Mayor's Economic Development Advisory Panel

Summary of Feedback from August 26, 2024 Meeting

August 30, 2024

The Mayor's Economic Development Advisory Panel held a study session to discuss development strategies for the Enterprise District.[1] Some of the Panel's suggestions included:

1. **Market More Aggressively:**
   - Generally, the Panel agrees that the market for speculative commercial development has softened, and that the City is not necessarily in the "driver's seat" on picking and choosing development partners.
   - The Enterprise District is a major development opportunity, and increased marketing and visibility is needed now to get the word out to businesses and developers.
   - Waiting for the market to improvebears a cost as well: costs (such as infrastructure costs) will only go up, and quality of life in the area will not improve without activation.
   - Specific next steps:
     - Engage with developers involved in the 2019 process to understand their current interest
     - Define a specific marketing strategy that considers the amenities needed to attracted targeted sectors (e.g. for maritime/blue tech – pier access; truck access for industrial/construction)
     - Amenities may include AMP, access to the water and ocean, piers and docks (which may incorporate "pier plan" currently being developed. Truck access is also important.
     - Share a cost-benefit analysis for advancing development now vs. waiting (e.g. safety risks to current tenants, continued increases in construction costs, the benefit of creating momentum in an unestablished market with a smaller first development ("deals make deals")).
2. **Send a Clear Message:**
   - The City has recently sent mixed messages about what it does and does not want in terms of activities at Alameda Point, which suggests refining the City's goals/parameters may be a process worth doing.
   - Setting clear expectations will reduce risk to interested businesses and developers, and also set the City up for success in a negotiation.
   - Ideally, any new expectations should be approved by the City Council, as the entity that would ultimately approve the real estate transaction.
   - The City should not "pick and choose" businesses, but let zoning make the decisions. Businesses may come and go. Developments should be approved, not individual businesses.
   - Specific next steps:
     - Summarize current plans and the EIR in a format that is easy to understand ("dos and don'ts")
     - Determine if more detail is needed based on recent past discussions with Council

[1] Joe Ernst from srmErnst, the representative developer on the Mayor's Economic Development Advisory Panel, disclosed that he submitted an unsolicited proposal for the Enterprise District in his comments

3. **Be Flexible:**
   - The City should be flexible in terms of the scale of development opportunity offered. Offer the full array of property sizes and locations that will work for the City, given the infrastructure and environmental constraints.
   - Conducting a blanket request for qualifications for a prequalified developer bench does not make sense if it will not help the City achieve its objective of faster development (evaluate whether these efforts are worth the staff time involved, in terms of meeting the City's goals).
   - If the goal of a competitive Request for Proposals is to increase visibility in the market, aggressive marketing may achieve the same goal
   - Accepting unsolicited offers on an opportunistic basis makes sense for the "first developer in" if the City has sufficiently marketed the offering.
   - Consider smaller parcels; there may not be much demand for larger projects.
   - Consider adding the large parking lots by the Hornet and WETA.