

APPROVED MEETING MINUTES
REGULAR MEETING OF THE
MAYOR'S ECONOMIC DEVELOPMENT ADVISORY PANEL
WEDNESDAY, JULY 20, 2016

1. CALL TO ORDER: 6:13 p.m.

ROLL CALL: Present: Chubb, Elsesser, Grunt, Laguerre (arrived at 6:17),
Mik, Monteko, Winters.
Absent: Panlasigui, Sorensen

2. MINUTES:

City of Alameda's Development Manager, Eric Fonstein, stated that this is the initial meeting of the panel. There are no minutes of previous meetings.

3. ORAL COMMUNICATIONS--PUBLIC: None

4. UNFINISHED BUSINESS: None

5. NEW BUSINESS ITEMS:

5-A. Welcome and Introductions

Mayor Trish Herrera Spencer welcomed the Advisory Panel to its first meeting. Each Panel member made introductions.

- Erik Chubb, representing high-tech industries, works for Makani Power/Google X, which builds a new kind of wind turbine. He formerly worked for Ford Motor Company.
- Adam Elsesser, CEO and President of Penumbra, a medical device company in Harbor Bay, with approximately 1,400 employee.
- Brock Grunt, Area Manager for McGuire and Hester, a civic engineering contractor. McGuire and Hester are about to move into its recently built offices in Harbor Bay.
- Jowel Laguerre, Chancellor at Peralta Community College District. He oversees the entire district, which includes four community colleges. The District started a new unit for workforce development to partner directly with businesses to ensure that the colleges provide the right kind of support for career development.
- David Mik, co-owner of Power Engineering, a contractor in the marine construction industry, located at Alameda Point.
- Remy Monteko, asset manager for Jamestown Properties, which owns the South Shore Shopping Center. She has a background in urban planning and worked in real estate economics consulting before joining Jamestown.
- Lance Winters, owner of St. George Spirits, at Alameda Point, anchor for Spirits Alley

5-B Overview of Economic Development Advisory Panel's Proposed Role and Activities.

Economic Development Manager Lois Butler provided a brief overview. The purpose of the Advisory Panel is to advise the City Council and staff on important economic development issues and initiatives. The City may ask individual panel members to help with specific, high-level business attraction or retention activities related to his or her industry sector. This may include such activities as talking with an important business considering relocating to Alameda.

5-C Review Rules and Procedures

Ms. Butler introduced the item. The staff report and attachment can be found at:

<https://alameda.legistar.com/LegislationDetail.aspx?ID=2781414&GUID=15CD7565-C4B1-4F4F-85D9-31ADDEBA4138&Options=&Search=>

Ms. Butler recommended proceeding with the rest of the agenda and after the Chair and Vice Chair are elected, revisit the draft Rules and Procedures, consider any revisions, and formally adopt the Rules and Procedures.

Panel member Laguerre asked for clarification of which sector he represents.

Ms. Butler said workforce development.

Panel member Monteko asked about the frequency of the meetings.

Ms. Butler said normally the Panel will meet at least once per year. However, this year the City will be asking the Panel to have two or three additional meetings to assist with the preparation of the citywide Economic Development Strategic Plan (EDSP).

5-D City Attorney's Office to Provide Instructions on Compliance with the Brown Act and the Sunshine Ordinance –

Senior Assistant City Attorney Farimah Brown gave a briefing on the Brown Act and the Sunshine Ordinance.

Panel member Mik asked for clarification regarding the prohibition on emailing one another about the business that they are doing.

Ms. Brown answered that outside of the public meeting, if a majority of the panel emails one another, they are essentially conducting a meeting, which is prohibited by the Brown Act.

Panel member Grunt asked if this is prohibited even if the email gets forwarded from one member to another.

Ms. Brown said yes, even if there was no intention for this to happen. The intention is irrelevant. It is easy to lose control of the email.

Panel member Winters inquired if these prohibitions are also for looking for information from other board members and not planning to discuss any ongoing strategy or issue before the Panel.

Ms. Brown answer yes, this is a problem area.

Panel member Winters commented that this is going to be a slow process.

Ms. Brown agreed that it is slow, but the intent is for the public to be part of the process. The greater benefit is public participation.

Panel member Elsesser brought up the subject of telephone conversations.

Ms. Brown stated that a quorum cannot be part of a conference call. Also, if one member calls the next person and shares information from the previous call, this is a serial conversation and is prohibited.

Panel member Elsesser asked even if the Panel member is just looking for information?

Ms. Brown said yes.

Mr. Fonstein asked if they can direct their information request to staff, who can email a response to the entire Panel.

Ms. Brown answered that this may be the way to do it, or the item can be agendized for a future meeting.

Panel member Elsesser raised the scenario of running into each other by chance, and economic development issues come up during casual conversation.

Ms. Brown responded that small talk and social gatherings are okay. The problem is a majority discussing City business, such as if five Panel members happen to be at Peet's and discuss last night's meeting.

Panel member Elsesser asked for some clarification. He mentioned that the topic of this panel is business. Having a conversation with another Panel member about his or her specific business is fine. But if the conversation steers to what this Panel is doing, such as what do you think about the strategic plan, that is a different topic.

Ms. Brown said yes, she meant City business.

Panel member Monteko asked if emails to City staff are sunshine-able.

Ms. Brown said that this is a good question, and that they haven't covered the Public Records Act, which is the California version of the federal Freedom of Information Act. Staff will need to decide about issuing City email addresses to Panel members, which is done for City Council and some boards and commissions. If we get a request for emails of public officials, their emails get sent to the public. Staff will discuss this and get back to the Advisory Panel.

Panel member Laguerre wondered about using blind copy on emails.

Ms. Brown answered that this is tricky because it depends on the content of the email. It is best to stay away.

Panel member Winters commented that this will force the Panel to keep tighter notes to bring topics up in a public forum. The Brown Act and the Sunshine Ordinance make a lot of sense for transparent government and keep people engaged in local democracy. From a business sense, it is tough to swallow.

Panel member Grunt added if we are meeting only two or three times a year and this is the only time we can brainstorm, it doesn't seem really productive.

Ms. Butler pointed out that the Panel can meet as often as they want.

Panel member Laguerre asked if it is okay if only three members got together to talk.

Ms. Brown answered yes, but this also is a slippery slope: if one of the three then goes and talks with another Panel member about the same subject it could be a violation of the Brown Act.

Panel member Mik suggested talking in subgroups (e.g. Alameda Point) that report back to the panel in a public forum. That way the Panel can continue as it is used to doing in the private sector while still complying with the law. Is that fair?

Ms. Brown said other bodies have successfully used ad hoc subcommittees. Still, there are some precautions, but she can work with the Panel to set something up.

Mr. Grunt brought up socializing events to get to know one another, though there would be a tendency to discuss Alameda.

Ms. Brown said socializing is fine, but advised that the panel members keep in mind the purview of this body (see the purpose section in the Rules and Procedures document).

Community Development Director Debbie Potter noted that the Brown Act and the Sunshine Ordinance applies to this setting (e.g. a public meeting of the Panel). The City intends to use the Panel in a lot of different ways, such as business visitations, where the Brown Act would not apply.

5-E Provide Direction for the Preparation of a Citywide Economic Development Strategic Plan (EDSP) –

Mr. Fonstein made the staff presentation. The staff report and attachment can be found at:

<https://alameda.legistar.com/LegislationDetail.aspx?ID=2781416&GUID=0D44D571-29E3-4C96-B700-7294F6D6337F&Options=&Search=>

Mr. Fonstein introduced Sujata Srivastava and Derek Braun of Strategic Economics to guide the discussion.

Ms. Srivastava suggested starting with questions about the perception of the community in the business world and from a resident's perspective.

Panel member Chubb talked about some of the assets at Alameda Point, particularly space. It's edgy and weird.

Panel member Winters pointed out that this is also one of the biggest challenges for Alameda Point, because as it gets developed, it runs the risk of this edginess going away. The land represents a lot of opportunity, but there is a risk of turning it into a homogenous every-town. We want to keep populating the island with unique businesses, which maintains a reason for coming to Alameda.

Panel member Elsesser remarked that from the other end of the City (Harbor Bay Business Park), for a lot of folks who run businesses in San Francisco, and uniformly over the years, the biggest reaction to Alameda is, where? Alameda is as close as you can be to San Francisco, and people have no idea. There is a lack of awareness of where Alameda is and how to get there. For more traditional businesses, they have found it remarkable because there is easy access, lots of space, space is cheaper, and there are great expansion opportunities. Mr. Elsesser said he is not sure if he wants people to know, because it will mean more competition for space.

Panel member Monteko added on the flip side, there are a lot of success stories of Alameda being a destination: Trader Joe's, the Antique Fair, and Spirits Alley. There could be better story telling about the destination factor that already exists. People don't know what a strong market this is.

Panel member Mik considered that part of the confusion is that the County shares the name. From a marine perspective, the geography in the middle of the Bay is the best aspect. The waterfront property is beautiful. It's got great access to the Oakland Airport. And it's a very short distance by water to almost anywhere. It was a very easy choice for them to locate their business here. The development of Alameda Point brings a bit of concern about the gentrification on the waterfront and the loss of working waterfront to something more attractive to a residential population. Maritime has a long history in

Alameda and he hopes that history continues, at least in some parts of the island. The waterfront is commercially a very valuable product. The Navy gifted us with large hangars and piers. It's a capital good; no one today would want to build all that infrastructure. People don't appreciate where we are until they are on the island and look back at San Francisco.

Panel member Chubb asked where are marine industries going? What are the big industries in marine that we could attract?

Panel member Mik responded that Alameda has a maritime industry. The constant challenge is truck access. All of the maritime industries agree that one of the difficulties is the success of the island. It is crowded and there's a lot of traffic for large scale trucks getting on and off the island.

Panel member Chubb then asked if a small port in Alameda is needed to support the industry.

Panel member Mik said possibly, or perhaps a dedicated trucking lane. What is needed, he said, is a recognition that this is a requirement to keep these industries going.

Panel member Grunt remarked that access is always going to be a problem. He thinks the future is more about niche maritime industries, that don't necessarily rely on moving large amounts of things onto or off of the island. The maritime history is really important to preserve in some manner and to build on economies around that or to enhance existing economies that are meaningful.

He also pointed out that Alameda probably has the most private marina slips in the Bay Area. People who own slips come to Alameda from all over the place. The island is one of the few places you can keep a boat in the Bay Area, and consequently has more of a draw than it otherwise would.

Panel member Monteko said that there is a lot of underutilized land that can take some of the commercial load. Rather than competing directly with industry, we should focus on growing commercial on other locations. In answering the question of what key issues we would like to see the EDSP address, two come to mind: 1) under-utilized land and 2) transportation/accessibility to the island is also a serious issue, that will need to be fixed, access and transportation for workers, mass transit. Retailers are looking at drive time, and workers are looking for transit. Right now, neither of these are great.

Panel member Elsesser commented that Harbor Bay is this weird location in the Bay Area that doesn't exist anywhere else. They draw from the furthest extents in every direction. It is an appealing, reverse commute in most directions. This is one of the very few locations where one can grow and scale a business. A lot of businesses in his industry have moved out to Pleasanton, which brings other issues for its employment base. If in the Peninsula or Silicon Valley, one cannot attract the hourly workforce like he can.

Panel member Grunt agreed. They chose to build their new office on Harbor Bay, after an initial decision to grow in Pleasanton. They rethought the decision during the recession, when Alameda became more competitive in price. Harbor Bay makes sense to pull employees from a lot of directions in the Bay Area. Alameda Point has a lot of potential to offer the same thing.

Panel member Laguerre commented as a non-islander, the island has a very nice friendly feel, which can be attractive to some businesses. One does not hear of crime and the schools are considered good. There is an excellent community college, which has land to grow. The faculty and staff of Alameda are different from other faculties-in that they care a lot about Alameda and what happens on Alameda. There is a sense of family, when looking at Alameda from a distance.

The college draws from the region to a certain extent and draws other people to Alameda. The recruiters go out of the way to draw people from outside the island. The college has a workforce development center in partnership with the County Workforce Development Board. They have training centers that could be attractive to industries, such as automotive, maritime, and other industries. They work with Bay Ship & Yacht.

Ms. Srivastava asked the Panel, what are the key priorities or pressing concerns that the EDSP should address?

Panel member Chubb answered that he is interested in living and working in close proximity. Also, Alameda is a very bikeable community. The City just put in a beautiful bike path down by the beach.

Panel member Elsesser said that the concept of living in Alameda is pretty magical. There are very few communities left that have the same current feel (warm, welcoming small town, quirky beach town feel) that the residential part of Alameda has. As you add businesses, it is critical to add them in a way that doesn't mess this part up. At the same time, we want a thriving business environment, and that brings with it the challenges of getting people on and off the island. An increasing number of employees are living in Alameda. The economics of living here are still accessible at least for part of its employment base. He emphasized doing economic development in the right places and in the right ways, not just for the sake of economic growth. He would like to know why there are a lot of shuttered retail spaces in the neighborhood stations. There are opportunities there.

Panel member Grunt commented that Alameda is not on the path to anywhere. You only come here if something brings you here. It is pretty unique, cut off from the rest of the world and you know that you are in a different place. It has been incredible to watch Alameda blossom over the past twenty years. It is like a shrub or tree: cut the dead branches and it comes back stronger. We need to look for the dead branches and trim them to allow new things to happen. We can be selective. We have a hugely diverse community and lot going for ourselves.

Panel member Laguerre remarked from an education standpoint, it would be great to have businesses getting together to discuss their workforce and training needs through the college. This would provide greater numbers to build programs around. The community college is here to meet the needs of the community.

Panel member Mik reflected that maybe we're going back in time to where people lived near where they worked. We do need to address the balance of employment and residential. The uniqueness of Alameda is its character. It would be a tragedy to lose that. The EDSP should be a discussion about the types of businesses the City wants that would also support the ability to live and work here. More of our employees are moving closer to Alameda. But not everyone is going to live here. We should also talk about a mass transit or transportation solution. We are going to be talking about the types of businesses the City wants, where to put them, and the transportation solutions. Those are the things I would want to see in the EDSP.

Panel member Monteko echoed the need to address the job-housing balance. The South Shore Shopping Center is a large employer. Many of the people who work there would like to live on the island but can't. They would love to see more housing near their center. Also, retail leakage is part of the scope of work. It is a story that can be told. All these people are leaving the island to shop, when those dollars can be spent here. It would be really great to understand where people are going instead of Alameda and how to capture that sales leakage. Underutilized land is an issue in other parts of the City besides Alameda Point, such as neighborhood and community shopping centers. Permit time for small businesses is challenging everywhere. Making it as easy as possible will bring more business to Alameda.

Panel member Winters said that awareness is a big problem. Alameda Point is a great area of opportunity to create other things that are unique to draw people and get them talking about Alameda. On the flip side to sales leakage, we want inflow traffic from off of the island and have people shop and stay here. The idea of putting a small artists' community at Alameda Point would be great, such as turning the Bachelors Enlisted Quarters into live/work artists space would create a unique experience. By their natures, artists will create things that can only be found in Alameda. It will bring life to a dead area and maintains the fun and weirdness factor. There are grants to help facilitate that.

Panel member Elsesser wanted to highlight this as a brilliant idea. Hunter's Point open studios would draw thousands of visitors. The cost of doing this would be relatively little in the scheme of things and the potential benefit would be kind of cool.

5-F Provide Feedback on the City of Alameda's Approach to Attracting Development to the Enterprise District at Alameda Point

Jennifer Ott, the City of Alameda's Base Reuse Director, introduced the item. The staff report and attachments can be found at:

<https://alameda.legistar.com/LegislationDetail.aspx?ID=2781417&GUID=16211D8D-2D63-4E9A-8531-6366B3DB8C0D&Options=&Search=>

Panel member Grunt asked about the ferry terminal.

Ms. Ott said that the new Seaplane Lagoon terminal will be right in the heart of the development in the Enterprise District. This is the number one issue for developers: when is the ferry terminal coming? It will operate as a joint consolidated service with the Main Street Terminal. Most likely, the Seaplane Terminal will be the commute ferry with Main Street/Oakland supplying mid-day and weekend service. We did look at the relocating the Main Street Terminal, but it would undermine the Oakland service. The Oakland line cannot sustain itself and depends on Alameda ridership.

Panel member Mik commented that Main Street is the most popular ferry terminal and is at capacity. They are selling out their boats. They are really adding capacity with the new terminal.

Ms. Ott added that ferry ridership has grown 60 percent since 2012, which is unheard of for public transit.

Panel member Chubb asked about the maker space cluster.

Ms. Ott said that the buildings are being redeveloped by master developers. They will subdivide them into smaller spaces for specialty manufacturing, artist spaces and some office. One floor will most likely become work/live, with tight restrictions on the residential component.

Panel member Monteko asked who pays for the infrastructure in Site B.

Ms. Ott said the developer or end user through a negotiated land deal with the City. Alameda Point's infrastructure costs are approximately \$600 million, or \$1 million per acre.

Panel member Elsesser asked about the square footage of entitled space and height limits.

Ms. Ott answered that there is approximately 5.5 million square feet for all of Alameda Point, which is a lot of entitlement. We do not want low intensity development; we want jobs or catalyst benefit. The height limit is 100 feet. It is a very permissive, a big envelope to create a lot of flexibility. We do not know who the end user(s) will be. We want to create an opportunistic envelope to take advantage of each businesses' vision. Ideally, we want a diversified base and not just one end user.

Panel member Monteko asked how is Cushman Wakefield advising on the commercial market for companies being pushed out of San Francisco and moving to Oakland. On the one hand, it is someone who wants the flexibility to expand quickly but they want it yesterday. How are you going to address that?

John McManus of Cushman Wakefield, said, historically, companies that have grown up like Genentech or Facebook start very small, incubate and then expand somewhere else. In the last cycle, companies like Sun and Cisco moved out and tried to get geographic diversity, grow as much in the South Bay and then buy another campus in Pleasanton. We are not seeing that now. Many companies want to stay together in one place, like Apple. Google X is an exception. We had hoped to see users that wanted that diversity of locations, but it has not happened that way in this cycle. We believe that there will be companies wanting to expand. In this awareness phase of the marketing, in addition to contacting these companies directly, we are going around to brokerage houses in San Francisco and on the peninsula that represent these companies. Cushman's message in the weekly and monthly meetings is when you have a large campus requirement that cannot go into an adaptive, existing building—typically bio-tech that requires building from the ground up—we have 82 acres, through CEQA, you just need site plan, elevations, and a design that works. The CEQA process is all done. We could also take incubators, much like TheraSense in Harbor Bay that became Abbott Diabetes Care. They started at 5,000 square feet and has expanded to nearby buildings. So when the technology hits, they go.

Panel member Monteko inquired why no one is biting now.

Mr. McManus said that there is no infrastructure; plus the City is picky. You can have a warehouse distribution center now. Interest from warehouse users in short term, but they are high traffic and low intensity. There is precedence with VF Outdoor. They moved from San Leandro and picked up more land as they grew. As we get the infrastructure in place with 9 to 15 acre projects that make it feasible, we can go down to four acre parcels and start to look at Semifreddi's and Peet's Coffee that have come out of Emeryville and Berkeley to Harbor Bay. It is not practical now to leapfrog Site A.

5-G Elect Chair and Vice Chair

Ms. Butler introduced the item.

Panel member Laguerre nominated Mr. Mik as Chair, quickly seconded by Mr. Winters. The Panel unanimously voted in favor. The meeting was turnover to the newly elected chair.

Panel member Elsesser nominated Mr. Winters as Vice Chair, seconded by Ms. Monteko. The Panel unanimously voted in favor.

5-H Adopt Rules and Procedures

The Chair asked if there was any discussion. There was none.

The Vice Chair moved to adopt the Rules and Procedures; seconded by Dr. Laguerre. The Panel unanimously voted in favor.

5-I Next Meeting

Mr. Fonstein said that the next meeting is anticipated to be in September to report on the initial research for the EDSP.

6. Written Communications: None.

7. Oral Communications – Panel Members and Staff: None.

8. Adjournment

Meeting adjourned at 9:07 p.m.