

## **EDAP Panel Member Feedback on the Proposed Allocation of Fee Credits for EBMUD Fees at Alameda Point, Including Criteria for Allocating Fee Credits for Future Projects - 7/17/17**

The Mayor's Economic Development Advisory Panel (EDAP) convened on Monday, July 17. The meeting included review and consideration item 2017-4572 Allocation of Fee Credits for East Bay Municipal Utility District System Capacity Charges and Wastewater Capacity Fees at Alameda Point for City Facilities, Existing Tenants and Upcoming Transactions and Criteria for Allocation of Fee Credits for Future Projects.

EDAP members in attendance included Dr. Jowel Laguerre, Adam Elsesser, Remy Monteko, and Brock Grunt. Panel member Grunt recused himself from the meeting at the start of the EMBUD item. Lois Butler, Economic Development Manager, provided a presentation about the EBMUD Credit Allocation. Links for presentation materials are below:

- [Exhibit 1 - New Water Infrastructure Phasing Plan](#)
- [Exhibit 2 - Recommended Allocation of SCC and WCF](#)
- [EBMUD Credit Allocation Presentation PowerPoint Slides](#)

At the close of the presentation, panel members were asked to provide feedback and comments about the proposed EBMUD Credit Allocation. Panel member comments are summarized below:

Panel members concurred that the proposed allocation of the fee credit was appropriate and would achieve the goal of incentivizing long-term tenants to stay at Alameda Point, purchase their buildings, and expand their businesses. While the members considered the possibility of reducing the credit for existing tenants to an amount less than 100% to provide more available credit for future businesses, they agreed with staff's recommendation to maximize the credit for existing tenants in recognition of the investment those businesses have already made at the base and the fact that the credit could provide a real financial incentive to stay and grow at Alameda Point. The ability for businesses to purchase their buildings in the future, and for the City to reinvestment those building sales proceeds into infrastructure at the base, was an important point for the Panel members. Lastly, Panel members agreed with the criteria proposed by staff for awarding fee credits to future businesses locating at Alameda Point. Specific points raised include the following:

- Panel member Monteko asked if staff considered benefits and drawbacks of using this incentive for City-owned facilities rather than leverage it further to incentivize additional development.
- Panel members noted that the focus is on existing tenants that have already made an investment at Alameda Point. They are prioritized over prospective businesses coming in. Important to acknowledge that folks have made a big investment, take the next step, ownership or growing.

- Panel member Dr. Laguerre said that he likes the criteria for future projects. It's very good to think about investing these dollars for the future. He wishes it could be more but it's a good step.
- Panel member Elsesser stated that the goal is to encourage existing tenants to exercise the option to purchase. That way the City will get the money so the City can do the infrastructure improvements. Is there another logical allocation of this given what the City is trying to accomplish at the Point.
- Panel member Monteko asked how 35% (Site A Phase 1) was determined.
- Lois Butler explained that if 100% was allocated to Site A Phase 1 it would take up most of the credit. A 35% credit would help the closing of the deal.
- Panel member Elsesser said that he did not have any negative comments. If the buildings with purchase options had less of a percentage (80 percent, instead of 100 percent) there would be roughly \$2,000,000.00 which would likely not be incentive enough to change behavior. Focusing on these incentives makes sense to me. The symbolism that you acknowledge the risk that they took.
- Panel member Monteko agreed that it was the right thing to do, to acknowledge that they took that risk and we want them to stay and invest. She likes the future project criteria, it includes nice community benefits.