa Maxwell about our business. I believe they are both knowledgeable about the building, its limitations/constraints and the work DOER is doing in blue/green economic development. Both are aware of the multiple multi-year contracts DOER has in production now. These are projects predicated on rates and terms of the existing lease and sublease. While City staff is rightly not at liberty to speak with DOER directly about the master lease, Wrightspeed has been consistent in their communications with DOER, that despite a number of delays and prolonged discussions, that the lease should directly renew for another term. The only change indicated was a desire for DOER to assume more space in the building as Wrightspeed/Revo retools for more R&D versus bus manufacturing at this location. DOER has slowly been ramping up personnel and contracts with this scenario in mind.

One element of the lease includes a purchase option. Wrightspeed/Revo sought DOER's assistance in exercising that option, and on a number of occasions, indicated a desire to exercise it to the city. In 2019, a letter of intent was signed between Wrigtspeed and the funding parties but City staff were unable to act on the agreement due to the surplus lands act and delays in conveying the building from the Navy to the City. Most recently, discussions had stalled while awaiting a report from consultants commissioned by the city to look at the pros/cons of sales versus leases. That draft report has been recently discussed in the press.

At the February 7, 2023 Alameda Point tenants meeting, two elements emerged as matters of highest importance: Affordability and Stability. Just as there is no one size fits all when it comes to

housing, so it is with small businesses. It is of vital importance to, as Jennifer Ott said at a recent event, "exercise the double bottom line" where rent revenue is not the only consideration when reviewing leases, rents, and sales. The city caps landlords at 5% increases where housing is concerned but the vast number of empty storefronts, empty hangers and other vacant commercial space is evidence of lost opportunities and stifled innovation. The uncertainties around leases, potential lease increases, and current tech sector volatility are weighing heavily on many small business owners. I implore City staff and council to look beyond the shiny bauble of "market rate rent" and consider the long game – the value that small innovative companies like DOER bring to bear. We are job creators, attractors, collaborators and above all doers.

I hope that our 30 plus years of active contributions to the local community and economy will not be cast aside for short term gains.

Thanks for your time and consideration

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