

## Draft Report

# Alameda Marina Master Plan Market Assessment

*The Economics of Land Use*



Prepared for:

Bay West Development

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Exhibit 2  
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## 1. SUMMARY OF FINDINGS

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Bay West Development has prepared and submitted a Draft Master Plan for Alameda Marina to the City of Alameda. The proposed project is a mixed-use development comprised of market rate residential units, below-market-rate residential units, and commercial uses. Bay West Development engaged Economic & Planning Systems (EPS) to prepare an economic and real estate market assessment to assist with verification of the financial feasibility of the project. The EPS market research presented in this Assessment seeks to respond to key concerns about market demand for the project, in particular the demand for commercial space from “maritime commercial” tenants. The Market Assessment offers an overview of economic conditions and real estate market factors that reveal the market potential for the project, with a particular focus on trends that influence maritime demand. Key findings from the work are discussed below, while the body of the report presents detailed data, analysis, trends, and findings.

**The economic rebound from the 2008-9 recession enjoyed broadly throughout the Bay Area and recent approval of new multifamily housing has supported a modest surge in new residential development in the city in recent years.**

As employment levels in the Bay Area have increased over the past six years, housing production has not kept up and home values have escalated dramatically. In the City of Alameda, home values (sale prices) bottomed out at the end of 2011 at about \$300 per square foot and have since rebounded to roughly \$500, an increase of nearly 70 percent. With the recent easing of a nearly 40-year prohibition on multifamily housing, and recent City planning work (e.g., Northern Waterfront General Plan Amendment) that has created opportunities for housing development, some new residential development has occurred. Permitting of multifamily units in the city recommenced in 2013, increased in 2014, and grew again in 2015, though the total number of units permitted over these three years is only about 150. While examples of new development in the City are limited, sales reveal new multifamily can achieve \$500 per square foot. Looking to Oakland’s Jack London Square for additional market data, there is potential for well-positioned Alameda products to enjoy much higher sale values, potentially up to \$700+ per square foot. There are roughly 3,737 units in the development pipeline, seeking to take advantage of strong residential market conditions in the city.

**Job growth in the City of Alameda has been strong, but employment growth occurring since the recession has been concentrated in restaurant and retail sectors, while other markets in the Bay Area have attracted technology and professional services jobs and associated market demand for new workspace.**

The local economy in the City of Alameda has exhibited a strong recovery from the 2008-9 recession and the city now supports nearly 50 percent more jobs than in 2009. Employment in the City reached approximately 24,000 jobs in 2015.<sup>1</sup> Job growth has been most significant at food service, accommodations (e.g. hotels), and retail establishments, with these industries

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<sup>1</sup> California Economic Development QCEW data, excludes jobs not covered by unemployment insurance (e.g., sole proprietors).

adding more than 2,400 jobs to the local economy since the recession. In addition, management of companies (e.g., holding companies) and government entities also have increased employment notably. The employment growth trends correlate with real estate development activity in the city in recent years. In particular, Alameda Landing and other retail developments added over 380,000 square feet of space for both retail and restaurant businesses. In addition, a hotel delivered in 2008 has added hospitality jobs and increased Harbor Bay's presence as a business district. Significant new office development since the recession, about 160,000 square feet in total, and a modest amount of new industrial/flex development, about 90,000 square feet, also has occurred at Harbor Bay. The pipeline of new office and industrial space in Alameda is concentrated at Alameda Point, which likely will emerge as the City's next significant workspace cluster.

**While Alameda possesses a rich history of maritime economic activity on its waterfront, the primary drivers of maritime business activity have stagnated or are in decline.**

Due to the challenge of isolating the "maritime" economy in traditional economic data, because of the cross-industry nature of maritime activity, the EPS analysis focuses on trends in the key drivers of maritime business. Concentrating on shipping, boating, and naval defense opportunities and constraints, this analysis finds limited potential for new maritime commercial demand in the city. These economic drivers do not exhibit recent trends that support a notable opportunity for Alameda to attract or grow significant new maritime activity. Despite this lack of growth potential, some existing maritime businesses in Alameda may be sustainable. However, a primary challenge to maintaining the maritime economy is that the financial solvency of many maritime businesses depends critically on the availability of low-cost real estate. Consequently, demand from maritime businesses does not support the cost of new construction or major rehabilitation of existing buildings.

**Alameda has enjoyed recent increases in its retail supply, and these significant new lifestyle and neighborhood centers have attracted credit tenants which are well positioned to compete with retailers outside the city, as well as internet retailers.**

Developers have delivered over 380,000 square feet of new retail development in the City of Alameda since the recession, and even with this surge in inventory vacancy rates remain below five percent. Alameda Landing, anchored by Target, Safeway, and Michaels comprises nearly 80 percent of Alameda's new retail. The center has been well received by the market and Catellus, the project developer, sold the retail portion of the project after stabilization, in August 2016. Smaller retail developments include the renovation and re-tenanting of Alameda South Shore Center, anchored by Trader Joes, and Alameda Station on Park Street. Each of these retail development projects is located on a primary city arterial, with great visibility. The low vacancy in the market suggests that there may be opportunities for more retail. However, the retail market is extremely competitive, with the recently developed retail already well positioned to compete for the best retail tenants.

**The redevelopment of Alameda Marina will maximize its market potential by offering residential uses, and some ancillary retail may serve as an amenity to the project, while office and industrial/flex space are significantly riskier, as the market reveals existing vacancy, limited recent development, and a strong pipeline of supply.**

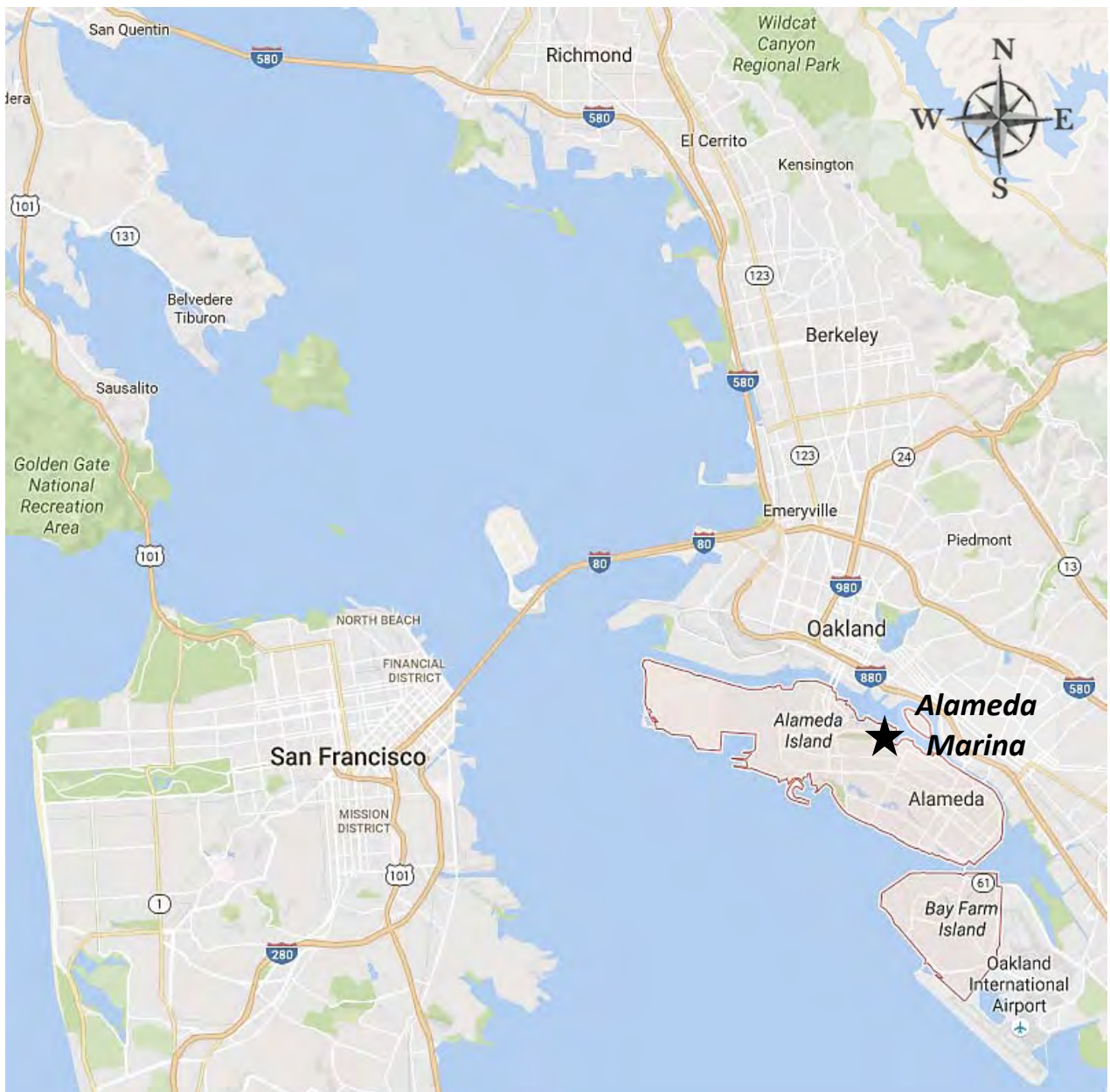
Alameda Marina should seek to take advantage of the strong housing market and while some retail and workspace may be desirable for placemaking, market demand for commercial uses is relatively weak. Office and industrial space likely will be difficult to lease at rates that cover the cost of construction. One exception might be the adaptive reuse of industrial space as “maker space” (i.e., flexible space for artisans, craft manufacturers, or technology businesses). While demand for maritime uses exists, maritime-designated space within the project likely would satisfy the needs of existing Alameda businesses. Again, lease rates likely would be insufficient to cover the cost of construction. A maritime user requirement beyond what the market can support adds significant risk and cost to the project, which might be mitigated through establishment of a more flexible commercial program.

## 2. INTRODUCTION

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Alameda is a California city comprised of about 10.6 square miles of land largely surrounded by water. Located in western Alameda County, the city includes all of Alameda Island and a portion of Bay Farm Island. The city's location on San Francisco Bay, separated from Oakland and other East Bay cities has had a profound effect on the city's character and development patterns over years. Today, the city is home to 79,277 residents and supports more than 24,000 jobs.

**Figure 1      Regional Context and Project Site**



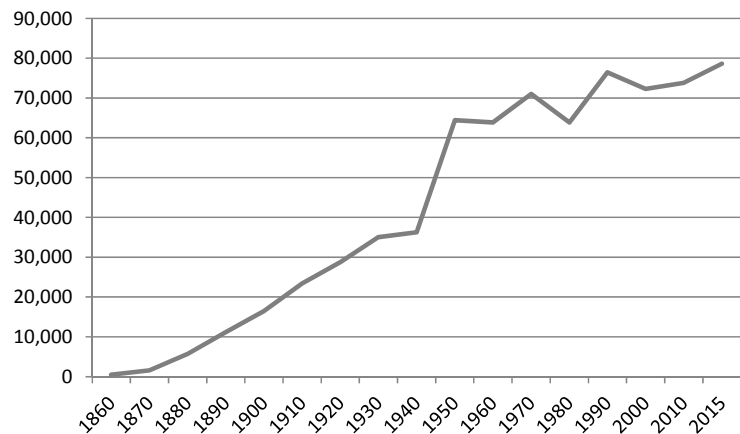
Source: ESRI and EPS



## Economic History

The city has a history rich in the maritime trade industry. In 1902, a canal was dredged to make way for expanded shipping facilities, turning Alameda into an island. During the first half of the 20<sup>th</sup> century, the Alameda Works Shipyard was one of the largest shipyards in the country. While industrial activities and shipping industry has contracted since the 1950s, sharply during the 1970s, areas of the city have maintained the character of a working waterfront. Until the early 1990s, Naval Air Base Alameda also was a significant contributor to economic activity in the city.

City of Alameda Population Since 1860



In more recent decades, the city has continued to grow, including new uses on the former base, and the makeup of the local economy has evolved. Today, only one of the city's top employers is a maritime business (Bay Ship and Yacht Co. is the 10<sup>th</sup> largest employer) and the most significant job-supporting industries in the city include accommodations (e.g., hotels) and food service businesses, health care and social assistance entities, and retailers.

## Housing

There are over 31,000 households in the City of Alameda. The majority of these local households reside in single-family housing units (53 percent). This owner-occupied housing rate is less than the County overall, and with more than three times the population density of Alameda County, the City of Alameda is notably more urban than the county as a whole.

In recent years the City of Alameda has worked to encourage redevelopment in a number of areas of the city with a mix of uses. However, since 2000 Alameda has been growing at an annual growth rate of 1.2 percent, a slower rate of growth than is observed countywide, largely because the city is already built out.<sup>2</sup> With the introduction of the City's multifamily zoning, redevelopment of the city's industrial areas is just now gaining momentum. **Figure 2** presents City and County growth since 2000.

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<sup>2</sup> California Department of Finance

**Figure 2 Alameda County and City Population Growth Trend**

Item	2000	2010	2016	Annual Growth Rate	
				00-'10	10-'16
City of Alameda					
Population Total	72,259	73,812	79,277	0.21%	1.20%
Households	30,226	30,123	31,313	-0.03%	0.65%
Housing Units					
Single	16,719	17,047	17,262	0.19%	0.21%
Multi-	14,625	15,177	15,374	0.37%	0.22%
County of Alameda					
Population Total	1,443,939	1,510,271	1,627,865	0.45%	1.26%
Households	523,366	544,046	569,029	0.39%	0.75%
Housing Units					
Single	329,366	353,586	359,987	0.71%	0.30%
Multi-	203,167	219,955	225,820	0.80%	0.44%

Source: California Department of Finance, Economic & Planning Systems, Inc.

## Demographics

Recent data on local demographics reveal that Alameda's population skews older, with a lower percentage of households with children as compared with countywide.<sup>3</sup> Estimated average household income for 2016 is about \$78,000, slightly more than in Alameda County overall.<sup>4</sup> The **Appendix** to this report provides supporting data concerning demographics and housing in the City.

## Employment Trends

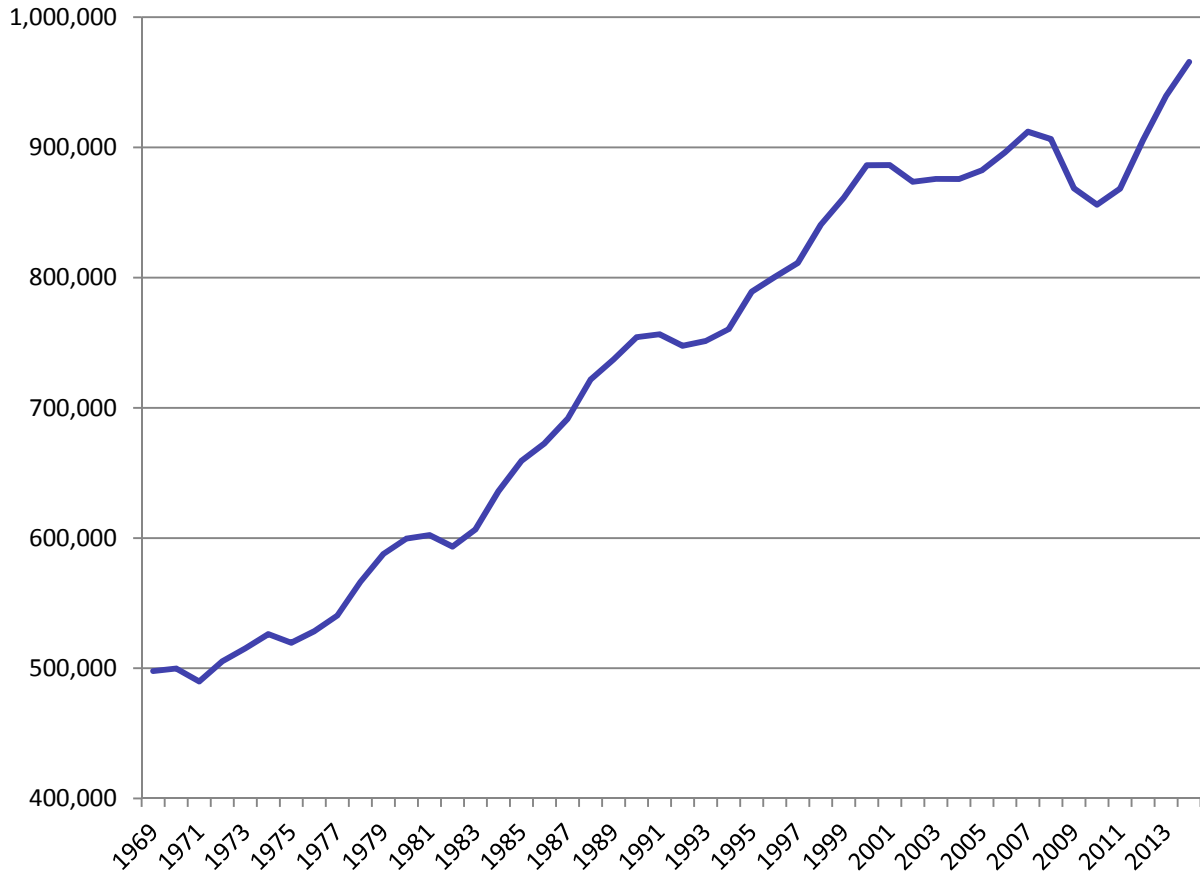
### Alameda County

Alameda County-based employment has rebounded strongly from the post-recession low seen in 2010. Overall, Alameda County employment grew by roughly 13 percent between 2010 and 2014, adding about 110,000 jobs. Data from 2014 indicate that total employment exceeds 965,000 jobs. Employment from the management of companies (e.g., holding companies) and education made up the largest portion of total employment growth between 2010 and 2014, more than 41,000 jobs in total. The private sector industries that experienced the greatest rates of job growth were health care, professional services, and accommodations and food service industries.

<sup>3</sup> American Community Survey, 2010-2014

<sup>4</sup> U.S. Census Bureau, Census 42010 Summary File 1. Esri forecasts for 2016.

**Figure 3 Alameda County Employment, 1969-2014**



Source: U.S. Bureau of Economic Analysis, Regional Data

Despite strong employment growth in Alameda County, other regions of the Bay Area have outperformed the county. Between 2010 and 2014, San Francisco employment grew by almost 19 percent, adding 134,000 jobs. Santa Clara County grew by about 15 percent over the same period, increasing total employment there by 165,000 jobs. While San Mateo County only added about 72,000 jobs, the employment growth rate there between 2010 and 2014 was nearly 16 percent. Alameda County grew by about 13 percent.

**Figure 4 Comparison of Post-Recession Job Growth by County**

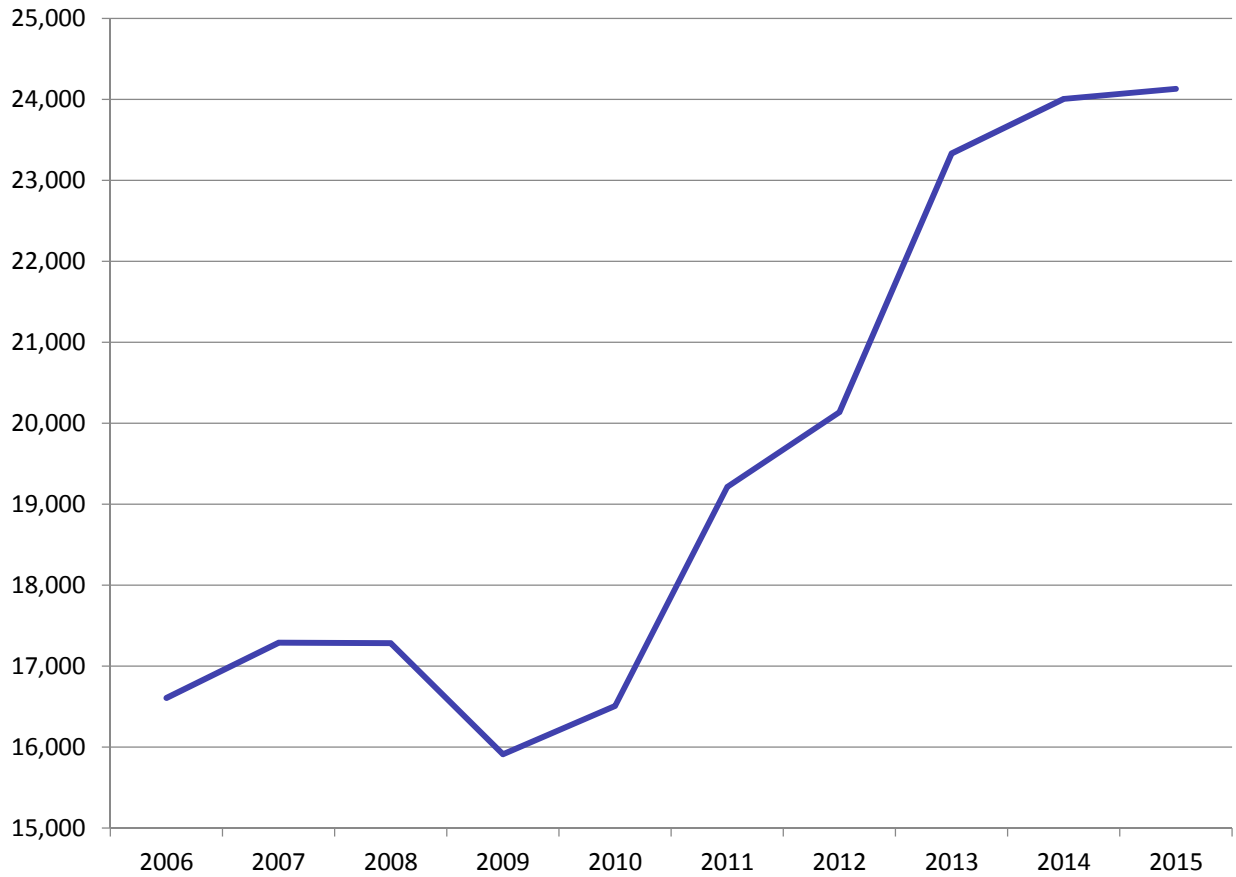
County	2010-2014	
	Jobs	Growth Rate
Alameda	109,645	13%
San Francisco	134,020	19%
San Mateo	71,860	16%
Santa Clara	164,994	15%

Source: Bureau of Economic Analysis

### **City of Alameda**

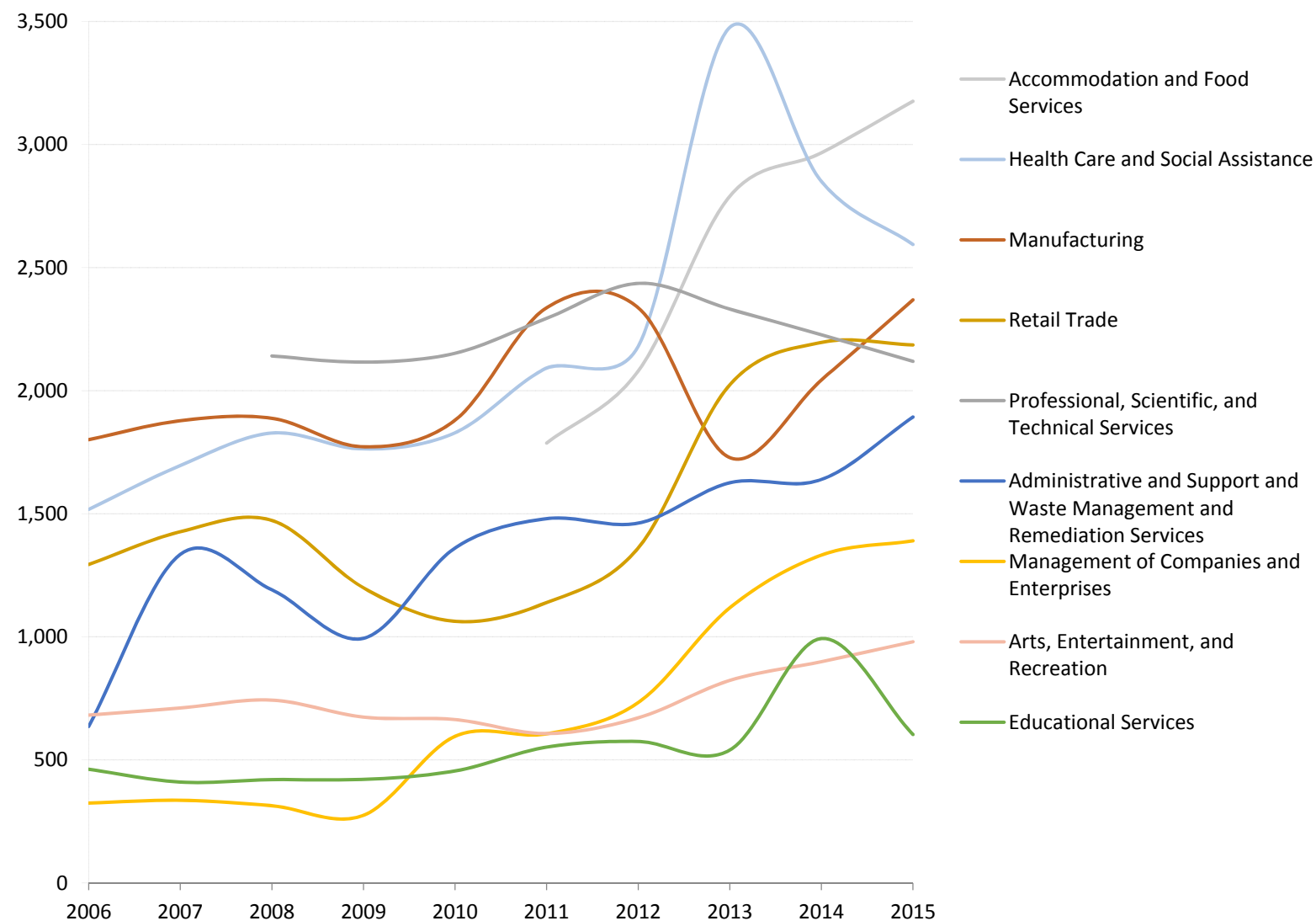
The local economy in the City of Alameda has exhibited a strong recovery from the 2008-9 recession, with nearly 50 percent more jobs in 2015 as compared with 2009. Though the number of net new jobs is modest compared with other cities, the rate of growth is impressive. Growth at accommodations, food service, and retail establishments have been drivers of this employment expansion, adding more than 2,400 jobs to the local economy during this period. In addition, management of companies (e.g., holding companies) and government, likely due to incorporation of the Alameda Hospital into the public health care network in 2011, have increased employment notably since the recession. Professional services and manufacturing had been the important sources of employment in the City of Alameda, but these industries have not increased employment as significantly as accommodations/food service and retail since the recession.

**Figure 5**      **City of Alameda Employment, 2006-2015**



Source: California Employment Development Department (QCEW)

**Figure 6 City of Alameda Employment in Selected Industries, 2006-2015**



Source: California Employment Development Department (QCEW)

### 3. *TRENDS IN THE MARITIME ECONOMY*

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This section offers a summary of trends concerning the primary drivers of maritime activities and land use, and presents a review of maritime land use clusters in the City of Alameda and at selected maritime locations in the East Bay. The key drivers of maritime activity considered include cargo shipping, boating, and naval defense. The study takes the approach of researching these driver sectors, due to the difficulty of capturing maritime commercial users in traditional employment data. For example, heralded maritime businesses elsewhere in Alameda include companies that are categorized by employment data as environmental, energy, and technology companies.

#### **Cargo Shipping Trends**

Historically, the movement of goods into and out of U.S. ports has made up a major component of the national maritime industry. The San Francisco Bay Area goods movement system supports global supply chains and regional industries. Included in this system is the nation's fifth-largest container port - the Port of Oakland.

Over the past fifteen years, the major California ports have seen a dramatic increase in cargo throughput growth and associated goods movement. Waterborne foreign container trade cargo processed at California's primary ports, measured in "Twenty Foot Equivalent Units" (TEUs), increased by more than 60 percent over this period.<sup>5</sup> However, this cargo growth has not occurred uniformly across California's ports. The Port of Los Angeles is the state's most significant port and throughput there has increased the most dramatically in absolute terms since 2000. In the Bay Area, the Port of San Francisco has seen dramatic declines in throughput since containerization in the 1960s. Since 2000, cargo volumes in San Francisco have been volatile and in 2015 were less than one percent of what they had been in 2000.

Trade at the Port of Oakland grew 54 percent between 2000 and 2015, from approximately 980,000 TEUs to 1.5 million TEUs in 2015. However, much of this expansion occurred prior to the 2008-9 recession. Since 2010, cargo throughput in Oakland has not sustained growth. Looking towards the future, the Port of Oakland is expected to see growth in international trade. However, the Port of Oakland faces challenges in the form of market competition from other West Coast ports, growing local congestion, community opposition to industrial development, and environmental concerns. In recent years, the Port of Oakland has lost market share to other West Coast ports which have better positioned themselves to take advantage of growing Pacific Rim trade, and from expanding ports in Mexico and Canada. Furthermore, the newly-expanded Panama Canal threatens to allow the diversion of cargo to the Eastern U.S. and Gulf Coasts.<sup>6</sup>

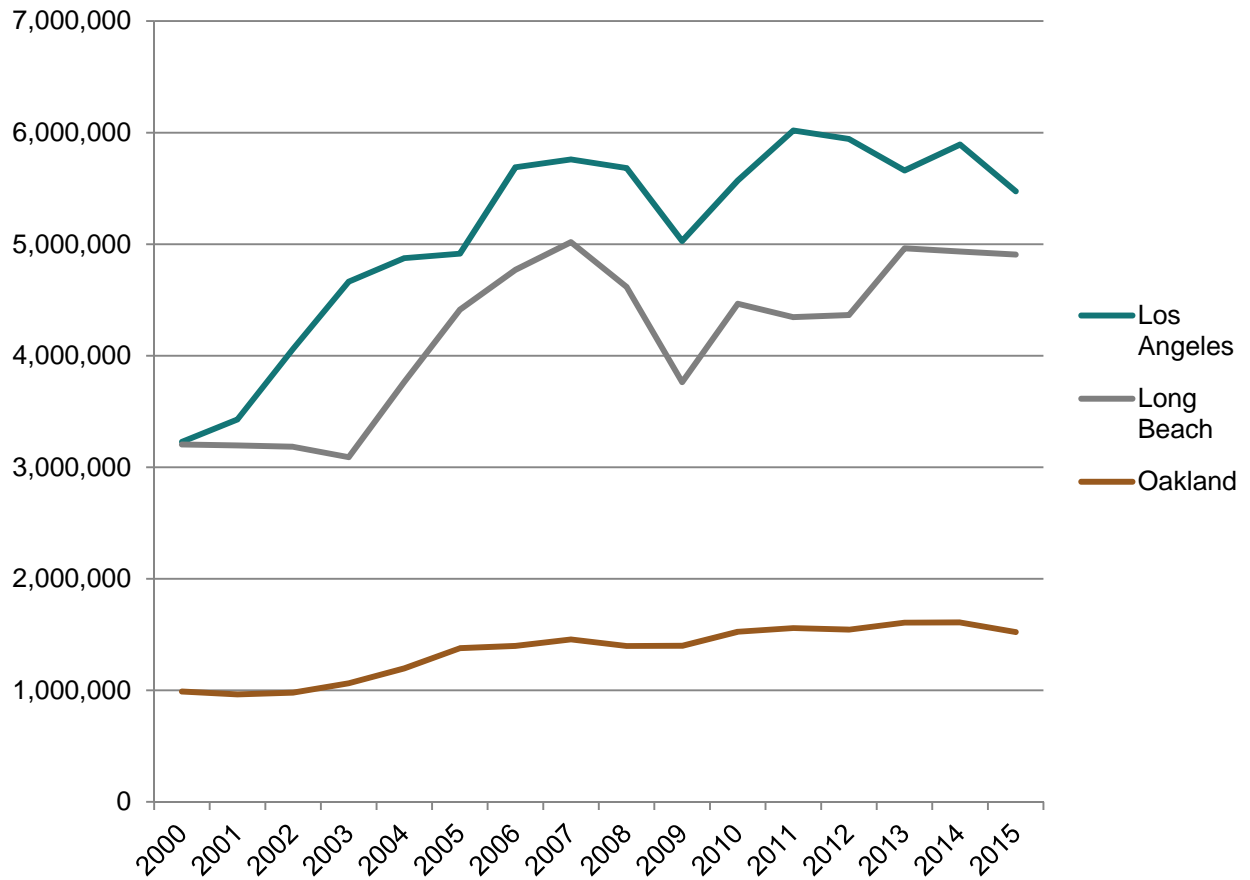
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<sup>5</sup> The Twenty Foot Equivalent Unit is a standard unit of cargo capacity that refers to a 20-foot-long intermodal container.

<sup>6</sup> Cambridge Systematics, Inc. "San Francisco Bay Area Freight Mobility Study," 2014. Report prepared for the California Department of Transportation.

**Figure 7** and **Figure 8** present cargo throughput trends at California's most significant port facilities.

**Figure 7 California Imports and Exports (TEUs), 2000-2015**



Source: U.S. Department of Transportation Maritime Administration, 2016



**Figure 8**      **Oakland Imports and Exports (TEUs), 2000-2015**

California Port	2000	2005	2010	2015	2000 - 2015		2010 - 2015	
					Change	Percent Change	Change	Percent Change
Long Beach	3,203,555	4,412,302	4,466,075	4,906,828	1,703,273	53%	440,753	10%
Los Angeles	3,227,743	4,914,811	5,570,485	5,473,867	2,246,124	70%	-96,618	-2%
<b>Oakland</b>	<b>988,773</b>	<b>1,378,403</b>	<b>1,526,030</b>	<b>1,522,895</b>	<b>534,122</b>	<b>54%</b>	<b>-3,135</b>	<b>0%</b>
Port Hueneme	9,344	18,417	24,446	54,214	44,870	480%	29,768	122%
San Diego	12	47,998	51,339	60,175	60,163	501358%	8,836	17%
San Francisco	35,918	440	20	224	-35,694	-99%	204	1020%

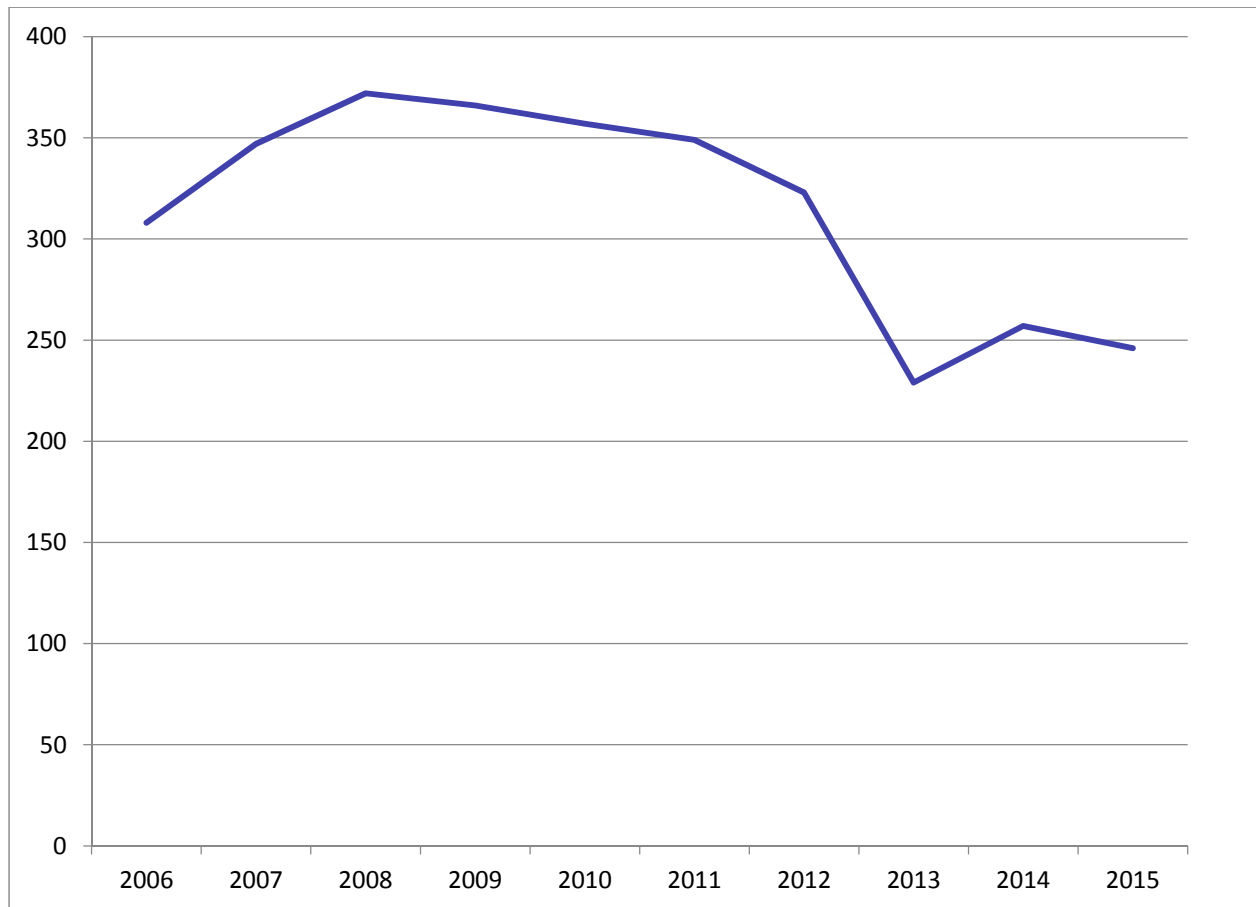
Source: U.S. Department of Transportation Maritime Administration, 2016

## Transportation and Warehousing

A potential economic spinoff of cargo shipping and trade is the associated activity in the transportation and warehousing sector. The transportation and warehousing sector includes industries providing transportation of passengers and cargo, warehousing and storage for goods, scenic and sightseeing transportation, and support activities related to modes of transportation.

In the City of Alameda, future maritime-related economic ripple effects from activity at the Port of Oakland seem unlikely. At one time, sections of Alameda were used as overflow space for the Port of Oakland. However, city planning and zoning has encouraged redevelopment of industrial areas. Railroad tracks that once served Alameda businesses have been paved over and new housing developments have already replaced former shipping and warehousing sites. While cargo throughput in Oakland increased between 2005 and 2015, transportation and warehousing employment in the city declined. In general, logistics companies have sought new locations in the I-80 and I-880 corridors.

**Figure 9** City of Alameda Transportation and Warehousing Employment



Source: California Employment Development Department (QCEW)

## Boating Trends

Although many leisure sectors have seen an uptick in popularity in the recent, post-recession years, boating in California and Alameda County has not grown along with restored disposable incomes. The state of California once had the highest number of registered boaters and the highest expenditures on boating in the United States, but it has dropped to a rank of eleven.<sup>7</sup>

Between 1960 and 2000, California water vessel registration trends exhibited strong and consistent growth with an average annual increase in registered vessels of 3 percent.<sup>8</sup> This trend peaked during the early 2000s. Vessel registration levels dropped notably along with the economic downturn and have not recovered since. In Alameda County, vessel registrations have trended downward since 2000, falling from 30,800 registrations in 2000 to 20,700 in 2015, an average annual decrease of 3 percent.

Despite the trends in registered vessels, industry reports do indicate sales growth in niche boating categories like paddle boarding and small power boats.<sup>9</sup> Low gas prices and increased consumer credit for boat purchases have supported this recent increase in small power boats. Also, the data reveal that vessel registrations by “Youth Groups” in Alameda County increased in Alameda County between 2000 and 2015.

**Figure 10 Alameda County Registered Vessels by Use Category, 2015**

Category	Number of Registered Vessels
Pleasure	20,464
Boat Rental	56
Dealer	23
Manufacturer	0
Commercial	76
Youth Group	51
Government	<u>226</u>
<b>Total</b>	<b>20,896</b>

Source: California Department of Boating and Waterway

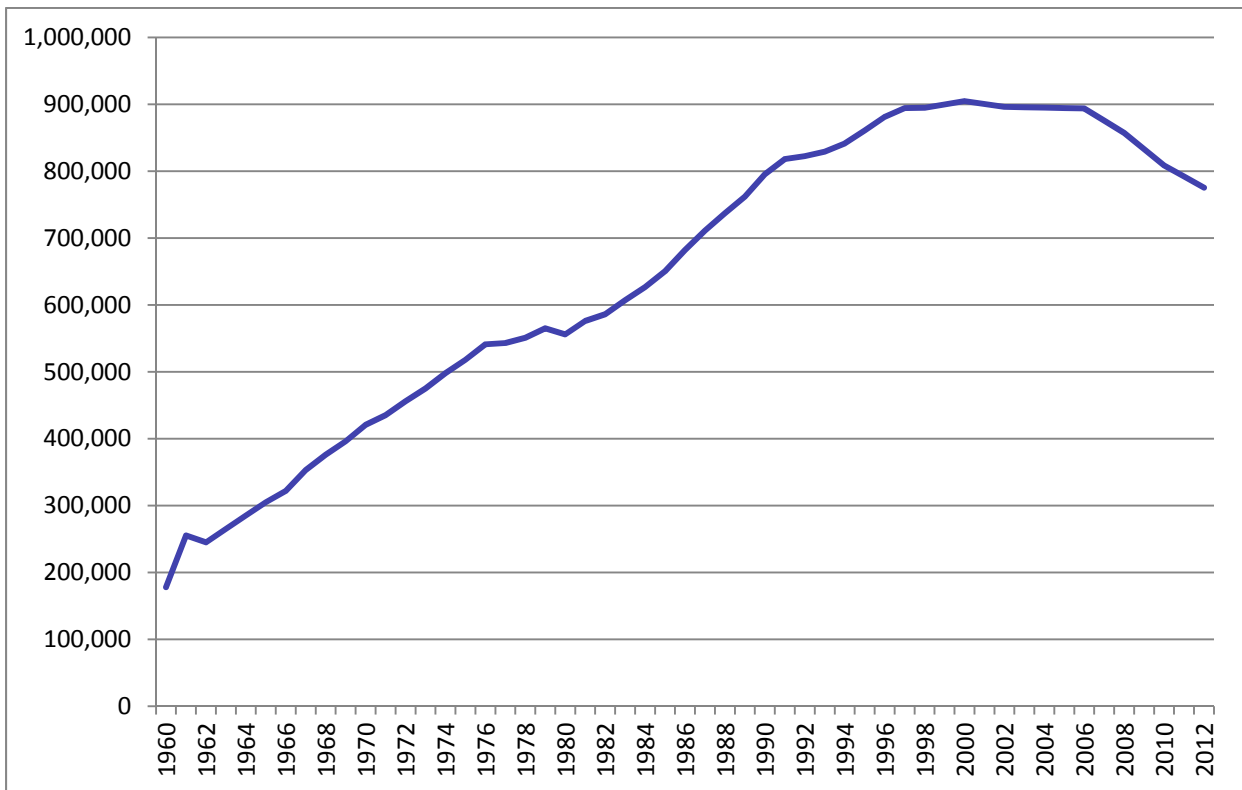
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<sup>7</sup> Daily News, Kevin Smith, June 27, 2013,  
<http://www.dailynews.com/article/ZZ/20130627/NEWS/130629782>

<sup>8</sup> Vessel registration only includes large motored watercraft and sailboats (not small watercrafts and other recreational vessels). Recreational boating vessels account for approximately 98 percent of all registered water vessels.

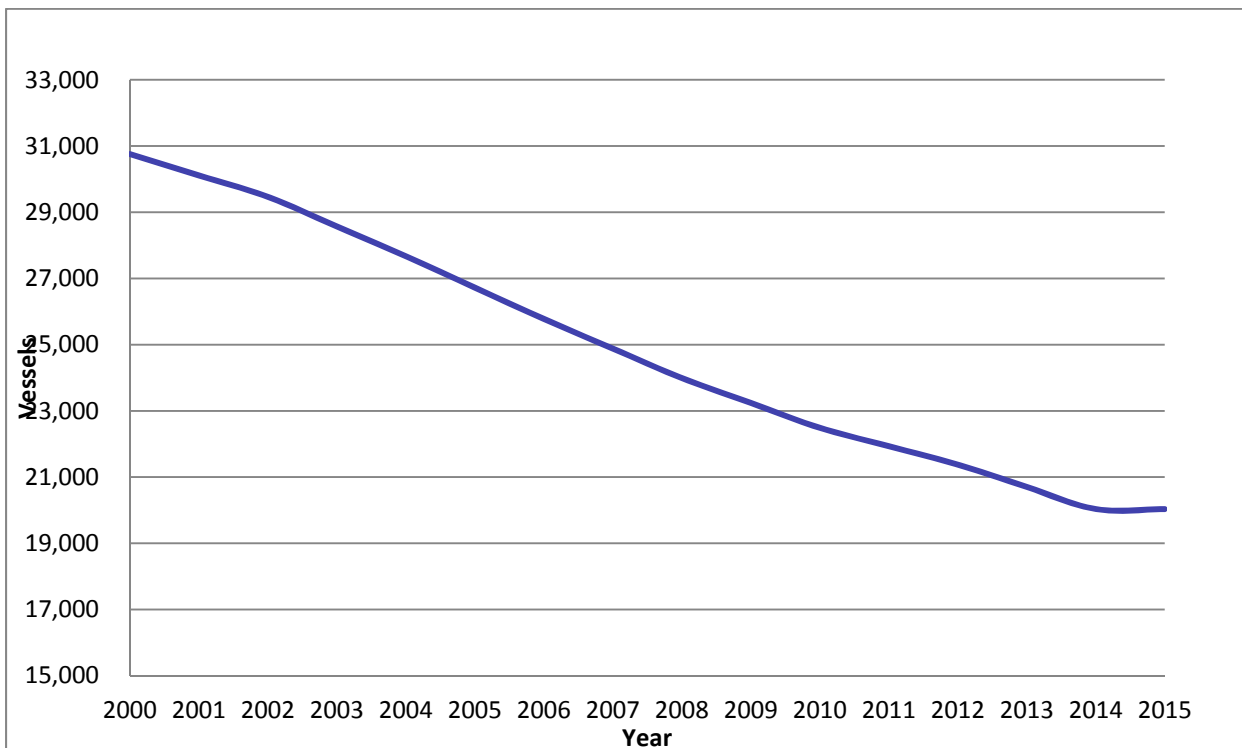
<sup>9</sup> Sacramento Bee, Randal Benton, January 31, 2015,  
<http://www.sacbee.com/news/business/article8801072.html>

**Figure 11 California Vessel Registration, 1960 -2012**



Source: California Department of Boating and Waterway

**Figure 12 Alameda County Vessel Registration, 2000-2015**



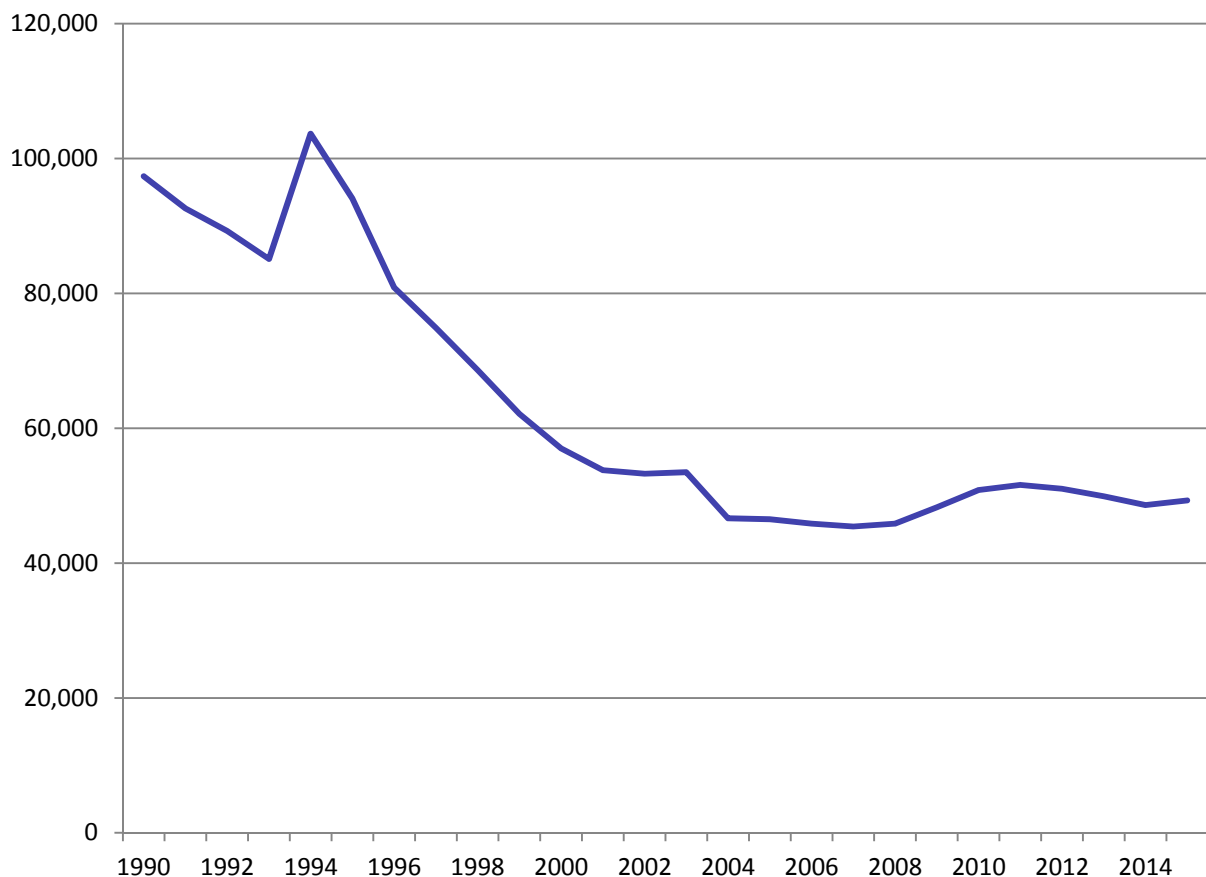
Source: California Department of Boating and Waterways

## Naval Defense Trends

Federal employment in the Department of Defense, and the Navy specifically, has been trending downward for decades. In Alameda, the closure of the Naval Air Station Alameda greatly reduced the economic potential for federal contracting and related economic spinoff activity in the city. While some businesses with a history tied to naval activity in Alameda still exist there today, demand for space to satisfy new business related to naval defense Alameda appears limited.

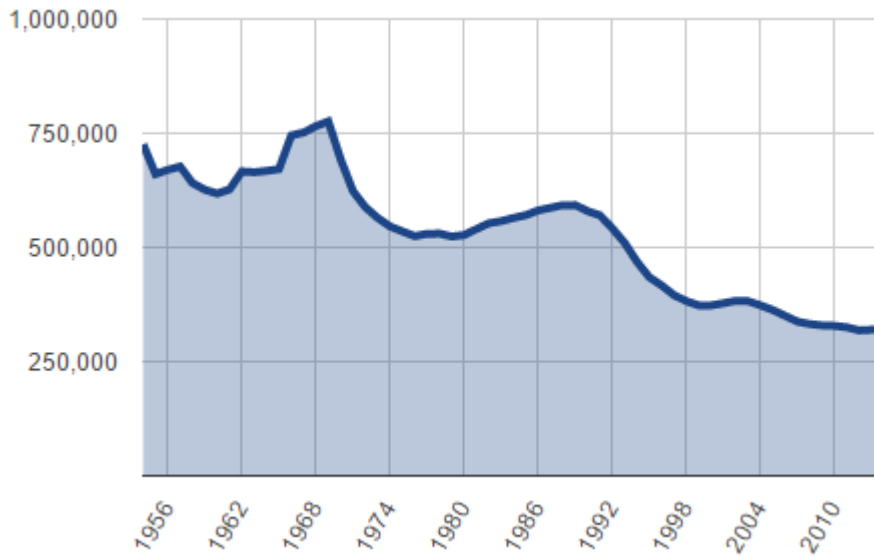
**Figure 13** and **Figure 14** present trends in national security personnel in California and Naval “manpower” nationally. As shown, defense employment dropped sharply in California during the 1990s and early 2000s. A similar trend is observed in the Navy’s human resources nationally. Navy manpower has declined nearly 60 percent from its late-1960s peak.

**Figure 13** Federal Employment of National Security Personnel in California



Source: U.S. Bureau of Economic Analysis

**Figure 14 Navy Manpower, 1955-2014**

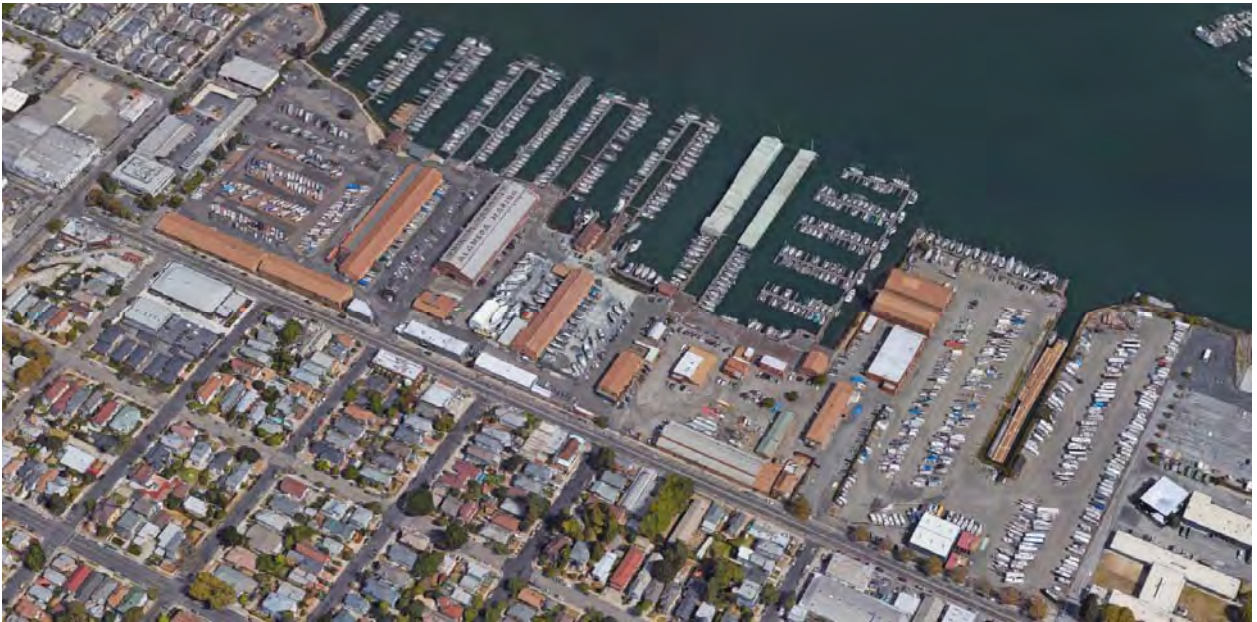


Source: Defense Manpower Data Center, Office of the Secretary of Defense, U.S. Department of Defense  
(<http://historyinpieces.com/research/us-military-personnel-1954-2014>)

## Alameda Marina Overview

Alameda Marina is located on the north shore of the City of Alameda and is the site of a mixed-used master plan. The marina contains 550 boat slips and about 250,000 square feet of build space, roughly 99,000 square feet of which currently is occupied by maritime businesses. About half of the maritime user space is occupied by Svendsen's Boat Works. Other maritime businesses include a chandlery, sailmakers, and boat repair businesses. Much of the existing maritime commercial businesses cater to smaller boats in the 24-32 foot size range.

**Figure 15**      **Aerial Photo of Alameda Marina**



Source: Google Earth

**Figure 16**      **Map of 1/4- Mile Area around Alameda Marina**



EPS conducted interviews with several maritime tenants at the marina. Most tenants have existed at the marina for an extended period of time and provide services to recreational boat owners who dock at the marina for a "one-stop shop" service and repair experience. Most of the

tenants interviewed cite access to the waterfront and proximity to other maritime businesses as important reasons for locating at Alameda Marina, and all of them report affordable rents as a main reason for locating there.

Existing maritime tenants pay an average rent of about \$6.50 per square foot per year (net of expenses), compared to the citywide average industrial rent of \$5.54. While slightly higher than the average for industrial space, these rents are far below the citywide average rent of \$16.39 for industrial “flex” space.

## Maritime Case Study Snapshots

In order to characterize the localized real estate conditions within maritime land use clusters, EPS collected data on ten marinas and waterfront commercial hubs in the East Bay, including seven in Alameda and three elsewhere (Richmond, San Leandro, and Emeryville).<sup>10</sup> **Figure 17** shows a map of all of the case studies.

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<sup>10</sup> EPS derived a list of Bay Area marinas (see Appendix) and selected three case study locations of comparable size to Alameda Marina (based on number of slips).



**Figure 17**      **Reference Map of Case Study Marinas**



Source: ESRI and EPS

The maritime land use clusters are detailed in the “snapshots” below. **Figure 18** and **Figure 19** summarize data from the case studies, with each identified as a type of maritime land use cluster (e.g., marina, working waterfront, base reuse). These data reveal dramatic variation in lease rates and vacancy rates across the waterfront sites. While some of the clusters exhibit higher than average asking rates for space, many of these locations also are suffering from double-digit vacancy rates. In many cases, maritime location and/or the presence of some maritime activity appears to have little effect on the overall business mix and market performance of real estate within the cluster. None of the case studies revealed evidence of notable increasing maritime economic activity. In the more detailed snapshots that follow, EPS presents a list of maritime businesses identified at each of the clusters, to illuminate the localized maritime economy.

**Figure 18 Summary of Real Estate within 1/2 Mile of Selected Alameda Maritime Hubs**

Type	Location	Square Feet/Dwelling Units	Estimated Distribution of Uses (1)	Average Value per Square Foot (2)	Vacancy Rate
<b>Marinas</b>	<b>Alameda Marina</b>				
	Office (SF)	72,171	22%	\$15.00	0.0%
	Industrial (SF)	236,052	73%	\$12.60	1.5%
	Flex (SF)	0	0%	-	-
	Retail (SF)	13,100	4%	\$32.64	0.0%
	Rental Housing (DU)	49	-	-	-
	<b>Ballena Isle Marina</b>				
	Office (SF)	42,745	77%	-	0.0%
	Industrial (SF)	-	-	-	-
	Flex (SF)	-	-	-	-
	Retail (SF)	12,894	23%	-	0.0%
	Rental Housing (DU)	894	-	\$3.10	1.9%
	<b>Fortman/Grand Marinas</b>				
	Office (SF)	373,326	30%	\$32.88	10.5%
	Industrial (SF)	570,002	45%	\$4.62	0.0%
	Flex (SF)	173,098	14%	-	6.7%
	Retail (SF)	143,468	11%	\$32.69	10.5%
	Rental Housing (DU)	607	-	\$2.97	6.0%
	<b>Marina Village Yacht Harbor</b>				
	Office (SF)	1,223,739	58%	\$36.57	10.0%
	Industrial (SF)	26,737	1%	-	0.0%
	Flex (SF)	522,540	25%	\$16.92	3.7%
	Retail (SF)	343,703	16%	\$30.93	3.7%
	Rental Housing (DU)	352	-	\$2.61	3.3%
	<b>Mariner Square Marina</b>				
	Office (SF)	1,107,612	50%	\$34.32	17.5%
	Industrial (SF)	495,459	22%	-	0.0%
	Flex (SF)	62,700	3%	\$13.80	7.8%
	Retail (SF)	568,962	25%	-	4.3%
	Rental Housing (DU)	372	-	\$2.77	4.3%
<b>Former Naval Base</b>	<b>Alameda Point</b>				
	Office (SF)	541,952	14%	14.17	21.4%
	Industrial (SF)	3,001,258	77%	5.58	21.4%
	Flex (SF)	285,505	7%	-	0.0%
	Retail (SF)	67,305	2%	-	0.0%
	Rental Housing (DU)	-	-	-	-
<b>Working Waterfront</b>	<b>Alameda Main Street Terminal</b>				
	Office (SF)	55,525	18%	\$12.00	19.0%
	Industrial (SF)	128,902	41%	-	0.0%
	Flex (SF)	123,000	39%	-	0.0%
	Retail (SF)	6,988	2%	-	0.0%
	Rental Housing (DU)	-	-	-	-

[1] Estimated distribution reflects total allocation of space on square-footage basis.

[2] Reported values reflect current per-square-foot asking rents from CoStar.

Source: CoStar, Economic and Planning Systems, Inc.

**Figure 19 Summary of Real Estate within 1/2 Mile of Selected Bay Area Marinas**

Type	Location	Square Feet/Dwelling Units	Estimated Distribution of Uses (1)	Average Value per Square Foot (2)	Vacancy Rate
Marinas	<b>San Leandro Marina</b>				
	Office (SF)	3,643	6%	-	0.0%
	Industrial (SF)	24,536	40%	\$23.04	0.0%
	Flex (SF)	-	-	-	-
	Retail (SF)	32,736	54%	-	0.0%
	Rental Housing (DU)	258	-	\$1.94	3.9%
	<b>Emery Cove Yacht Harbor</b>				
	Office (SF)	21,379	39%	-	0.0%
	Industrial (SF)	-	-	-	-
	Flex (SF)	-	-	-	-
	Retail (SF)	33,056	61%	-	0.0%
	Rental Housing (DU)	523	-	-	-
	<b>Marina Bay Yacht Harbor (Richmond)</b>				
	Office (SF)	218,984	13%	-	12.1%
	Industrial (SF)	769,527	44%	\$17.52	5.3%
	Flex (SF)	758,031	43%	\$15.59	4.3%
	Retail (SF)	-	-	-	-
	Rental Housing (DU)	349	-	\$2.71	4.0%

[1] Estimated distribution reflects total allocation of space on square-footage basis.

[2] Reported values reflect current per-square-foot asking rents from CoStar.

Source: CoStar, Economic and Planning Systems, Inc.

## Ballena Isle Marina

Ballena Isle Marina is located on the southern edge of Alameda, adjacent to Alameda Point. The marina houses 500 wet boat storage options for recreational boating and offers on-site boat maintenance through partner vendors. The Ballena Bay Yacht Club is located onsite, as well as waterfront dining. A small strip of commercial businesses is located at the marina. Mike's Paddle Rental and Club Nautique, a sailing school, provide recreational services at the marina, while Trident Funding Corporation specializes in marine finance next door.

**Figure 20** Map of 1/4-Mile Area around Ballena Isle Marina



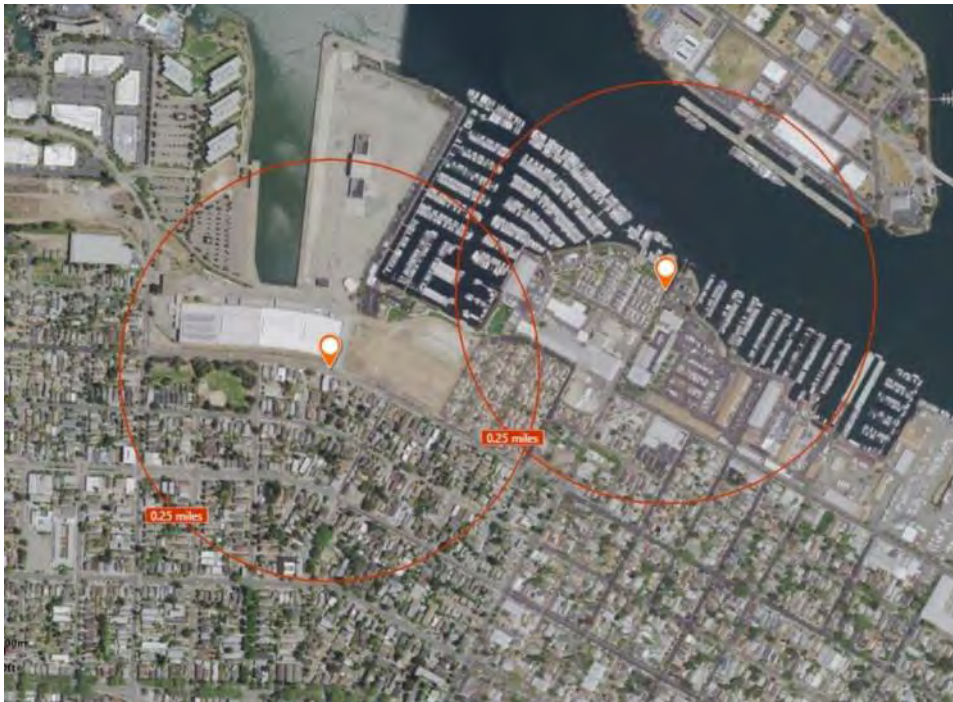


## Fortman Marina and Grand Marina

As shown below in Figure 22, Fortman Marina and Grand Marina are located in close proximity to each other. Fortman Marina abuts Encinal Terminals, a former storage area for shipping containers that is planned for mixed-use development. Fortman Marina has 497 berths for recreational boating and houses the Alameda Yacht Club. A small general store also operates at the marina.

Next door, Grand Marina has 400 berths for recreational boating and similar to Alameda Marina, is home to a full service boating community. The marina has 25,000 square feet of maritime craftsmen shops. Examples of businesses at Grand Marina include Alameda Canvas and Coverings - a custom marine canvas fabrication shop; Pacific Yacht Imports – a yacht dealer; and Paragon Marine Interiors - a boat interior repairer.

**Figure 21** Map of 1/4-Mile Area around Fortman and Grand Marinas

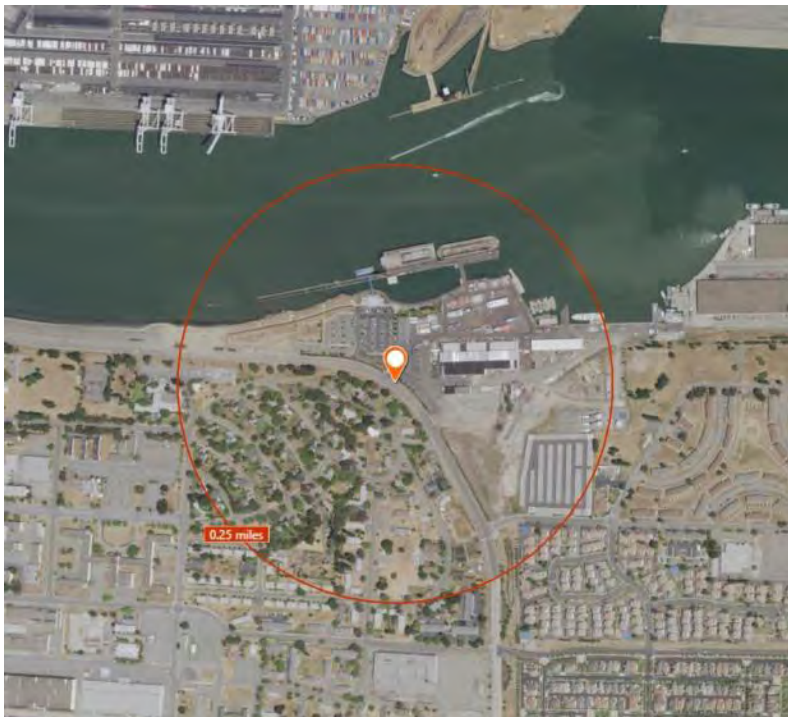


## Alameda Main Street Terminal

On the north side of Alameda, directly across from The Port of Oakland, lays the Alameda Main Street Terminal. There, the San Francisco Bay Ferry stops, connecting Alameda to Oakland and San Francisco. The terminal includes parking for 324 cars and 20 bicycles in secured lockers.

One of the most important maritime businesses in the City, Bay Ship & Yacht Co. is located next door to the Main Street Terminal. Bay Ship & Yacht Co. is a full-service shipyard that services super yachts and commercial and military ships. Aside from Bay Ship & Yacht Co., the area does not contain much other commercial use. However, the Marine Express is a transportation services company with a fleet of 13 vessels and five barges that operates out of the site.

**Figure 22** Map of 1/4-Mile Area around Alameda Main Street Terminal



### Marina Village Yacht Harbor

With 767 berths, Marina Village Yacht Harbor is situated across from Jack London Square. It is one of the largest privately owned marinas in the Bay area. The marina has a grocery store, limited retail, and is nearby to boating services. The Encinal Yacht Club and Oakland Yacht Clubs are adjacent to the marina.

**Figure 23**      **Map of 1/4-Mile Area around Marina Village**





## Mariner Square Marina

The final marina EPS analyzed is Mariner Square Marina. The smaller marina has 50 wet slips and dry boat storage. In a time when allowable space for live-aboards is dwindling in the Bay Area, the Mariner Square Marina offers a combination of recreational boating and live-aboards who make up a small, close-knit community of boaters. In terms of retail, the marina has an on premise restaurant.

**Figure 24**      **Map of 1/4-Mile Area around Mariner Square Marina**



## San Leandro Marina

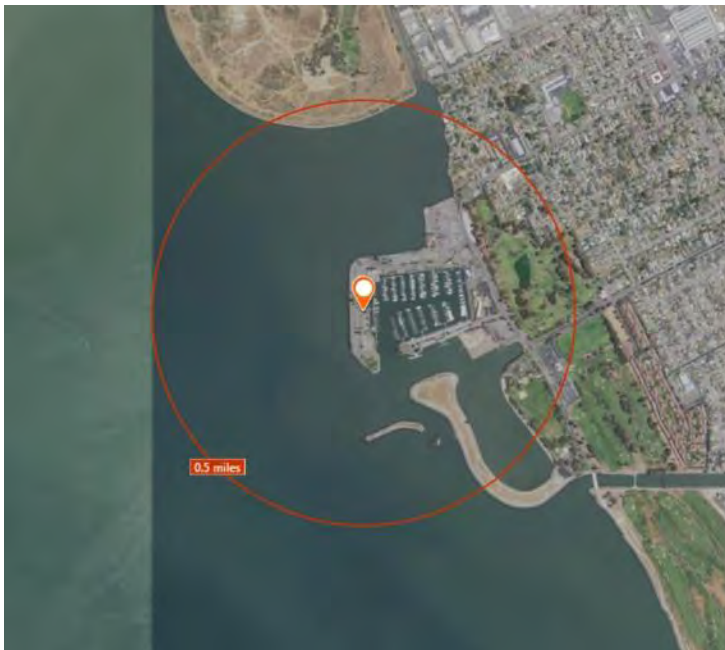
Built in 1963, the San Leandro Marina catered mostly to the smaller boat market, with a majority of slips below 30 feet. In the 70s and 80s, the marina enjoyed an 85 percent occupancy rate, but as more of the small boats began dry sailing, the City of San Leandro, which had not raised rates in some time, was forced to raise rates to keep the harbor financially afloat. Higher rates caused vacancy rates to spike to an annual average of 10 percent from 2000-2004. By the turn of the decade, the harbor could no longer afford to dredge the marina, which decreased the number of available slips.

Today, the marina includes 462 slips and two private yacht clubs. The surrounding area includes the Marina Golf Course and the Marina Inn. Due to the build-up of silt both in the harbor and the 2-mile federal channel, occupancy of the harbor currently stands at less than 30 percent.

In 2010, working with Cal Coast Development, the City of San Leandro commissioned a Harbor Basin Alternative Study to consider alternate uses for the marina that were more financially stable. The City considered turning the area into a marsh, a partial marsh and smaller marina, or an aquatic park. According to the study, reducing the marina to 200 slips and depositing dredged materials in the harbor basin and south basin would cost the City \$11 million over a 20-year period and therefore was not recommended.

Based on the 2011 financial feasibility study, the City's public-private master redevelopment plan seeks to retain boating activities in the area for as long as financially feasible, and then transition the area to an Aquatic Park. The plan hopes to introduce a banquet facility, hotel, dining options, housing units, class A office space, recreation spaces, and an enhanced library/community building to the area.

**Figure 25**      **Map of 1/2-Mile Area around San Leandro Marina**



### Emery Cove Yacht Harbor

The Emery Cove Yacht Harbor offers 430 boat slips and is home to the Emeryville Yacht Club. Located on a slender peninsula jutting into the San Francisco Bay, the marina is neighbor to a few restaurants and cafes. The 26-acre Watergate garden condominium complex separates the marina from the east side of the peninsula where a Hilton Garden Inn and a small cluster of office buildings are located. The marina itself provides laundry, showers, a hospitality area, and boat maintenance services in addition to easy access to the bay by boat.

**Figure 26** Map of 1/2-Mile Area around Emery Cove Yacht Harbor



## Marina Bay Yacht Harbor

Marina Bay Yacht is located in the south end of Richmond, CA. With 850 slips, the marina is one of the larger marinas in the Bay Area. The marina is relatively new and occupies the former Kaiser Shipyard site that was an important industrial hub during World War II.

The marina offers standard amenities, including showers, laundry, and lockers. Boaters enjoy deep water access to the Bay and the Marina Park that hugs the northeast side of the marina. The east end has little commercial land use other than Tradewinds Sailing School. The west side of the marina is home to the Rosie the Riveter World War II Museum and the redeveloped Ford Assembly Plant. The plant includes 500,000 square feet of industrial space and houses a range of commercial enterprises, from Mountain Hardware Employee Store to SunPower Corporation, a provider of solar panels. The commercial businesses at Marina Bay Yacht Harbor do not appear to be related to maritime use. The marina's website advertises boatyards and chandleries that are located nearby, but are not housed directly in the harbor.

**Figure 27**      **Map of 1/2-Mile Area around Marina Bay Yacht Harbor**



## 4. COMMERCIAL LAND USE ASSESSMENT

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This chapter assesses office, industrial, and retail market trends in the City of Alameda and countywide. Trends considered include lease rates, absorption, building stock, and vacancy rates. The assessment also provides examples of recent commercial development projects.

### Office Market Trends

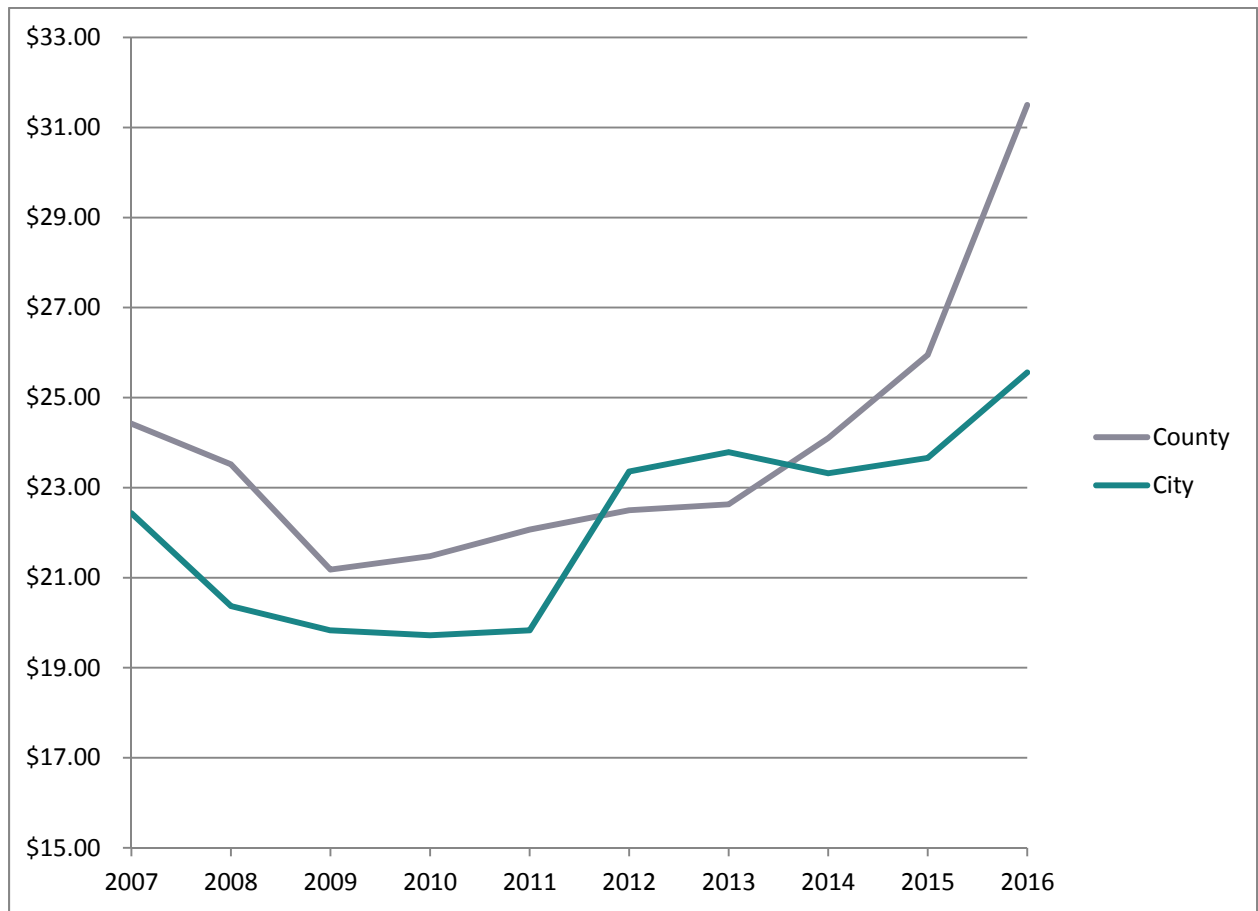
The delivery of new office space in the City of Alameda has been modest in recent years, with a net increase of just five buildings totaling 158,000 square feet since 2012. These projects occurred on the west coast of Bay Farm Island, at Harbor Bay. This area has seen a notable clustering of office space and corporate campus-style developments. The cluster has succeeded due to its attractive location on Harbor Bay Parkway, adjacent to the Harbor Bay Ferry Terminal and Oakland International Airport. Four out of 10 of the City's largest employers are located on Bay Farm Island.<sup>11</sup> These include Penumbra, VF Outdoor, Oakland Raiders, and Abbott Diabetes Care.

While office market trends in the City of Alameda have been similar to overall market trends countywide, lease rates are lower and vacancy is higher in the city. Since 2011, net absorption of office space has been generally strong, with vacancy rates steadily declining. Though office lease rates (class A and class B) in the city were greater than countywide in 2013, areas outside of the city have seen rapid lease rate escalation since then, as shown in **Figure 28**. Lease rates in Alameda County currently are about 20 percent above the city. Also, while both the city and the county have enjoyed positive net absorption of space and little new development over the past three years, vacancy in the city remains relatively high at over 12 percent, while the countywide vacancy has reached a healthy rate of about seven percent. So, while the City of Alameda does possess long-run potential for future office development, particularly within Alameda Point where a significant cluster could emerge, recent trends reveal that the other areas of the county are outcompeting the city in the attraction of office tenants.

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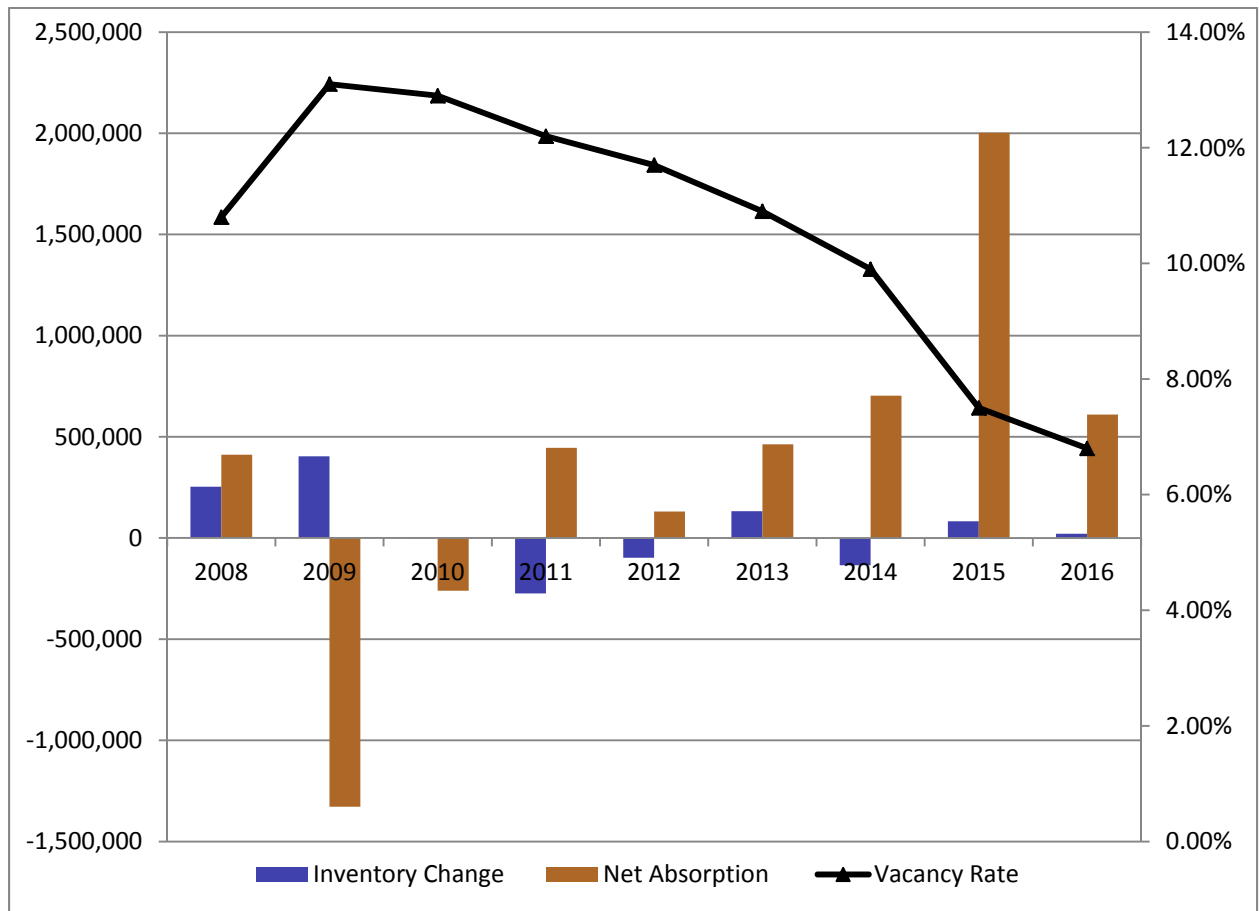
<sup>11</sup> A complete list of the ten largest employers in Alameda is provided in the **Appendix A**.

**Figure 28** Alameda County and City Average Class A & B Office Rents



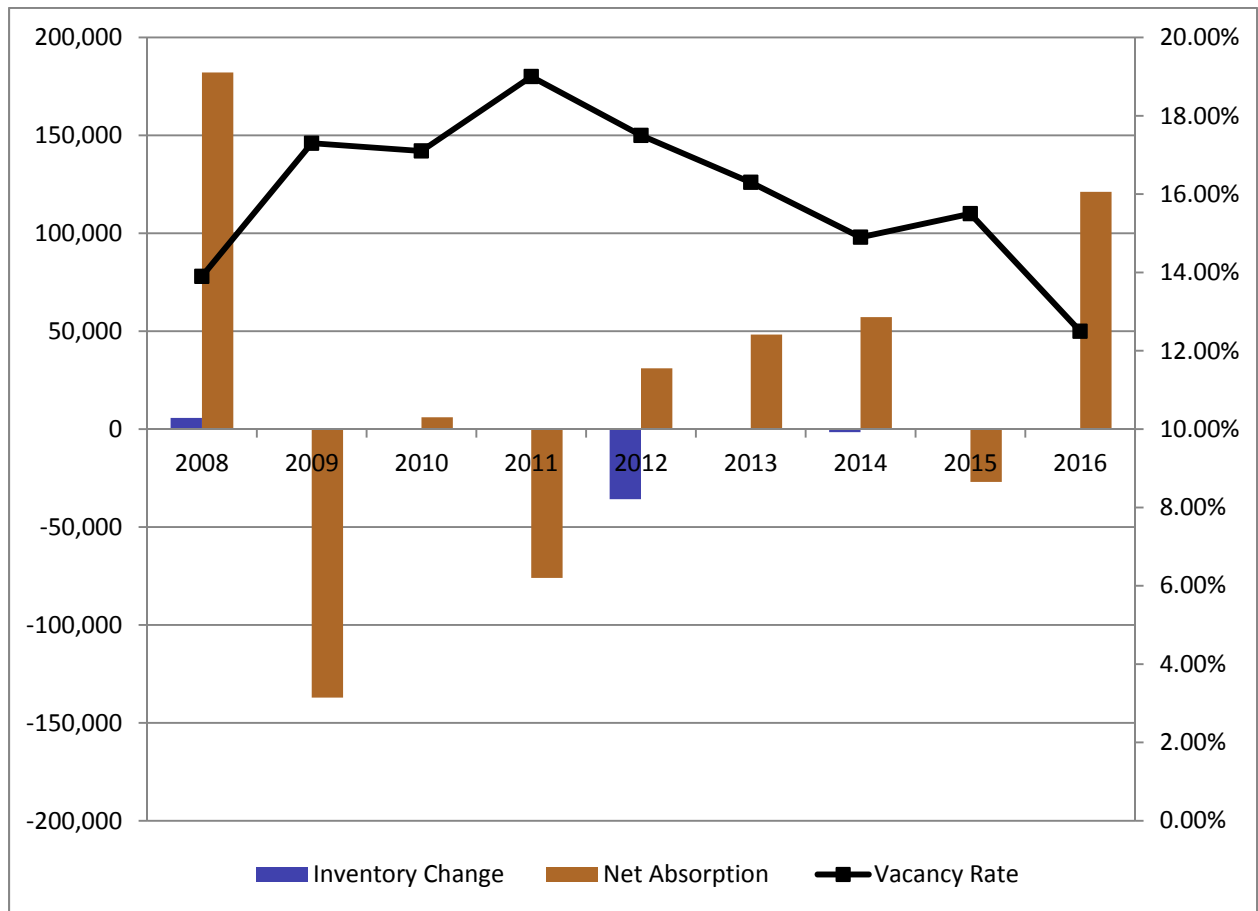
Source: CoStar

**Figure 29 Alameda County Office Trends**



Source: CoStar

**Figure 30 City of Alameda Office Trends**



Source: CoStar



## Office Development Profiles

The City of Alameda has seen very little new office space completed in recent years. In many cases, older office buildings are undergoing renovations to reposition the space as a luxury building with updated amenities. However, some new development did occur in Harbor Bay after the recession.

### Harbor Bay

Harbor Bay Business Park is a 314-acre master planned business park consisting of 1.8 million square feet of office and R&D space and approximately 150 acres of additional land. The Harbor Bay area of the City of Alameda has nearly doubled its office inventory since 2000, with approximately 160,000 Square Feet delivered in 2012 alone. The new inventory, spread across five buildings, is 100 percent leased. SRM Development is responsible for all 2012 deliveries, which featured a custom profile of amenities that together helped the buildings receive LEED accreditation. Four of the five new buildings are occupied by VF Corporation, the parent company to a number of apparel and recreational outfitting brands.

The average rent for all office spaces in Harbor Bay increased to from \$18.60 in 2008 to \$21.70 in year 2016. The success of office development in the Harbor Bay area is partly attributable to the adjacent Ferry stop (less than a 10 minute walk), which allows for easy commuting across the Bay. Easy access to the Oakland Airport is another feature that sets Harbor Bay apart from the rest of Alameda, making the area attractive to businesses.



*Photo represents four of the five new office buildings at the new VF Headquarters campus.*

## **Marina Village**

Brookfield Property Partners purchased the 1.1 million square foot office and flex space on Alameda's waterfront at 1201 Marina Village Parkway in 2014. At the time, the property was experiencing a vacancy rate of 50 percent. Brookfield has since invested in comprehensive upgrades and renovations and recently signed a lease with Cost Plus for 107,000 square feet of the space. Vacancy now stands at 6 percent according to CBRE.



## Industrial/Flex Market Trends

The Alameda County industrial real estate market has seen a dramatic turnaround since 2009, when absorption was strongly negative and vacancy rates were spiking, reaching a peak of almost 12 percent in 2011. Since then, positive absorption of space has returned and with vacancy falling below five percent, new construction has resumed.

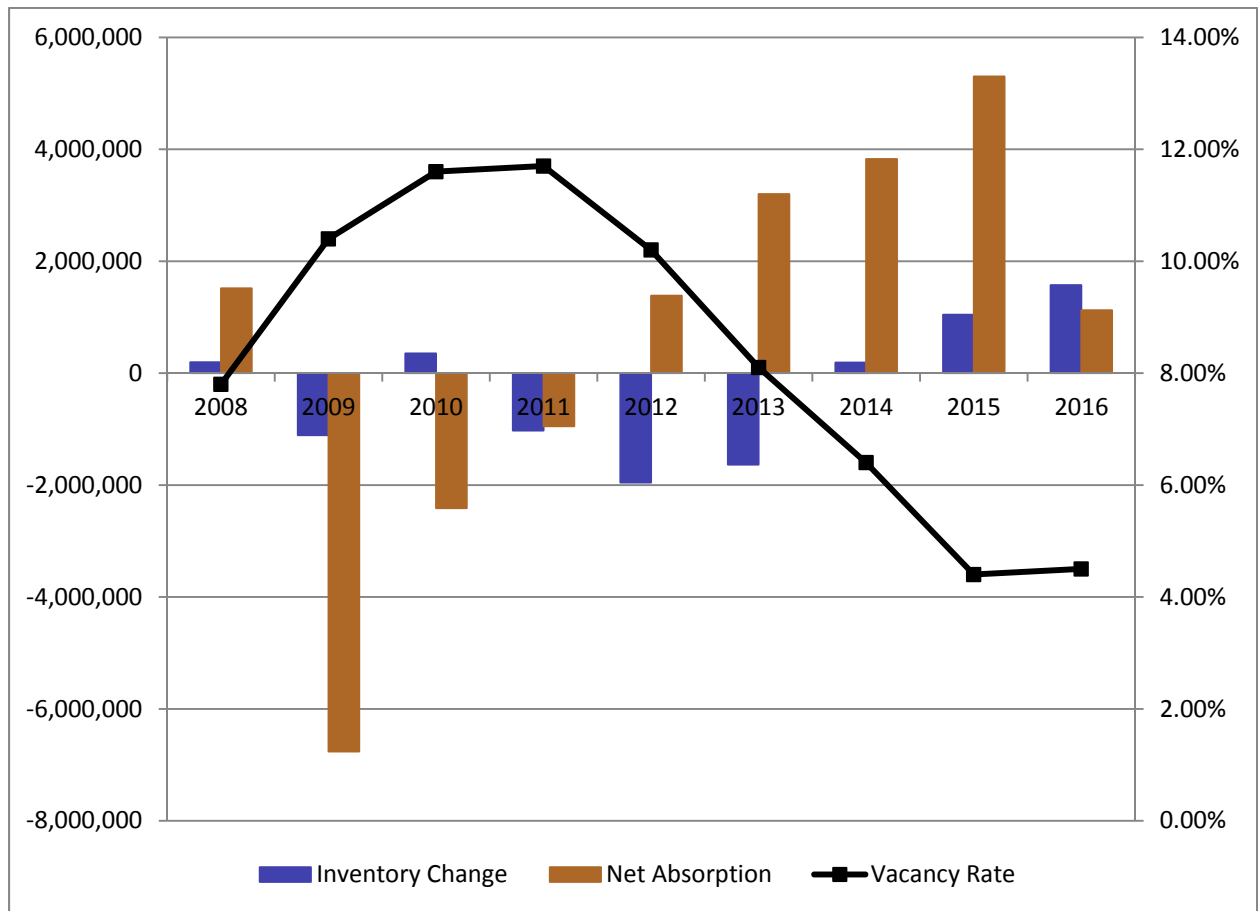
In the City of Alameda, industrial building stock, including R&D and flex space, has been reduced by the removal and renovation space previously occupied by naval uses at Alameda Point and supporting industries around the city. As shown in **Figure 33**, the city experienced a significant net loss of industrial inventory between 2012 and 2014. However, there has been a modest amount of R&D space developed over the past decade, roughly 130,000 square feet, on Bay Farm Island. The rents achieved by R&D spaces are dramatically higher than average industrial space.

**Figure 31** Alameda County and City Average Industrial & Flex Rents



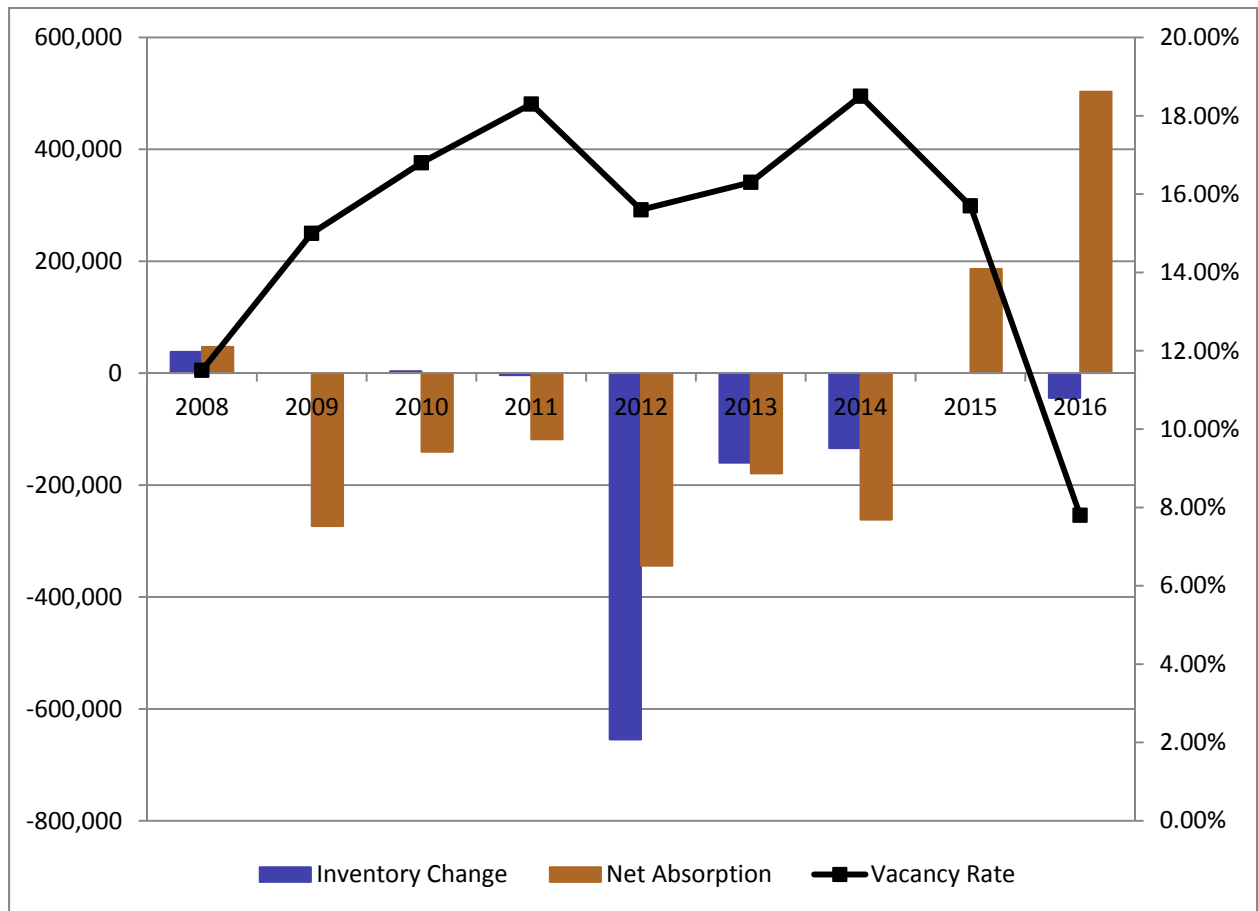
Source: CoStar

**Figure 32 Alameda County Industrial & Flex Trends**



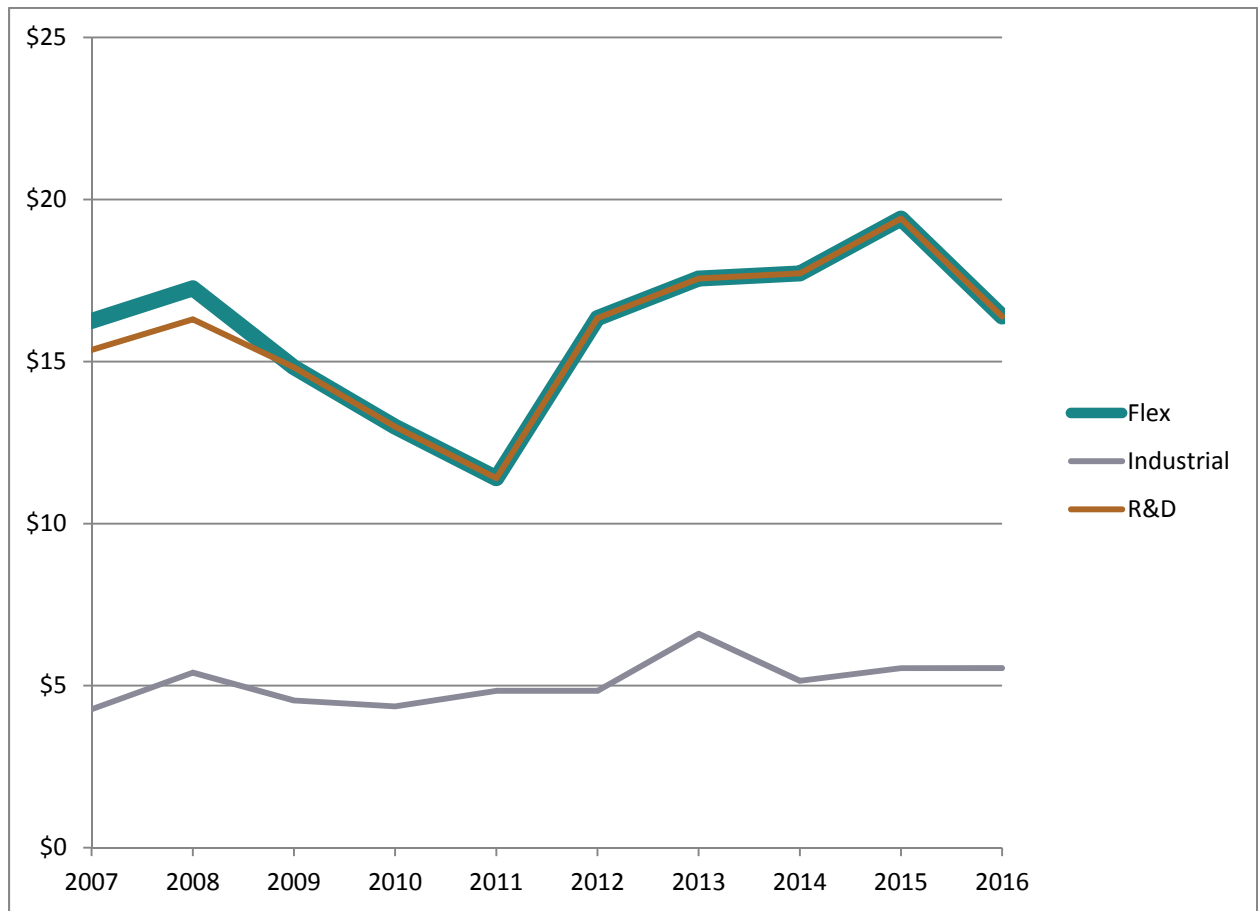
Source: CoStar

**Figure 33 City of Alameda Industrial & Flex Trends**



Source: CoStar

**Figure 34** City of Alameda Industrial & Flex Market Rent per Square Foot

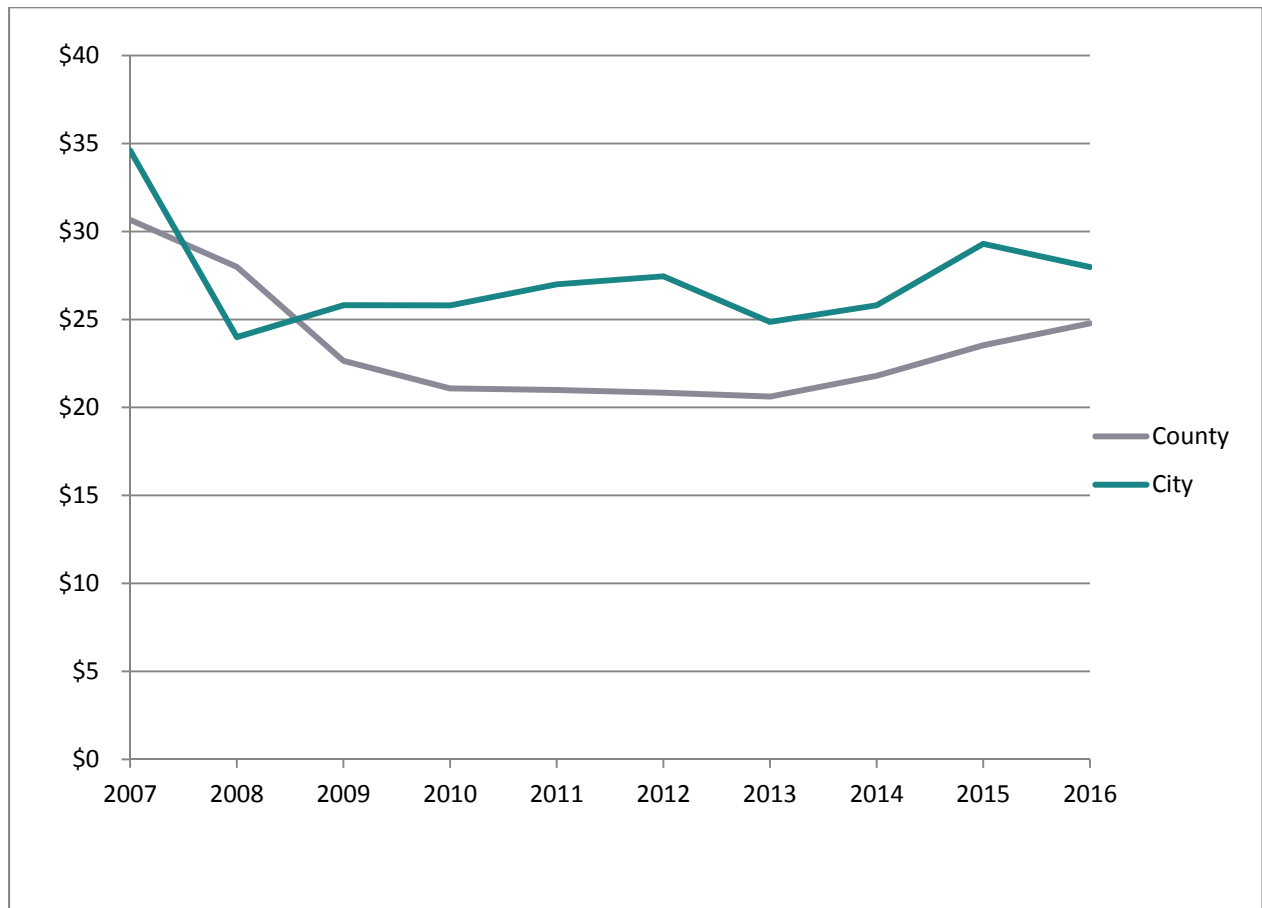


Source: CoStar

## Retail Market Trends

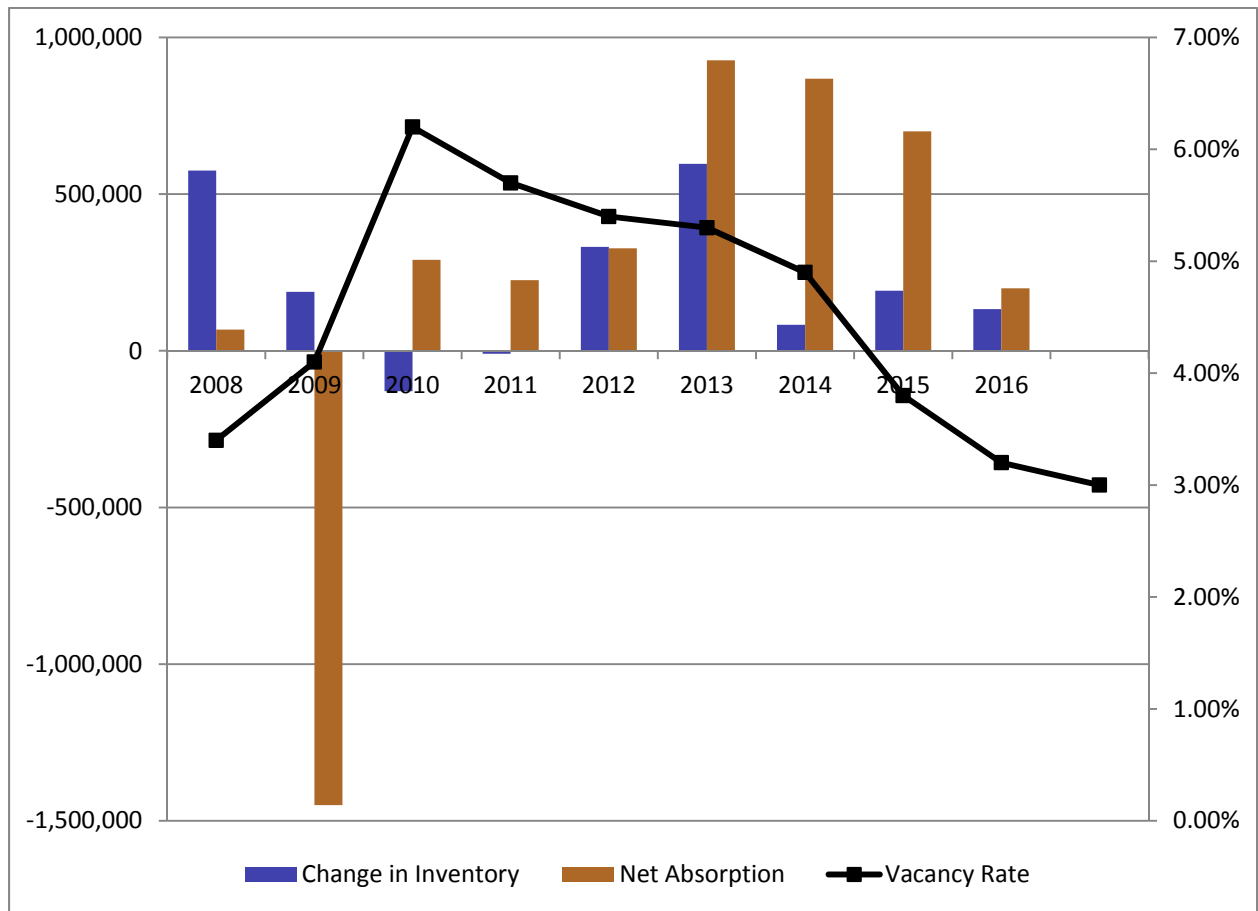
The City of Alameda has seen healthy net absorption trends as well as recent deliveries of retail inventory in recent years. New product has been absorbed by the market and elevated lease rates to a level above the County average. While the trends in net absorption and vacancy rates are strong at the county level, the city has seen similarly robust retail performance, with sub-five-percent vacancy rates.

**Figure 35 Alameda County and City Average Retail Rents**



Source: CoStar

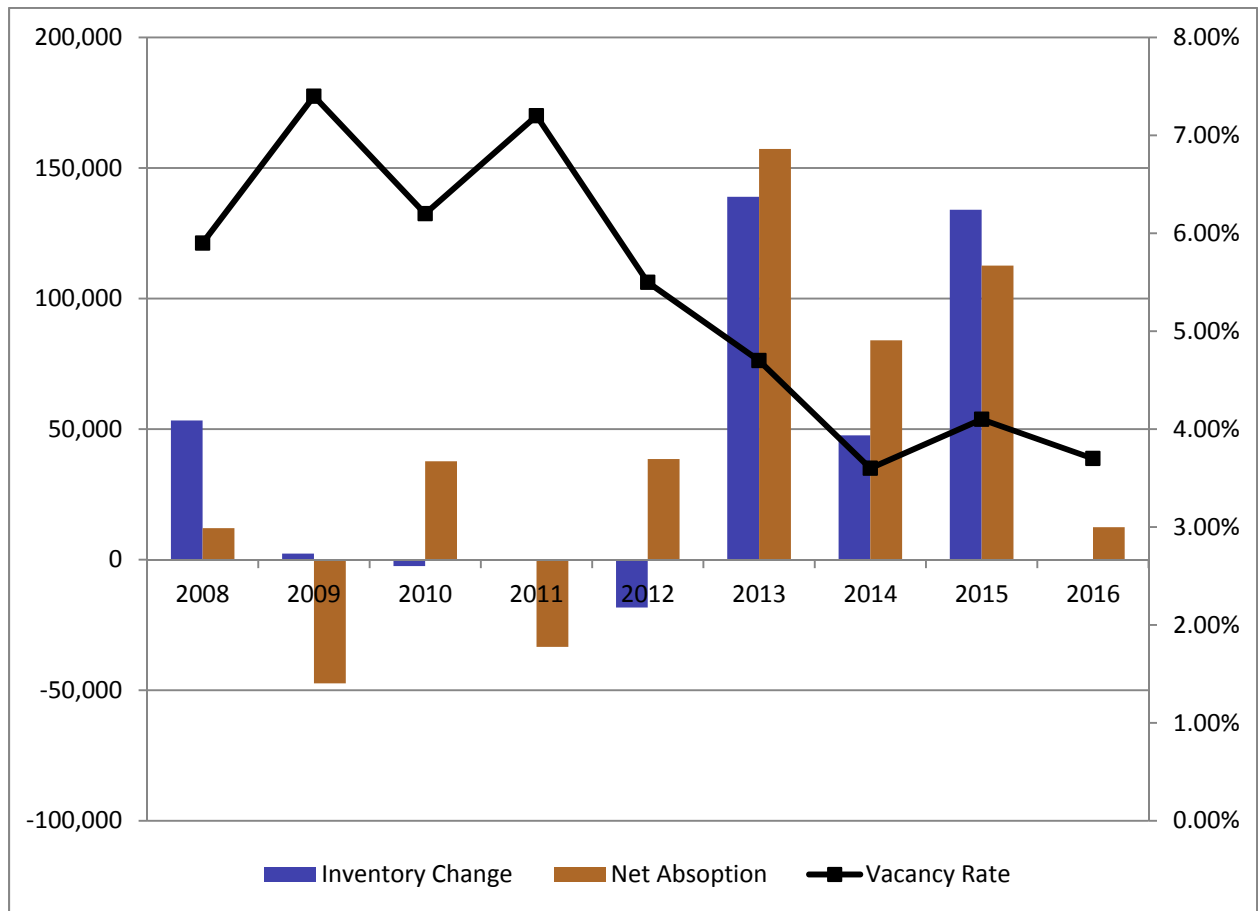
**Figure 36 Alameda County Retail Trends**



Source: CoStar



**Figure 37** City of Alameda Retail Trends



Source: CoStar

## Retail Development Profiles

Alameda has enjoyed recent increases in its retail supply, and these significant new lifestyle and neighborhood centers have attracted credit tenants which are well positioned to compete for consumer spending. Developers have delivered over 380,000 square feet of new retail development in the City of Alameda since the recession. Alameda Landing comprises nearly 80 percent of Alameda's new retail. Smaller retail developments include Alameda South Shore Center and Alameda Station on Park Street.



### Alameda Landing

The first commercial portion of the Alameda Landing development was completed in 2015 as part of the larger development project by Catellus to construct 275 residential units and approximately 400,000 square feet of commercial space at final buildout. CoStar market metrics indicate that nearly 100,000 square feet of the 158,500 square foot Lifestyle Center are fully leased buildings. The Center is anchored by Michael's, Safeway, and Target and includes a variety of restaurants and services in a walkable and inviting setting. The remaining three buildings show vacancy ranging from 12 to 70 percent, which is likely due to the development's recent opening.

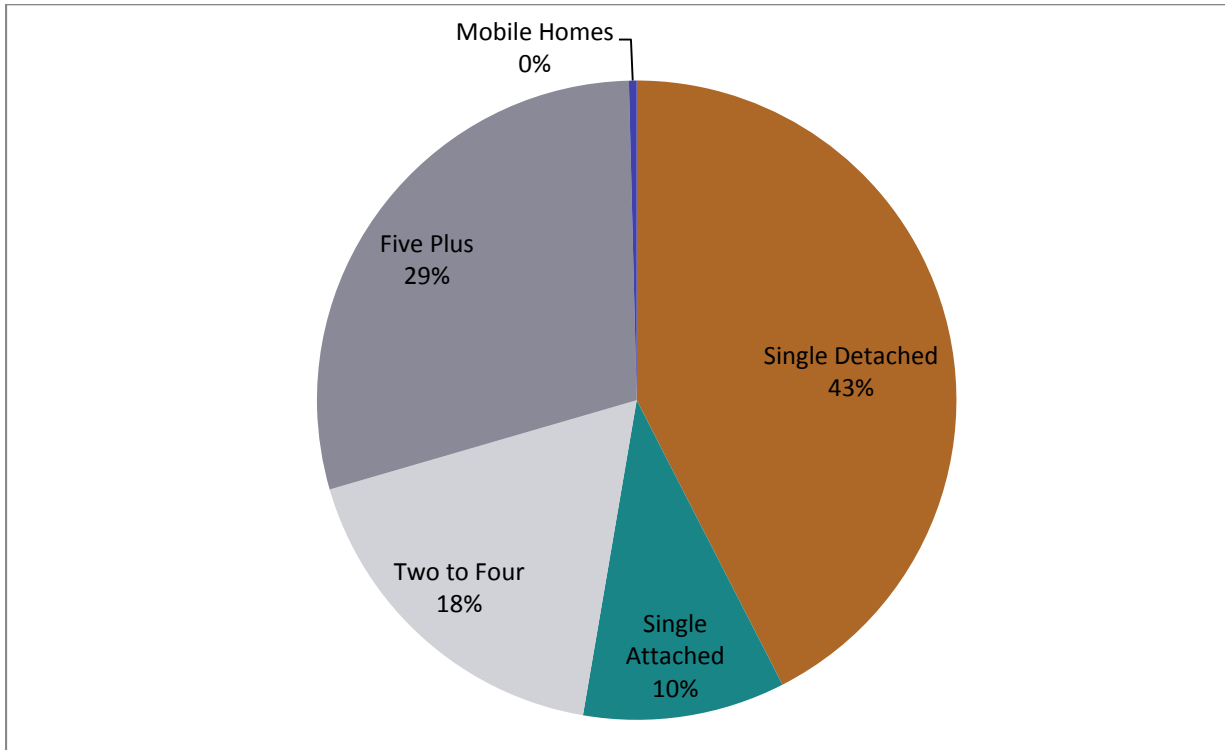
## 5. RESIDENTIAL LAND USE ASSESSMENT

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### Residential Market Overview

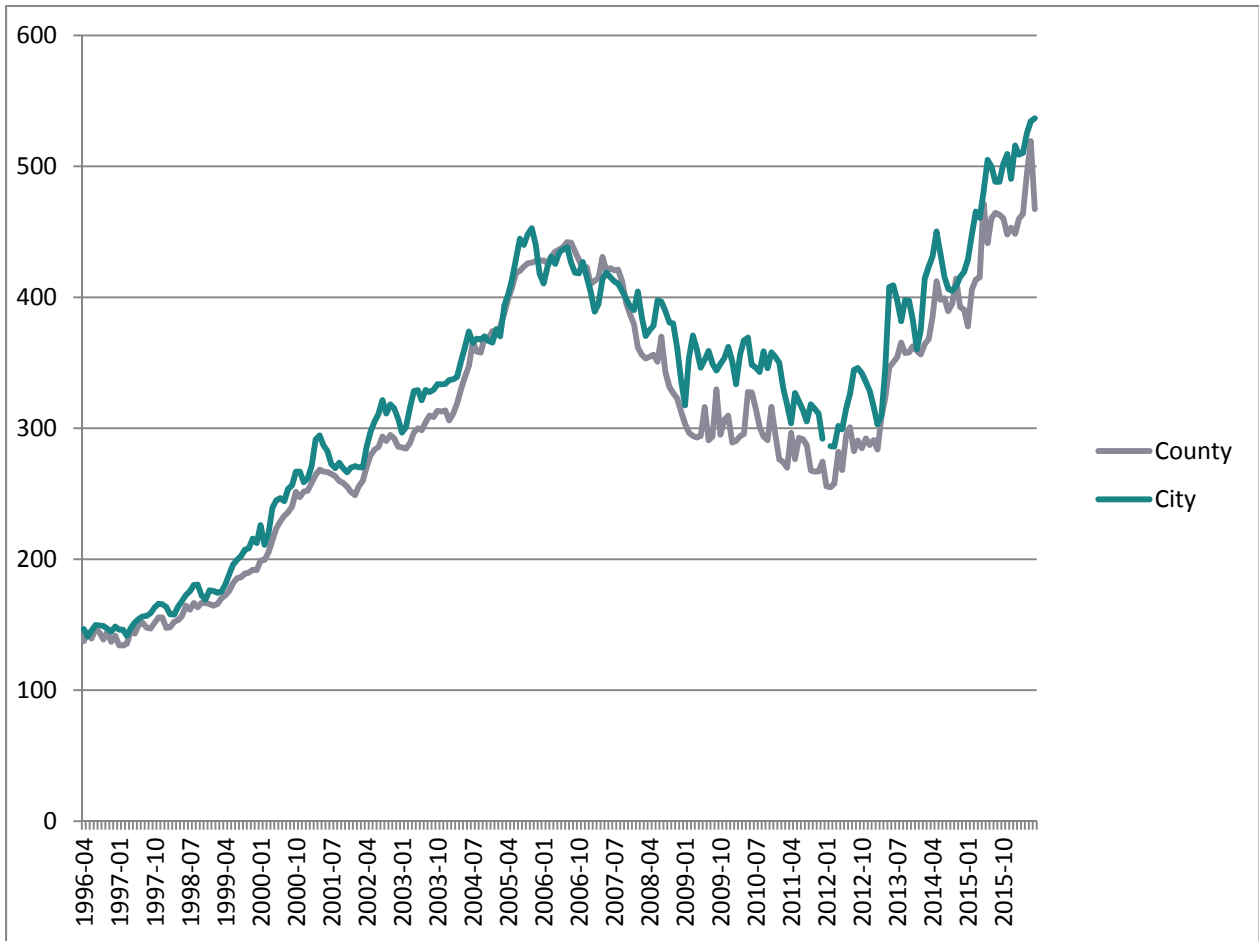
The City of Alameda is experiencing rising home prices and rental rates on par with the surrounding Bay Area. Median sale prices have risen to over \$500 per square foot at the city and countywide, up from lows of \$250 per square foot in 2012. Permit data show notable recent growth in the new housing development. There has been an upsurge of new multifamily development since 2012, which stands in stark contrast to the historically flat trend observed before 2012. The permitting trend is indicative of the evolving market for new residential development products in Alameda, with recent and future multifamily and townhouse development outpacing new single family homes. This is a recent trend, however, and single-family units are the dominant housing type comprising the city's residential stock.

**Figure 38** City of Alameda Housing Stock, 2016

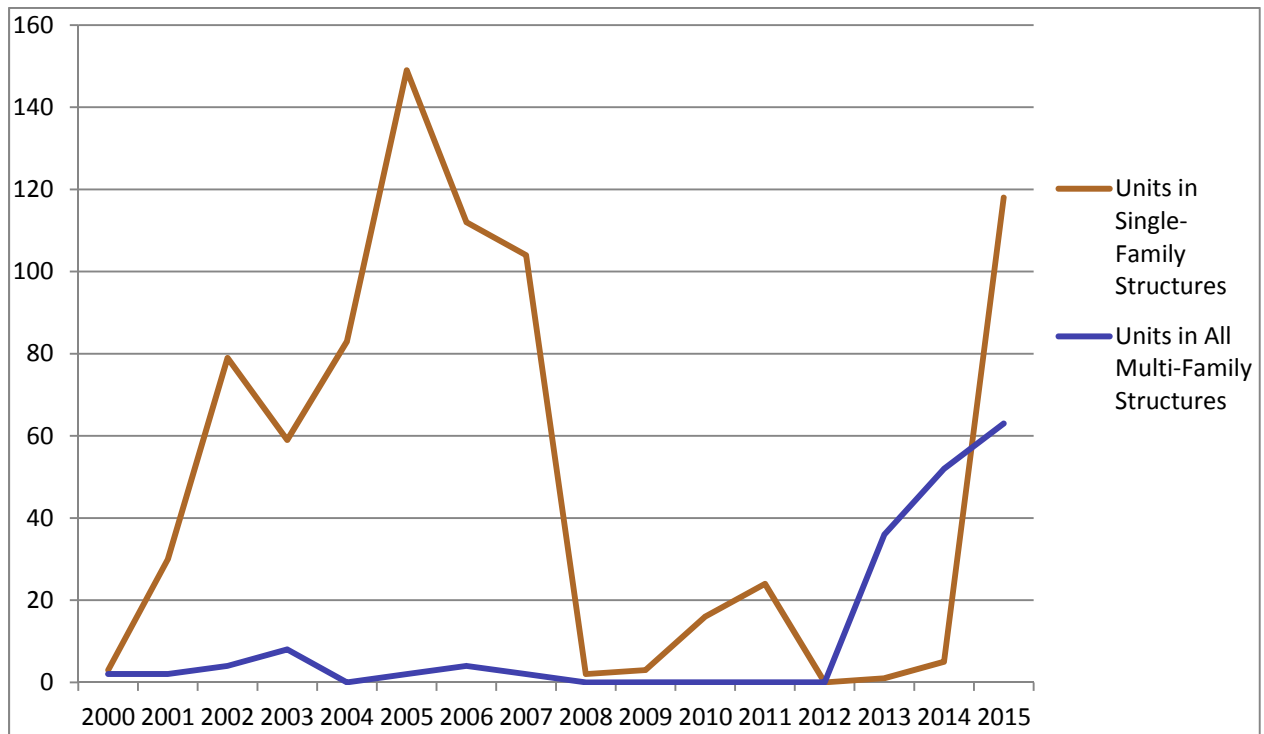


Source: CA Department of Finance

**Figure 39** Alameda County and City Median Home Sale Price

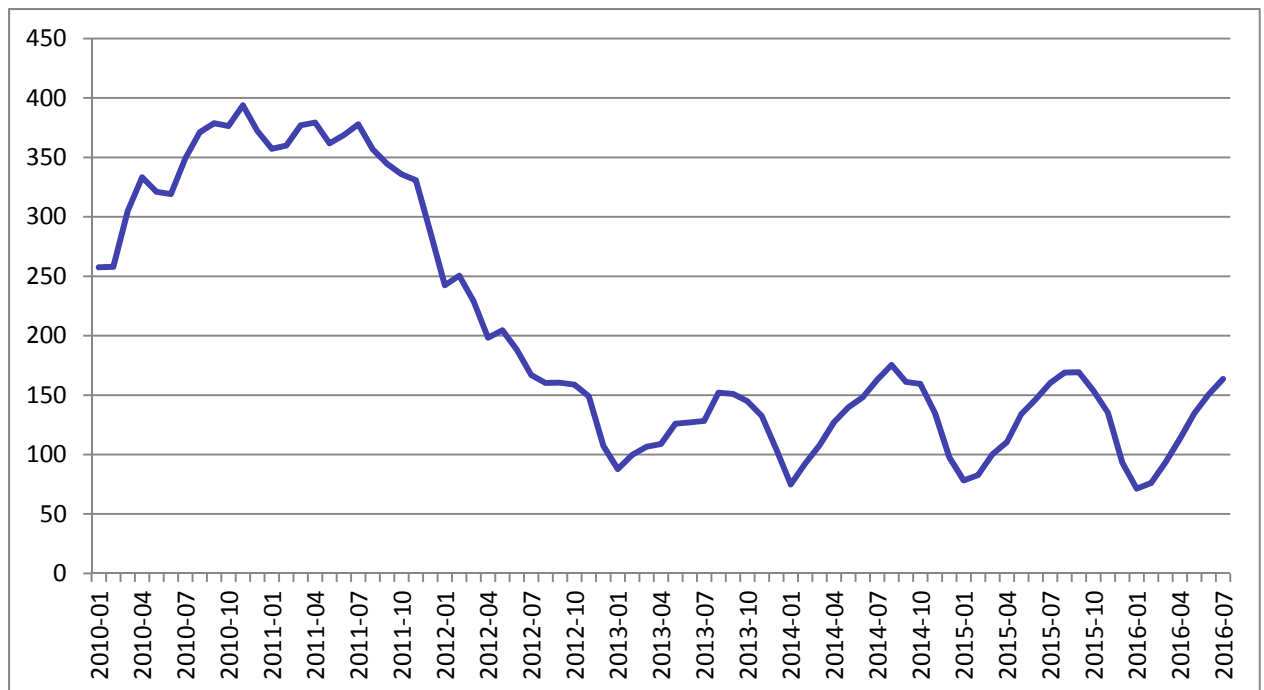


**Figure 40 City of Alameda Permitting History**



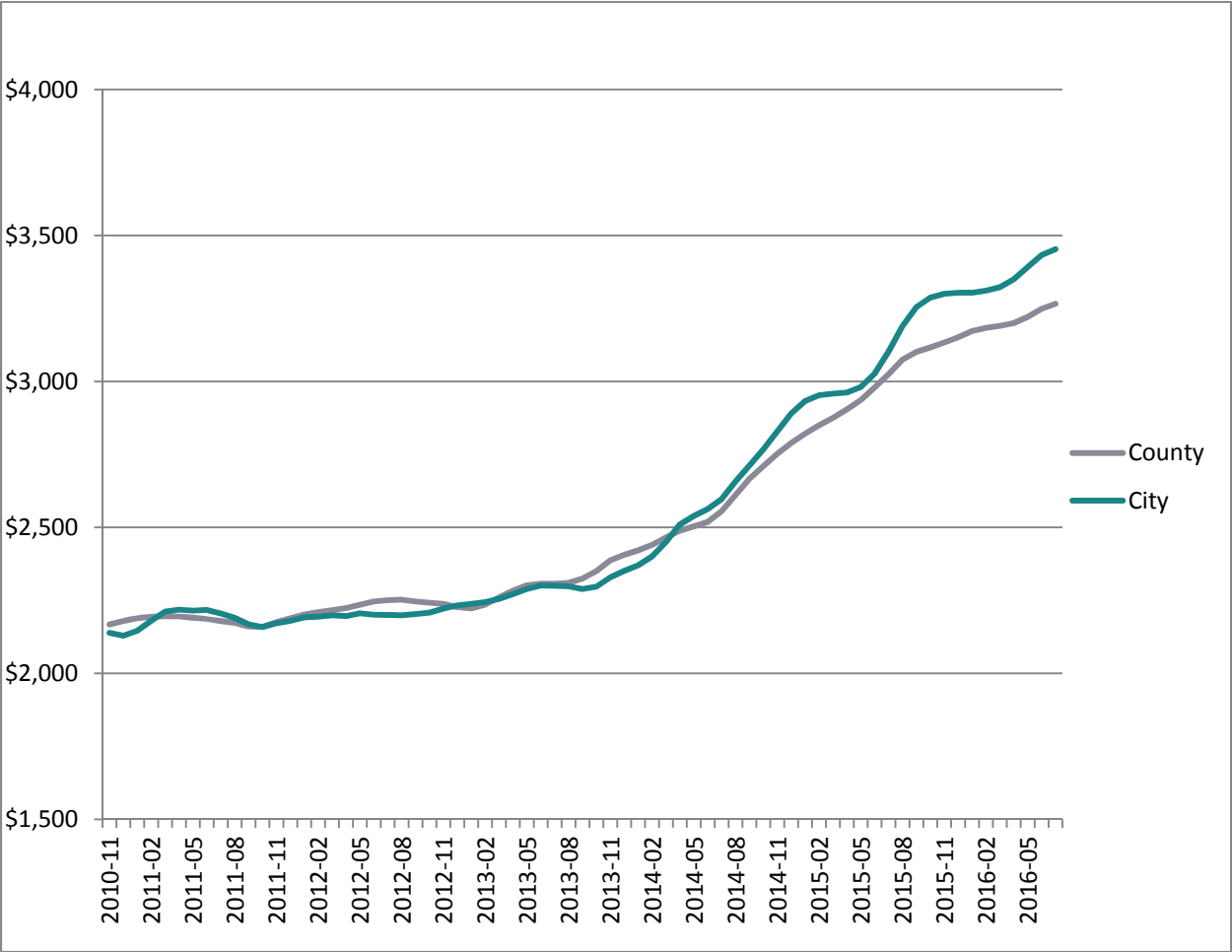
Source: SOCDS Building Permit Database

**Figure 41 Alameda County Number of Home Sales**



Source: Zillow Data

Figure 42 Alameda County and City Zillow-Indexed Rental Rates



Source: Zillow Data

## Residential Development Profiles

This section provides summary profiles of ten residential developments in the City of Alameda and Jack London Square in Oakland. The Jack London Square market is considered here, to supplement the relatively limited number of recently constructed multifamily projects in Alameda. The Jack London area has seen strong growth in multifamily housing developments since the early 2000s when steps were taken to transform the once-industrial region into a young residential community. The profiles below include renovated apartment buildings, newly-built condos, single-family housing developments, and luxury flats.

### Panomar (previously Marina View Towers), Alameda

The Panomar property transferred ownership in 2013 and subsequently received comprehensive upgrades to reposition the property as a luxury rental development. The development is near the Marina Village community on the Northern Waterfront of Alameda.



The Marina View Towers property was included in a previous iteration of this Alameda Marina market report and therefore can provide a meaningful comparison of the Alameda rental market in 2013 as compared to current conditions. While some of the increase in rental rates can be attributed to the upgraded features, the substantial increase would indicate a change in strength of the rental market as well.

#### Panomar

Unit Type	# Units	SqFt	Current (2016) Rents		2013 Rents*		% Change
			Effective Rent	Rent/SF	Average Rent	Rent/ SF	
1 Bed 1 Bath	35	675	\$2,507	\$3.71	\$1,913	\$2.72	37%
2 Bed 1 Bath	35	866	\$3,387	\$3.91	\$1,950	\$2.20	78%
2 Bed 1 Bath	1	1042	\$3,534	\$3.39	\$2,025	\$1.82	86%
2 Bed 2 Bath	7	1050	\$3,740	\$3.56	\$2,175	\$1.97	81%
3 Bed 2 Bath	6	1170	\$3,818	\$3.26	\$2,250	\$2.02	62%

**Parking:** Surface lot with open access

\*Reflects rents before 2013 purchase, while property was known as Marina View Towers. Some inconsistencies remain between unit sizes when comparing 2013 to 2016 rental rates.

Source: CoStar

## Marina Shores by Lennar, Alameda

The Marina Shores and Marina Shores Towns residences are currently under construction with the earliest delivery estimated for October 2016. The Shores development consists of detached single family homes, while the Shores Towns portion is made up of luxury townhouses, including 10 inclusionary housing units.



The development is bordered by Clement Avenue and Buena Vista Avenue on the Northern Waterfront of Alameda. Sale records are currently unavailable, so Lennar's listed home prices have been provided below.

### Marina Shores & Marina Shores Towns

	SqFt	Beds	Baths	List Price	Price/SF
<b>Towns</b>					
Residence 1	1,432	2	2.5	-	-
Residence 3	1,727	3	3.5	\$801,880	\$464
Residence 4	1,596	3	3.5	\$775,880	\$486
Residence 5	1,742	3	3	-	-
Residence 6	1,703	4	3	\$797,880	\$469
Residence 8	2,280	4	4	-	-
Residence 9	2,073	4	3.5	\$868,880	\$419
<b>Homes</b>					
Residence 1	2,078	3	3.5	\$1,054,880	\$508
Residence 2	2,287	3	3.5	\$1,077,880	\$471
Residence 3	2,213	4	3	\$1,050,880	\$475
Residence 4	2,360	3	3	\$1,108,880	\$470
Residence 5	2,539	4	3	\$1,165,880	\$459

**Parking:** Town homes include ground-floor 2-car garage, Homes include garage and driveway.

Source: Lennar List Price



### Cadence, Symmetry, and Linear at Alameda Landing by Tri Pointe Homes, Alameda

The Alameda Landing development consists of three communities, Cadence, Symmetry, and Linear. Each is marketed to a different buyer market with a range of options, from single family detached homes to flats and townhouses. Homes have already come on pre-sale, ranging in price from \$800,000 to over \$1 million, with the condo portion already sold out. Full buildout of the residential portion is expected in 2018, with additional community amenities and commercial to be added in a later phase.



**Figure 43 Symmetry (Townhomes) at Alameda Landing Project Data**

Plan	Bedrooms	Baths	Garage Spaces	Square Footage	Base Price	Base Price Per Square Foot
Plan 1	3	3	2	1,763	\$955,340	\$542
Plan 2	3	3.5	2	1,784	\$943,530	\$529
Plan 3	3	3.5	2	1,917	\$925,755	\$483
Plan 4	3	2.5	2	2,072	\$1,202,900	\$581
Plan 5	4	3.5	2	2,303	\$1,028,095	\$446
<b>Average</b>				<b>2,601</b>	<b>\$1,234,650</b>	<b>\$478</b>

Source: Gregory Group

**Figure 44**      **Linear (Condos/Flats) Project Data**

<b>Plan</b>	<b>Bedrooms</b>	<b>Baths</b>	<b>Garage Spaces</b>	<b>Square Footage</b>	<b>Base Price</b>	<b>Base Price Per Square Foot</b>
Plan 1	2	2	1	1,017	\$729,900	\$718
Plan 2	3	2.5	3	1,638	\$760,900	\$465
Plan 3	3	2.5	3	1,905	\$856,900	\$450
Plan 4	3	3.5	3	2,185	\$898,900	\$411
Plan 5	3	3	3	2,433	\$945,900	\$389
<b>Average</b>				<b>1,836</b>	<b>\$838,500</b>	<b>\$486</b>

Source: Gregory Group

## Grand Marina Village by Warmington, Alameda

The Grand Marina Village community, developed by Warmington Homes between 2010 and 2012, is adjacent to Alameda's Grand Marina on the Northern waterfront. The development is made up of single family detached homes, marketed as affordable waterfront residences.



Homes in the Marina Village development have seen modest turn-over sales in recent years. The Sale Records provided below present a selection of sales that occurred between 2012 and 2016.

### Grand Marina Village Recent Sale Records

Location	Beds	Baths	Square Feet	Year Built	Sale Date	Sale Price	Price / SF
1621 Fortman Way	4	3.5	2,152	2011	1/31/2012	\$619,900	\$288
1626 Cruiser Ln	4	3	2,159	2011	2/7/2012	\$676,000	\$313
1638 Cruiser Ln	4	3	2,373	2011	2/28/2012	\$711,000	\$300
1632 Cruiser Ln	4	3	2,159	2011	3/7/2012	\$668,000	\$309
1627 Fortman Way	3	2	1,301	2012	3/29/2012	\$360,000	\$277
1636 Cruiser Ln	3	2	1,301	2012	4/13/2012	\$194,500	\$150
1629 Red Sails Ln	4	3.5	2,152	2011	4/23/2012	\$658,900	\$306
1625 Cruiser Ln	4	3	2,159	2010	4/26/2012	\$847,000	\$392
1633 Cruiser Ln	4	3	2,159	2012	5/17/2012	\$771,000	\$357
1629 Cruiser Ln	4	3	2,373	2010	5/18/2012	\$858,000	\$362
1637 Cruiser Ln	4	3	2,159	2012	5/31/2012	\$821,500	\$381
1601 China Clipper Ln	4	3.5	2,373	2011	10/11/2013	\$858,000	\$362
2086 Hibbard St	3	3.5	2,373	2011	9/26/2014	\$999,990	\$421
2067 Hibbard St	4	3.5	2,159	2011	10/16/2014	\$850,000	\$394
2070 Hibbard St	4	3.5	2,159	2011	4/21/2015	\$889,000	\$412
2056 Hibbard St	4	3.5	2,373	2011	6/15/2015	\$950,000	\$400
<b>Average</b>			<b>2,118</b>			<b>\$733,299</b>	<b>\$339</b>

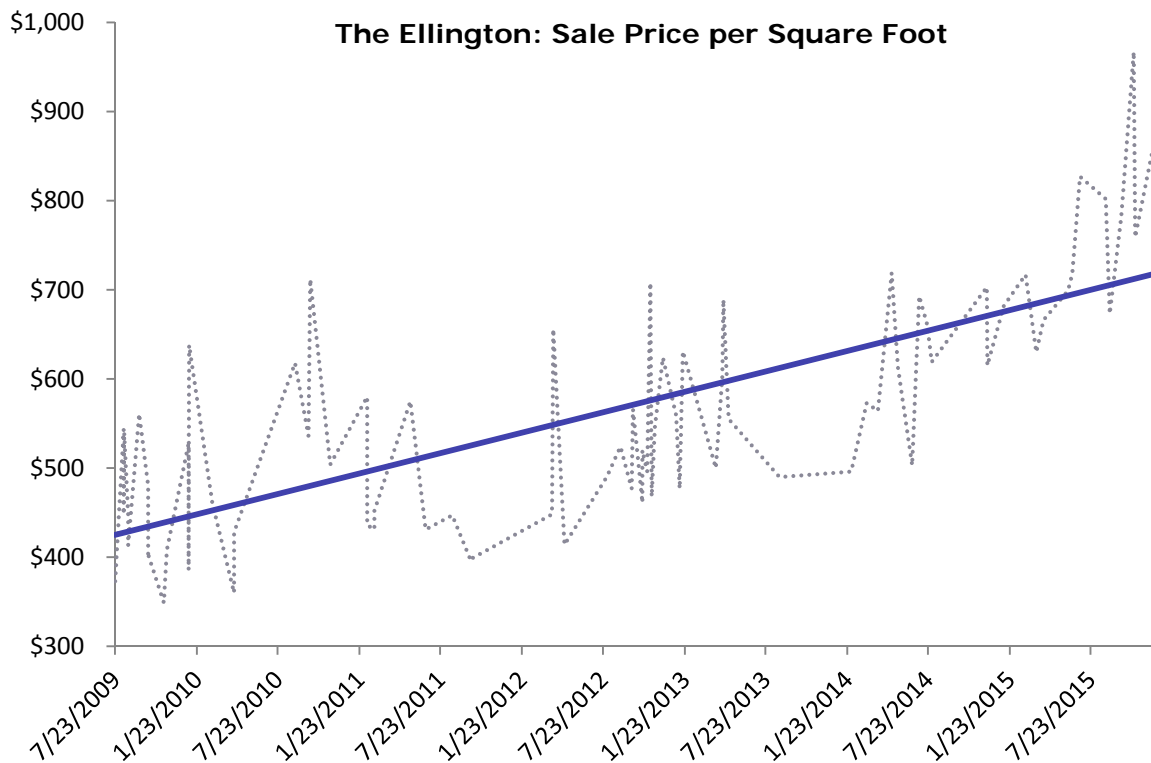
Source: Redfin

## The Ellington, Jack London

The Ellington development was completed in 2008 as the first luxury high-rise condominium development in Oakland's Jack London Square.



Sale records for condominium units at the Ellington are telling of the uncertain state of the economy upon completion in 2008. However, economic recovery and vibrant growth occurring around Jack London Square have led to rising sale prices. The chart below displays each sale record, on a price per square foot basis, regardless of unit size or amenities. The range in unit types included in these sale records explains the large fluctuations in the gray line that displays each record.



Source: Caldecott

The trend line, shown in blue, indicates overall increases in market sale prices since 2009. Additionally, recent sale records from the CoStar Group sited average sale prices for one-bedroom one-bath units at \$816 per square foot.

### **Allegro, Jack London**

The Allegro development was completed in 2001 and consists of 310 rental units with luxury amenities at the corner of 3rd and Jackson in the Jack London area.



Unit Type	Units	Avg. SqFt	2016		2013*		%Change Rent/SF
			Avg. Rent	Avg. Rent / SF	Avg. Rent	Avg. Rent / SF	
1 bed 1 bath	206	882	\$2,803	\$3.18	\$1,853	\$2.27	40%
2 bed 2 bath	104	994	\$3,260	\$3.28	\$2,486	\$2.15	53%

**Parking:** one space included in rental price

**Amenities:** Fitness Center, Business Center, Parking

\*2013 rent estimates are from RealFacts and taken from the previous iteration of this report, performed in 2013.

Source: CoStar



## The Landing, Jack London

The Landing at Jack London is a development of apartment homes with gated entry on the waterfront facing Alameda just a block away from the Posey Tube. The Landing was completed in 2000 and features a swimming pool, fitness center, and community room, as well as at least one assigned parking space per unit.



The Landing is marketed towards families and those desiring a safe environment with comfortable amenities, rather than a luxury flat in a bustling downtown neighborhood. This model and branding could help in explaining the comparably modest increase in rental rates as compared to nearby developments profiled in this report.

Unit Type	Units	SqFt	2016		2013*		% Change
			Rent	Rent/SF	Rent	Rent/SF	
Studio	12	553	\$2,371	\$4.29	\$1,790	\$3.24	32%
1 Bed 1 Bath	126	771	\$3,023	\$3.92	\$2,312	\$2.94	33%
2 Bed 2 Bath	144	1,064	\$3,224	\$3.03	\$2,615	\$3.17	-4%

**Parking:** one space included, free visitor parking

**Amenities:** Swimming Pool, Fitness Center, Business Center, Club House, Bay Trail Frontage

**Density** 31 DU/Acre

\*2013 average rental rates are sourced from RealFacts and were used in a previous iteration of this report.

Source: CoStar

## Aqua Via, Jack London

The Aqua Via rental development was completed in 2006 and consists of 104 units on the corner of 2nd and Madison. Aqua Via was designed with modern industrial features and unique amenities that appeal to incoming millennials.



Similar to other properties profiled within this report, Aqua Via was selected as a valuable comparison in 2013. Since then, average rental rates per square foot have increase by 30 percent, on average.

Unit Type	Units	SqFt	Rent	Rent/SF
Studio	21	790	\$2,795	\$3.54
1 Bed/ 1.5 Bath	16	750	\$2,790	\$3.72
1 Bed/ 1.5 Bath	16	955	\$2,945	\$3.08
1 Bed/ 2 Bath	17	1107	\$2,865	\$2.59
2 Bed/ 2 Bath	15	1256	\$4,205	\$3.35
2 Bed/ 2.5 Bath	15	1228	-	-
<b>Parking:</b> one space per unit				\$3.26
<b>Amenities:</b> Fitness Center, Bocce Ball Court, Parking				

Source: CoStar

## The Bond, Jack London

The Bond, completed in 2009, started out as a rental property before offering condominium units for sale in 2013. The development consists of 101-units in a boutique-industrial style on the corner of 2nd and Harrison in Jack London Square.



### Sale Records (Since 2013)

Sale Price	Beds	Baths	SqFt	\$/SF
<b>Condos</b>				
\$725,000	1	2	1,050	\$690
\$900,000	2	2	1,260	\$714
\$865,850	2	2	1,244	\$696
\$645,000	1	1.5	944	\$683
\$675,000	1	2	1,050	\$643
\$1,000,000	2	2	1,251	\$799
\$900,000	2	2	1,260	\$714
<b>Average</b>				
\$815,836			1,151	\$706

**Total Units:** 102

**Parking:** Secure garage parking. No definite allocation per unit.

**Amenities:** Fitness Center, Business Center, Parking

Source: Redfin



## 6. COMPETITIVE LANDSCAPE

### Pending Development Projects

Alameda has seen an increase in building activity, largely due to the planned reuse of the Naval Air Station at Alameda Point, which is transitioning from Navy purposes to private residential and commercial uses, and new development along the Northern Waterfront. Additionally, there are a number of other “pipeline” projects that reflect a growing interest in Alameda as both a residential and commercial development location. Further description of all pipeline projects can be found in **Appendix C**.

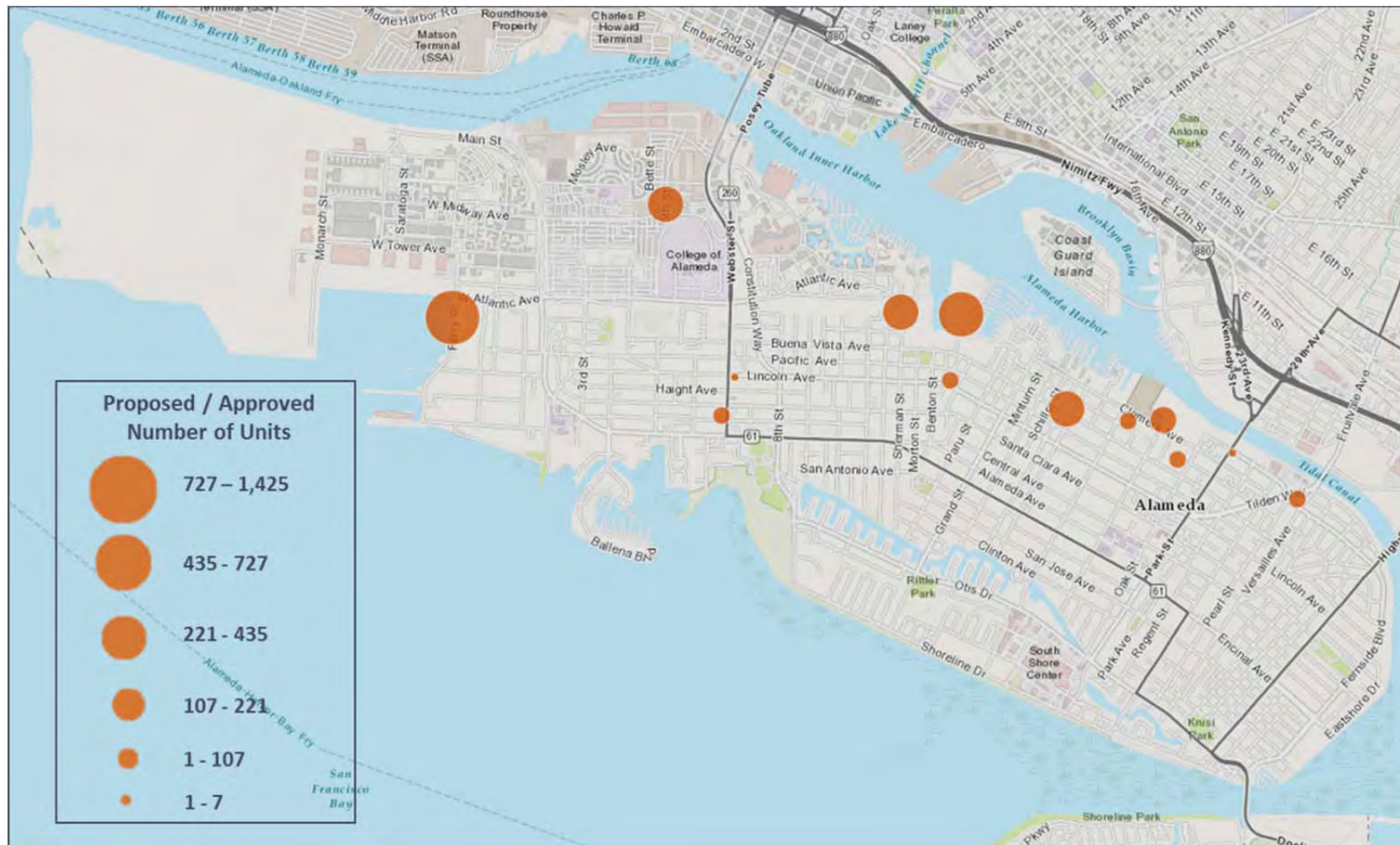
As is evident from the developments presented in **Figure 45**, future growth in the City of Alameda will be heavily focused around new residential units with supporting commercial uses that together make for active mixed-use environments.

**Figure 45 Pipeline Development Summary**

Name	Type	Status	Units	BMR	Total Units	Commercial Sq. Ft.
Encinal Terminals	Mixed Use	Proposed	510	79	589	50,000
Mapes Ranch	Residential	Approved	11	-	11	-
Fairfield Inn & Suites	Hotel	Approved	105	-	105	-
McGuire & Hester	Office	Approved		-	0	22,868
Alameda Point	Mixed Use	Proposed	1,425	-	1425	5,500,000
Alameda Landing	Mixed Use	Under Construction	243	32	275	291,000
Marina Shores (Marina Cove II)	Residential	Under Construction	89	-	89	-
Boatworks	Residential	Approved	182	-	182	-
Park Vista Square	Commercial	Complete	-	-	0	-
Alameda Station	Commercial	Complete	-	-	0	-
1835 Oak St	Office	Proposed	32	-	32	-
Del Monte warehouse	Mixed Use	Proposed	380	-	380	25,000
Hangstrom (2100 Clement)	Residential	Approved	58	-	58	
Alameda Marina <sup>1</sup>	Mixed Use	Proposed	510	160	670	150,000
Park Esquina	Mixed Use	Approved	1	-	1	4,013
Lincoln Ave	Mixed Use	Approved	2	-	2	3,324
Neptune Lofts	Mixed Use	Approved	7	2	9	4,700
1920 Minturn Street	Commercial	Proposed	-	-	0	11,000

[1] Current program provided by Bay West Development.

Figure 46 Residential Development Pipeline, by number of units



## Notable Developments

### ***Alameda Point***

The Development at Alameda Point will include nearly 1,500 housing units and 5.5 million square feet of commercial space on 878 acres of uplands and 1,229 acres of submerged lands. The City of Alameda has entered into a Development Agreement with Alameda Point Partners for Site A, a 68-acre parcel, which will be developed into a residentially-focused community with various housing types and community-serving uses. This phase is estimated at \$500 million and will include 800 housing units and 600,000 square feet of commercial space with a planned completion date of 2018.

Site B has not yet been awarded to any developer but has been designated as a commercial area that will focus on “built-to-suit” users while remaining consistent with other City goals. Site B is 82-acres that has been entitled and is ready for development.

### ***Alameda Landing***

The Alameda Landing development is underway with a 291,000 square foot shopping center delivered in 2015 and pre-sales of various styles of housing units that are currently under construction. The residential portion will range from single family detached homes, priced in the low seven figures, to townhomes and condos starting at \$800,000. The development, by TRI Pointe Homes, aims to mimic a neighborhood in aesthetic and amenities while catering to young homebuyers.

### ***Del Monte Warehouse (Warehouse 48)***

This project will center on the adaptive reuse of the historic Del Monte Warehouse into 308 housing units, and approximately 30,000 square feet of commercial space. Housing units will be composed of lofts, flats, and townhouses with more than 40 percent of the units set aside as one-bedrooms. Additionally, the project will include approximately 55 affordable housing units, at various income levels. The commercial portion will include at least 10,000 square feet of retail space with waterfront access, as well as additional commercial space in live-work units.

### ***Encinal Terminals***

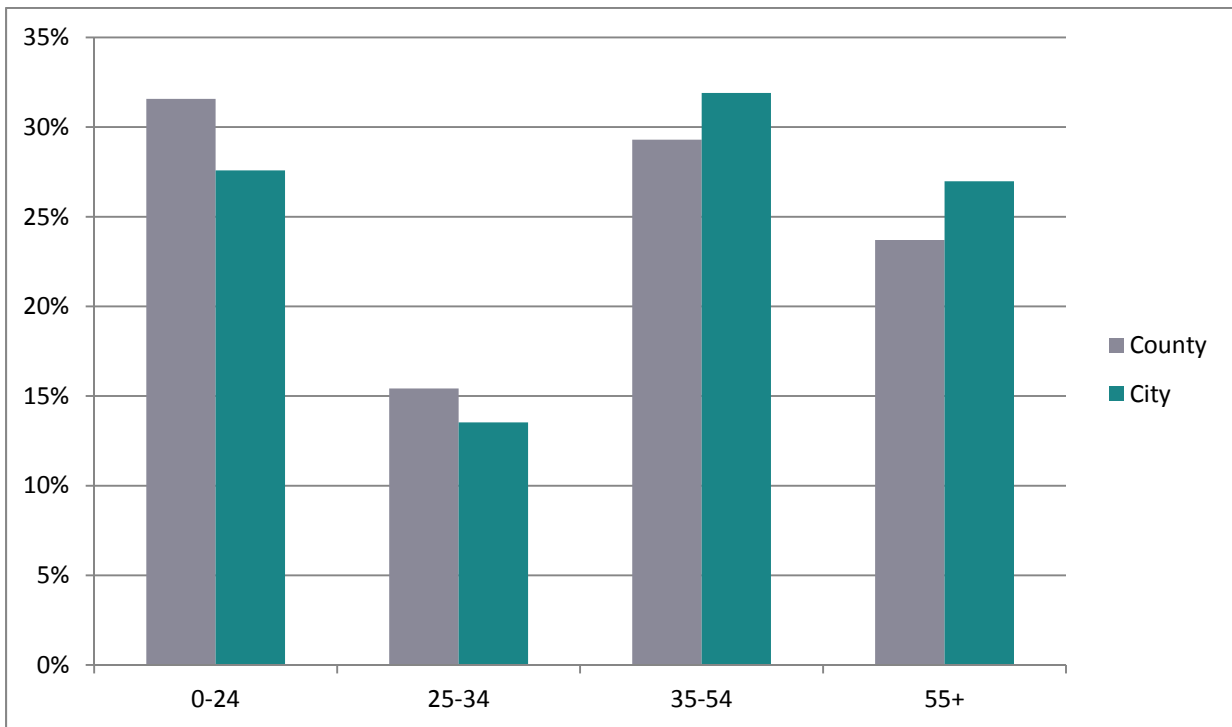
Encinal Terminals, adjacent to Del Monte Warehouse still is in the master plan stage of review and includes a dynamic mix of uses on the 22-acre site surrounded on three sides by the Oakland Estuary on the West side of Alameda. Encinal Terminals plans to include extensive waterfront access for the public as well as supporting water and marina-related businesses and amenities. Additionally, a variety of housing options will be provided to ensure a thriving community atmosphere.

## APPENDIX A:

### Socioeconomics

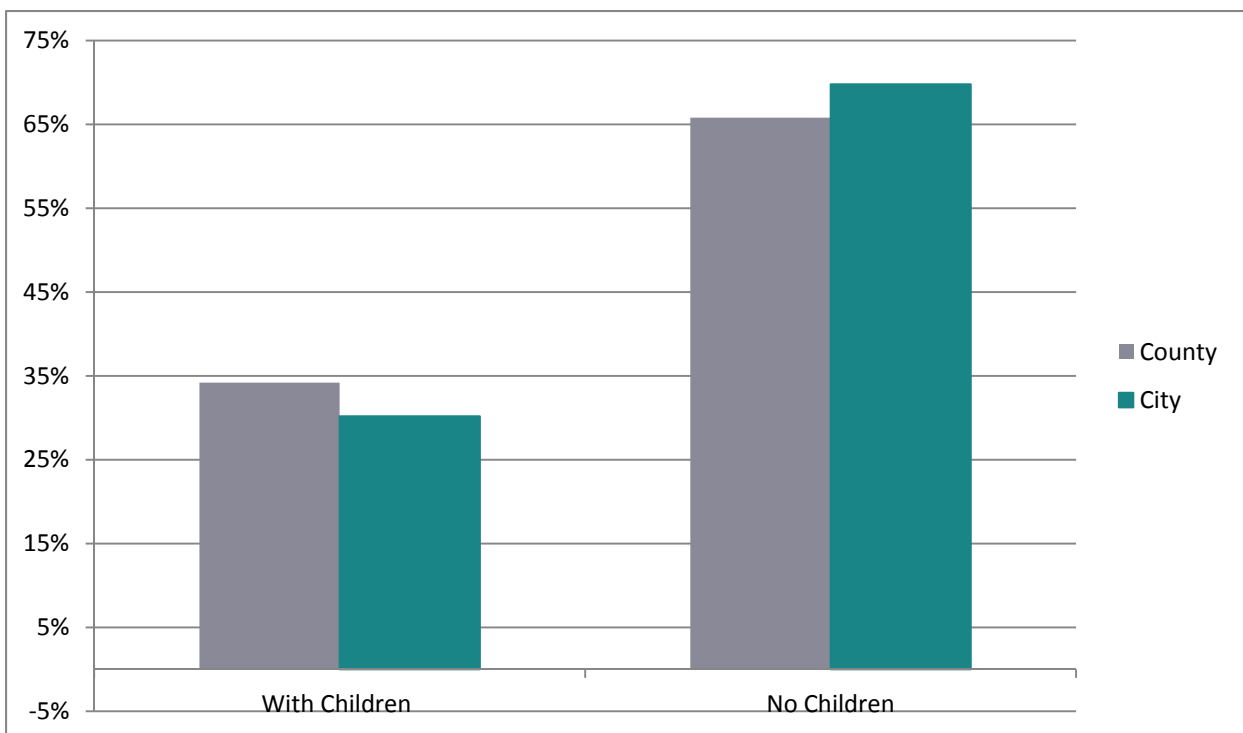


**Figure A-1 Age Distribution in City of Alameda and Alameda County**



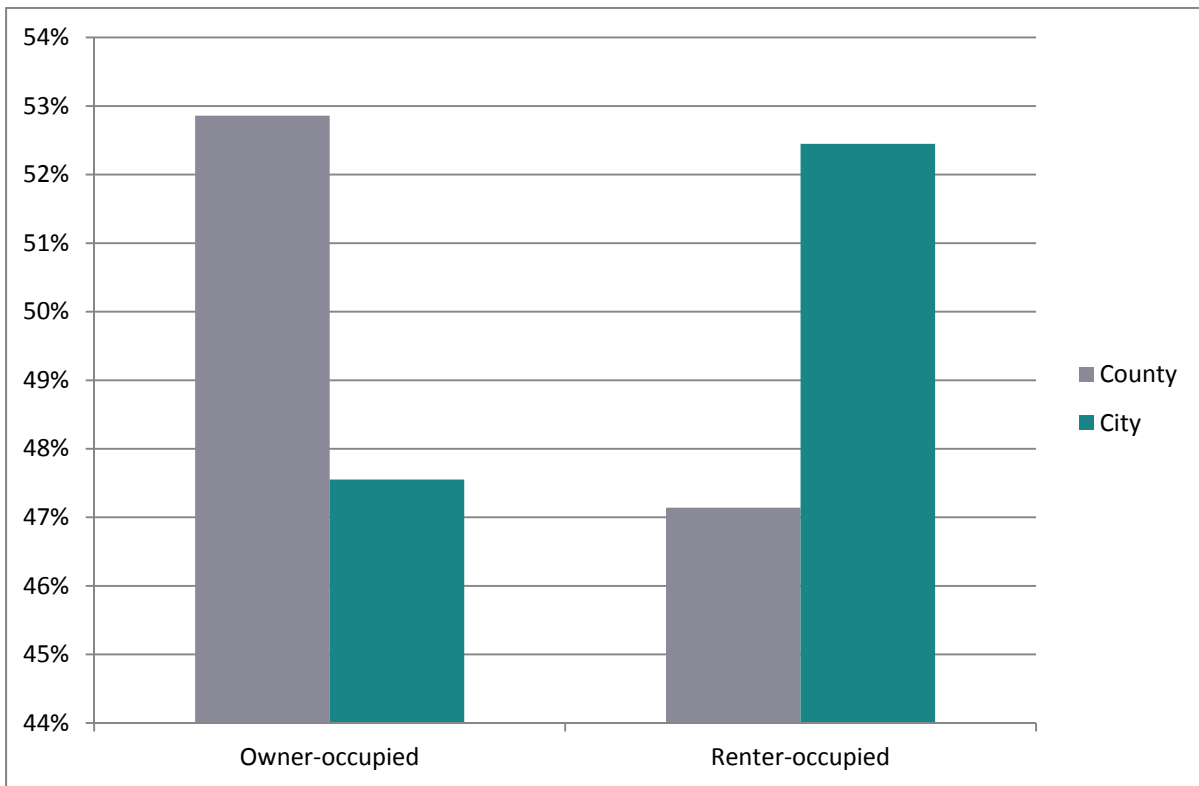
Source: ACS 2010-2014 Average

**Figure A-2 Share of Households with Children**



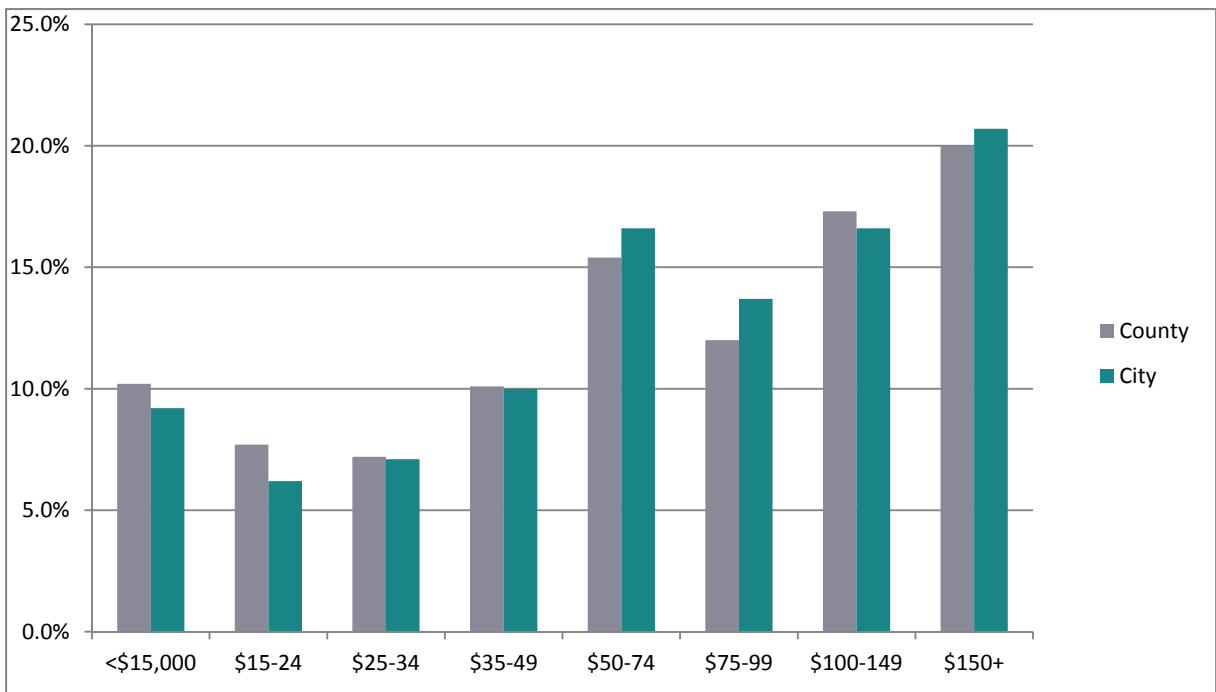
Source: ACS 2010-2014 Average

**Figure A-3 Home ownership in City and County of Alameda**



Source: ACS 2010-2014 Average

**Figure A-4 Household Income Distribution in City and County of Alameda**



Source: ACS 2010-2014 Average

**Figure A-5 Employment Data by Industry, CA Economic Development Department**

Industry <sup>1</sup>	2006	2015	Change	
			Number	Annual Growth Rate
Construction	649	692	43	0.72%
Manufacturing	1,801	2,369	568	3.09%
Wholesale Trade	606	700	94	1.62%
Retail Trade	1,294	2,186	892	6.00%
Transportation and Warehousing	308	246	-62	-2.47%
Information	464	150	-314	-11.79%
Finance and Insurance	917	821	-96	-1.22%
Real Estate and Rental and Leasing	328	231	-97	-3.82%
Professional, Scientific, and Technical Services <sup>2</sup>	2,619	2,119	-500	-2.33%
Management of Companies and Enterprises	325	1,390	1,065	17.52%
Administrative and Support and Waste Management and Remediation Services	636	1,893	1,257	12.88%
Educational Services	462	603	141	3.00%
Health Care and Social Assistance	1,518	2,594	1,076	6.13%
Arts, Entertainment, and Recreation	682	980	298	4.11%
Accommodation and Food Services <sup>2</sup>	1,592	3,176	1,584	7.98%
Other Services (except Public Administration)	728	921	193	2.65%
Federal Government	123	1,067	944	27.13%
Local Government	1,544	1,890	346	2.27%
Not Elsewhere Classified	11	82	71	25.48%
<b>TOTAL</b>	<b>16,606</b>	<b>24,130</b>	<b>7,524</b>	<b>4.24%</b>

<sup>1</sup>The Utilities Category has been removed due to suppression. This includes Agriculture, Forestry, Fishing, Hunting, Mining, Quarrying, and Oil Extraction. Over the course of the period of analysis, insufficient number of firms and/or firm-size have made the data confidential.

<sup>2</sup>Due to suppression of data for confidentiality purposes, employee counts were closely approximately for year 2006 based on surrounding year counts.

**Figure A-6      Largest City Employers**

<b>Employer</b>	<b>Number of Employees</b>	<b>Percentage of Total City Employment</b>
Alameda Unified School District	900	1.18%
Penumbra	761	1.00%
VF Outdoor	696	0.92%
Oakland Raiders	549	0.72%
Abbott Diabetes Care	512	0.67%
City of Alameda	505	0.66%
Alameda Hospital	490	0.65%
Safeway Stores	472	0.62%
Wind River	450	0.59%
Bay Ship & Yacht Co	309	0.41%
<b>Total City Employees</b>	<b>75,961</b>	<b>100%</b>

Source: City of Alameda CAFR FY 2015



## APPENDIX B:

### Marinas

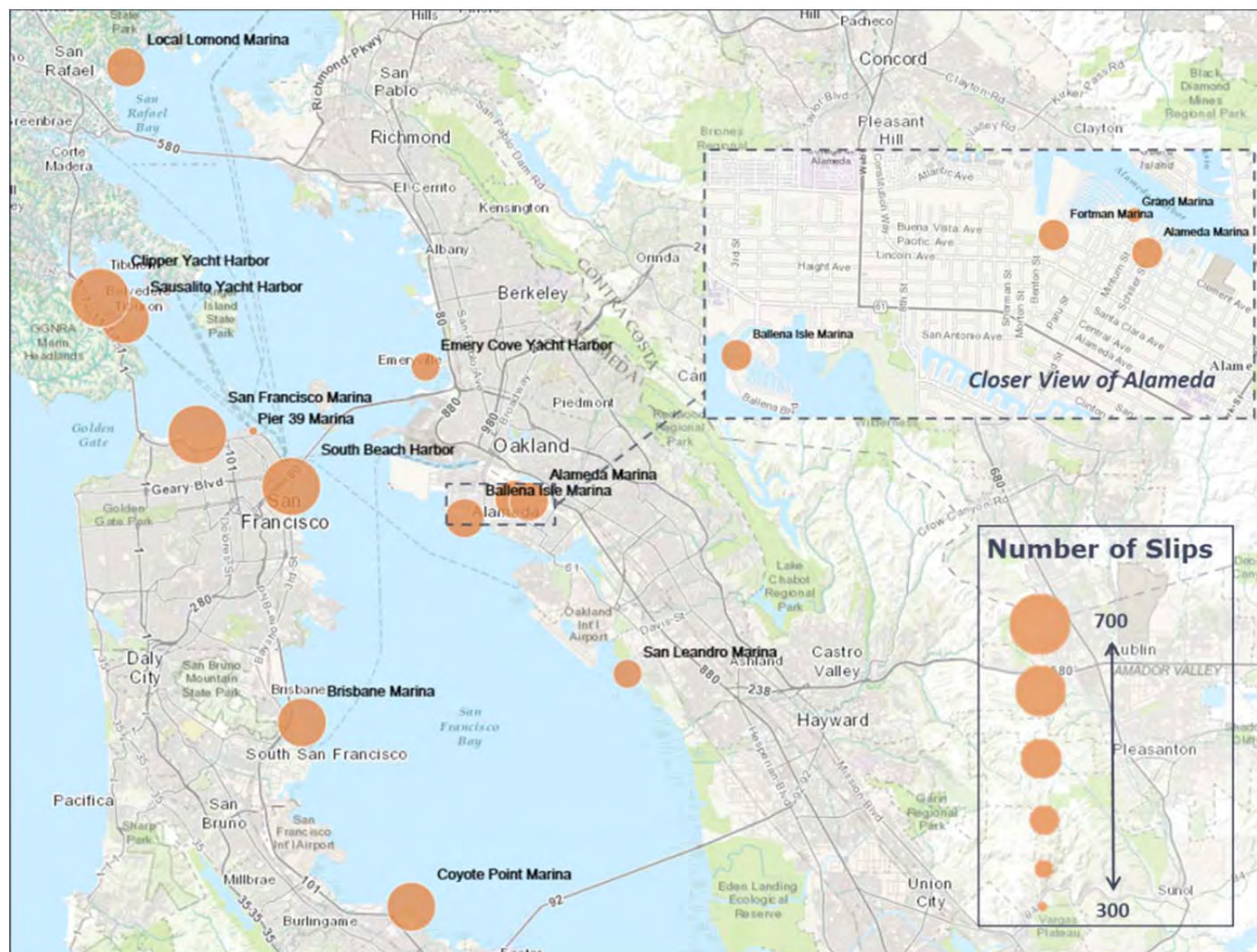


**Figure B-1 Bay Area Marinas**

Name	Address	Number of Slips	Amenities
Pier 39 Marina	PIER 39 Beach at Embarcadero, San Francisco, CA 94133	300	Marina on the east side of the Pier 39 tourist mecca. Slips for sale or rent. Protected Harbor on the coast south of San Francisco, 369 Berths, Fuel Dock, Guest Dock, Fishing Pier, RV lot, Ice-Making Facilities, Hot Showers, Restrooms, Pump-Out Facilities, Launch Ramp, 24-hour staffing, Sportfishing, Whale Watching, Wireless Internet Connections, Commercial Fish Buying Center, Search & Rescue Operation, part of San Mateo County Harbor District.
Pillar Point Harbor	One Johnson Pier Half Moon Bay, CA 94019	369	Variety of local businesses include a boat yard, canvas shop, yacht brokers, maintenance, and more. Facilities include the last surviving Alaska Packers Association building.
Grand Marina	2099 Grand St. Alameda, CA 94501	400	Security, electricity, wifi, showers, laundry, hospitality area, haul out services, boat maintenance services, Emeryville Yacht Club, restaurants and cafes, grocery store.
Emery Cove Yacht Harbor	3300 Powell St. Emeryville, CA 94608	430	A concrete, two-lane launch ramp, with boarding floats, is available for \$10/day 24 hours per day. Both diesel and unleaded gasoline are Home of the Alameda Yacht Club. From 1904 to 1929, this historic location was the southern home of the Alaska Packers Association ships, the last square-rigged sailing fleet on the west coast. The fleet was an important part of the Alaskan Salmon industry.
San Leandro Marina	40 Mulford Point Drive San Leandro, CA 94577	455	Marina completely rebuilt in the late 1990s. Facilities include Loch Lomond Yacht Club, Arena Yacht Sales, and Andy's Local Market.
Fortman Marina	1535 Buena Vista Ave. Alameda, CA 94501	497	Newer marina on the west side of Alameda. Facilities include fuel dock, pumpout, tennis courts, Island Lighthouse restaurant, Ballena Bay Cafe, Ballena Bay Yacht Club, Club Nautique, Ballena Bay Yacht Brokerage, Cruising Yacht Inc. (brokerage), New England Marine Title, 24 Hour Pump Out Service, Pier 29 Restaurant. Crown Memorial State Beach nearby.
Local Lomond Marina	110 Loch Lomond Drive San Rafael, CA 94901	512	Facilities include Svendsen's boatyard, chandlery, boat hoists, launch ramp. Home to Island Yacht Club.
Ballena Isle Marina	1150 Ballena Blvd., Suite 111 Alameda, CA 94501	515	Offering 580 berths ranging in size from 30 to 66 feet and a 270' Guest Dock. Can accommodate vessels up to 100 feet. (No live-aboards.) 300 ft. Fishing Pier. SaniSailor pumpout, Porta-potty dump station, holding tank pumpout available 24 hrs., Secure gatehouses and nighttime security guards, private restrooms with hot showers, Free parking, friendly staff and services, picnic areas, free wireless internet. Check out Webcam to see what the Marina looks like right now. Owned by the City of Brisbane.
Alameda Marina	1815 Clement Ave. Alameda, CA 94501	550	Slips for rent, including multi-hull space, guest berthing, launch ramp (for fishing), fishing kiosk and bathroom, RV Camping, Visitor's dock/overnight stays, Pump-out station, Dry boat storage, Gated security, Sheriff's boat, Ice, soda, Showers, Recycle Oil Station, Used Battery Disposal Center, Fuel dock.
Brisbane Marina	400 Sierra Point Parkway Brisbane, CA 94005	580	Southernmost marina in Sausalito, adjacent to the central downtown area. It is one of the older marinas, but it has been very well maintained. Owned by Herb Madden, Jr., whose father built the original marina -- much smaller than today's -- in the 1930s.
Coyote Point Marina	1900 Coyote Point Dr. San Mateo, CA 94401	580	Also known as San Francisco Small Craft Yacht Harbor, the San Francisco Marina includes two separate areas, called the West Basin and the East Basin (also known as Gashouse Cove). The gas dock is in the East Basin, adjacent to Fort Mason. The West Basin, at the other end of Marina Green, is home to the St. Francis and Golden Gate Yacht Clubs. The entire facility has 671 berths, plus ten end ties for guest berthing vessels up to 100 feet LOA, free pump-out stations and a commercial fuel dock.
Sausalito Yacht Harbor	501 Humboldt Ave Sausalito, CA 94965	600	Largest marina in Sausalito. The 700 slips are spread across 4 basins. There's also 100 dry storage spaces. Clipper is home to Sausalito's best launch ramp, currently open only to tenants, as well as Sausalito's only fuel dock (which is open to the public).
San Francisco Marina	3950 Scott St. San Francisco, CA 94123	671	
Clipper Yacht Harbor	310 Harbor Drive Sausalito, CA 94965	700	
South Beach Harbor	The Embarcadero at Pier 40 San Francisco, CA 94107	700	
Vallejo Municipal Marina	42 Harbor Way Vallejo, CA 94590	809	Largest marina in the north bay, with both covered and open berths, restaurants, fuel dock, chandlery, and boatyard (Vallejo Boatworks).
Marina Bay Yacht Harbor	1340 Marina Way South Richmond, CA 94804	850	Marina Bay is a relatively new marina built in the space occupied by the Kaiser Shipyard during World War II.

Source: BoatingSF.com

Figure B-2 Bay Area Marinas



## APPENDIX C:

### Pipeline Development



**Figure C-1 Pipeline Development**

Name	Description	Type	Status	Units	BMR	Total Units	Commercial Sq. Ft.
Encinal Terminals	314 Condos, 170 townhomes, 12 lofts	Mixed Use	Proposed	510	79	589	50,000
Mapes Ranch	11 custom-built single family homes on a 1.29-acre site at Fernside Boulevard and Tilden Way.	Residential	Approved	11	-	11	-
Fairfield Inn & Suites	Five-story, 105-room, 62,250-square-foot hotel on this 1.17 acre waterfront property in the Harbor Bay Business Park. 2350 Harbor Bay Blvd	Hotel	Approved	105	-	105	-
McGuire & Hester	Two-story, 22,868-square-foot office building on the Harbor Bay Business Park's Esplanade site. 2810 Harbor Bay Parkway	Office	Approved		-	0	22,868
Alameda Point	The city is moving ahead with plans to redevelop the Point to include 1,425 homes, 5.5 million square feet of commercial space and 258 acres of parks.	Mixed Use	Proposed	1,425	-	1425	5,500,000
Alameda Landing	Developer Catellus is overseeing construction of a 275-unit development that includes townhomes, single family homes and a 32-unit apartment complex, and a 285,000-square-foot shopping center anchored by Target. STATUS: Several stores, including Target, Safeway and Michaels, are open, and more are on the way. Homes are under construction, and sales have begun; construction is expected to be complete in 2017. A second phase of the project that's pending is to include 400,000 square feet of commercial and office space and an eight-acre park.	Mixed Use	Under Construction	243	32	275	291,000
Marina Shores (Marina Cove II)	Built by Lennar, currently on the market.	Residential	Under Construction	89	-	89	-
Boatworks	In 2011, the city okayed 153 homes, a 29-unit apartment building and a two-acre park on this 9.48-acre Clement Avenue site. But owner Francis Collins subsequently said he wanted to change his plans.	Residential	Approved	182	-	182	-
Park Vista Square	Development is complete; so far, a new brewery and a physical therapy office have moved in, a Thai noodle house is coming and two more spaces are available.	Commercial	Complete	-	-	0	-
Alameda Station	The commercial development is replacing the former Good Chevrolet at the corner of Park Street and Tilden Way. The Walgreens is open for business and a second building is under construction.	Commercial	Complete	-	-	0	-
1835 Oak St	City Ventures has pitched a plan to turn this former glass manufacturing facility into a mixed-use development with 32 townhome-style condominiums, 5,600 square feet of small shop space and a 2,000-square-foot commercial or community building.	Office	Proposed	32	-	32	-
Del Monte warehouse	Tim Lewis Communities plans to build 380 lofts, townhomes and flats and up to 25,000 square feet of commercial space in and around the warehouse.	Mixed Use	Proposed	380	-	380	25,000
Hangstrom (2100 Clement)	The city received an application to build 58 townhomes on this 2.8 acre site, which houses a tin warehouse but was zoned for housing in 2012.	Residential	Approved	58	-	58	
Alameda Marina <sup>1</sup>	The Bay West Development plan estimated to the city 670 units and 150,000 sq. ft. of commercial space.	Mixed Use	Proposed	510	160	670	150,000
Park Esquina	Retail or Restaurant on ground floor. Residential Unit on second floor. 2 business office tenants. Second building to house two office spaces.	Mixed Use	Approved	1	-	1	4,013
Lincoln Ave	712 Lincoln Ave. 7,100 sf. Mixed-Use and 2nd-floor Residential Uses	Mixed Use	Approved	2	-	2	3,324
Neptune Lofts	1435 webster ave. Mixed Use. 7 Market Rate units, 2 BMR. 18 off-street parking spaces with additional 20 AC transit passes	Mixed Use	Approved	7	2	9	4,700
1920 Minturn Street	Replace existing building with 11,000 SF of commercial space	Commercial	Proposed	-	-	0	11,000

[1] Current program provided by Bay West Development.