

MINUTES OF THE REGULAR CITY COUNCIL MEETING
TUESDAY- -MARCH 6, 2018- -7:00 P.M.

Mayor Spencer convened the meeting at 7:18 p.m. and led the Pledge of Allegiance.

ROLL CALL - Present: Councilmembers Ezzy Ashcraft, Matarrese, Oddie, Vella, and Mayor Spencer – 5.

Absent: None.

AGENDA CHANGES

(18-109) Vice Mayor Vella moved approval of moving up the Greenway Golf lease [paragraph no. 18-124].

Mayor Spencer seconded the motion.

Under discussion, Councilmember Matarrese stated that he would only support the motion if there is agreement to continue the meeting past 11:00, if needed, to address Site A [paragraph no. 18-126].

The City Manager noted the AC Transit funding agreement [paragraph no. 18-127] also needed to be heard tonight.

Councilmember Matarrese requested a friendly amendment to the motion to also agree to hear the Site A and AC Transit items.

Vice Mayor Vella and Mayor Spencer accepted the friendly amendment.

On the call for the question, the motion carried by the following voice vote: Ayes: Councilmembers Matarrese, Oddie, Vella and Mayor Spencer – 4. Noes: Councilmember Ezzy Ashcraft – 1.

Councilmember Matarrese stated that he would withdraw the Housing Policy referral [paragraph no. 18-136] because the income disparity was included in the City's legislative plan and the matter would be addressed as part of the Housing Element update.

Regarding the Consent Calendar, Mayor Spencer announced the Marcy Wong Donn Logan agreement [paragraph no. 18-122] and the Alameda County agreement resolution [paragraph no. 18-123] were removed from the Consent Calendar for discussion.

Councilmember Matarrese moved approval of the remainder of the Consent Calendar.

Councilmember Oddie seconded the motion, which carried by unanimous voice vote –

5.

PROCLAMATIONS, SPECIAL ORDERS OF THE DAY AND ANNOUNCEMENTS

(18-110) Proclamation Declaring March 2018 as American Red Cross Month.

Mayor Spencer read the proclamation and presented it to Harry Hartman and Janet Weisman, American Red Cross.

Mr. Hartman and Ms. Weisman made brief comments.

(18-111) Mayor Spencer did a reading on the Season for Non-Violence word of the day: mindfulness.

ORAL COMMUNICATIONS, NON-AGENDA

(18-112) Jane Sullwold, Alameda, suggested that Consent Calendar items pulled for discussion be heard after Regular Agenda items.

(18-113) Phil Redd, Alameda Cannabis, LLC, suggested creating a cannabis district to compete with neighboring districts.

(18-114) Kurt Peterson, Alameda, expressed concern over the independent investigation taking too long and over two Councilmembers being able to vote.

(18-115) Jennifer, Alameda, discussed her experience being homeless in Alameda; urged the City to work on providing services.

(18-116) Paula Rainey, Friends of Wadi Foquin, submitted information and invited everyone to attend the organization's second cultural program, a book reading, at the library on March 17th.

(18-117) Nancy Schlegel, Alameda, thanked the City for responding to issues she raised at the last Council meeting; stated that she was introduced to SeeClickFix, which she can use to report issues in the future.

CONSENT CALENDAR

Under agenda changes, Mayor Spencer announced the Marcy Wong Donn Logan agreement [paragraph no. 18-122] and the Alameda County agreement resolution [paragraph no. 18-123] were removed from the Consent Calendar for discussion.

Councilmember Matarrese moved approval of the remainder of the Consent Calendar.

Councilmember Oddie seconded the motion, which carried by unanimous voice vote – 5. [Items so enacted or adopted are indicated by an asterisk preceding the paragraph

number.]

(*18-118) Minutes of the Special and Regular City Council Meeting Held on February 6, 2018. Approved.

(*18-119) Ratified bills in the amount of \$2,250,649.74.

(*18-120) Recommendation to Accept: 1) the Report on Litigation and Liability Claims Settlements, and 2) Availability of Any Documents Which Have Become Disclosable to the Public for the Period October 1, 2016 to December 31, 2017. Accepted.

(*18-121) Recommendation to Award a One-Year Contract for an Amount not to Exceed \$102,585, with the Option of Four One-Year Extensions, for a Total Five Year Expenditure not to Exceed \$464,221, to ABC Security Service, Inc. for Main Street Ferry Terminal and Parking Lot O Security Services. Accepted.

(18-122) Recommendation to Authorize the City Manager to Execute an Agreement with Marcy Wong Donn Logan Architects in the Amount of up to \$1,604,676 in Fiscal Year 2017-2018 Renewable Annually by the City Manager for up to Four Additional Years for a Total Compensation of \$1,604,676 for Architectural and Engineering Services for Design of the Seaplane Lagoon Ferry Terminal; and

(18-122A) Resolution No. 15350, "Increasing the Capital Projects Seaplane Lagoon Ferry Terminal Project (91814) by \$1,604,676 from the Base Reuse Fund and Tideland Trust Budgets for Fiscal Year 2017-2018." Adopted.

Mayor Spencer inquired whether the agreement is part of the Site A project that will be heard later in the evening.

The Redevelopment Project Manager responded in the affirmative; stated staff wanted the item to try to expedite the contract.

Vice Mayor Vella moved approval of hearing the item after Site A [paragraph no. 18-126].

Mayor Spencer seconded the motion, which carried by unanimous voice vote – 5.

(18-123) Resolution No. 15351, "Adopting an Agreement for Participation in the Alameda County Operational Area Emergency Management Organization." Adopted.

Expressed concerns with Urban Shield: Gaby Dolphin, California Democratic Party Delegate.

Mayor Spencer requested the City Manager clarify what Urban Shield is.

The City Manager stated Urban Shield is a program under which the Alameda Police

Department does training; the item pertains to an agreement with the County; there is no funding; the agreement is only being updated.

The Fire Captain clarified the agreement states that the Fire Department agrees to work in the chain of command for communications and work with other departments to share information in a disaster.

Vice Mayor Vella moved adoption of the resolution.

Councilmember Ezzy Ashcraft seconded the motion, which carried by unanimous voice vote – 5.

REGULAR AGENDA ITEMS

(18-124) Introduction of Ordinance Approving a 15-Year Lease Amendment with an Option for a 10-Year Extension Between the City of Alameda and Greenway Golf Associates, Inc., for Premises Located at the Chuck Corica Golf Complex. Introduced.

In response to a comment under Oral Communications, the City Attorney stated all five Councilmembers can vote on all agenda items.

The Recreation and Parks Director gave a Power Point presentation.

Mayor Spencer inquired why the North Course improvements are being subject to prevailing wage and a Project Labor Agreement (PLA), which was not a part of the original lease.

The City Manager responded based on previous Council discussion and direction, the PLA was added; stated the agreement was first adopted 5 years ago; the existing contract does not include a PLA because it was not a request of the Council at that time.

Mayor Spencer inquired how many employees would be subject to the PLA.

The Recreation and Parks Director responded approximately 12 employees.

Mayor Spencer inquired whether or not Greenway employees are employed only during a project.

The Recreation and Parks Director responded Greenway is a national company and employees move around as constructions needs change for different projects; stated the employees will be here for the duration of the North Course improvements.

Mayor Spencer inquired how long the improvements will take, to which the Recreation and Parks Director responded approximately two years.

Mayor Spencer inquired what the request is costing Greenway and the City.

The Recreation and Parks Director responded Greenway's costs is approximately \$120,000 for attorney fees, as well as additional healthcare costs; stated the City added two years of rent, at the base of \$175,000, and added 5 years to the length of the term.

In response to Mayor Spencer's inquiry, the Recreation and Parks Director stated the amount equates to \$250,000 of rent not received for the two years and \$130,000 for Greenway's work on the storm drain system, which benefits all of Bay Farm Island.

Mayor Spencer inquired what the estimated cost is of adding attorney's fees.

The Recreation and Parks Director responded \$120,000 is directly attributed to the PLA.

Mayor Spencer inquired whether the amount is being borne by the City via lost rent, to which the Recreation and Parks Director responded in the affirmative.

Vice Mayor Vella inquired what year the Citywide PLA was adopted.

The City Manager responded December 2016.

Mayor Spencer inquired whether the Citywide PLA applies to the golf course, to which the Recreation and Parks Director responded in the negative.

The City Manager responded any public project over \$1 million, including the parking lot, would fall under the Citywide PLA.

The Recreation and Parks Director stated the parking lot project will most likely be incorporated into the City's larger paving program which is significantly over \$1 million; continued the presentation.

Vice Mayor Vella inquired whether there has been any change in the discounted resident rate or any proposal for changes.

The Recreation and Parks Director responded in the affirmative; stated the Golf Commission unanimously approved the South Course fees, which are increasing for Alameda residents; stated the Golf Commission is very happy with the fees recognizing players get a significantly better course and fees in line with other municipal golf agencies.

Vice Mayor Vella inquired whether the men's and women's golf clubs will retain discounts and still have access to the course.

The Recreation and Parks Director responded in the affirmative; continued the presentation.

Stated that she supports Greenway and the work they have done to the golf course; urged Council to vote for the proposal: Jane Sullwold, Alameda.

Urged Council to vote yes on the proposal: Tom Geanekos, Jim's on the Course.

Urged Council to vote yes on the proposal: Ron Taylor, Golf Commission.

Urged Council to support the proposal: Mike Croll, Operating Engineers Local 3.

Urged Council to support the proposal: Brian Lester, Building Trades of Alameda County.

Urged Council to support the proposal; stated the City does not have to put out any financial assets to support the project: Ed Downing, Golf Commission.

Stated that he supports the proposal; urged Council to support the project: Jim Strehlow, Alameda.

Outlined how Greenway Golf has improved the golf course and the area for local habitat; urged Council approval: Joe Van Winkle, Alameda.

Expressed her love for golf; stated golf is an outlet for kids: Alexis Esquerra, Alameda Women's Golf Team.

Discussed how her love for golf has helped her make friends: Allison Esquerra, Junior Golf.

Discussed how the golf course has helped her make friends and discover her passion: Elizabeth Scholtes, Junior Golf.

Expressed his support for the proposal and discussed his love for golf: Nathan Moore, Alameda High Golf Team.

Discussed the golf course in Alameda producing champion golfers: Stephen Burnett, Alameda High Golf Coach.

Councilmember Ezzy Ashcraft stated Greenway Golf has done a great job at the golf course; she will support the ordinance due to the value the golf course will bring to the City; she agrees with paying the workers a living wage and benefits.

Stated Greenway Golf has made many improvements to the golf course that have exceeded expectations: Tony Corica, Alameda.

Councilmember Matarrese moved approval of introducing the ordinance approving the 15 year lease and giving direction to the City Manager to execute the contract.

Councilmember Oddie seconded the motion.

Under discussion, Vice Mayor Vella stated that she will support the proposal; the golf course is well-known and produces legendary golfers; the golf course is important to the youth in Alameda; she hopes the development of the parking lot happens soon to add access; she plans to vote on the item tonight.

Councilmember Oddie stated that he plans on supporting the proposal; thanked the Recreation and Parks Director for her work with Greenway Golf; stated the proposal is good for the students, Alamedans, the golf community and workers in the Bay Area; he would like people to remember the golf course generates revenue.

Mayor Spencer thanked the Recreation and Parks Director and staff for their work; stated that she plans to support the proposal; \$120,000 for PLA funds will need to be funded by the City when the City already has to come up with over \$300 million; she is concerned with transparency to the public regarding a solution.

On the call for the question, the motion carried by unanimous voice vote – 5.

Mayor Spencer called a recess at 8:47 p.m. and reconvened the meeting at 8:56 p.m.

(18-125) Mayor Spencer requested Council address which items will be considered tonight; inquired how many speakers are on each item; stated she understands that Site A is the only item that must be heard tonight and Council agreed to hear item AC Transit.

Councilmember Oddie stated Council also agreed to hear the Seaplane Lagoon item.

Mayor Spencer inquired whether there are speakers on the Seaplane Lagoon item, to which the City Clerk responded in the negative.

Mayor Spencer inquired whether Council would agree to limit the speakers on the Site A item to 2 minutes each, to which Council concurred.

Mayor Spencer inquired whether Council would like to hear the Cannabis and Rent Stabilization items.

Councilmember Ezzy Ashcraft responded in the negative; stated cannabis will take a fair amount of discussion; questioned whether the item could be placed at the top of the agenda if it goes to the next meeting.

Mayor Spencer stated that she would like to hear the item tonight; having the item heard at a later date pushes back the application process; the entire process will be delayed.

Vice Mayor Vella inquired what items are on the next Council meeting.

The City Clerk responded there is a Community Development Block Grant (CDBG) hearing, homelessness and development impact fee on the next agenda.

The City Manager responded the next agenda is full.

Vice Mayor Vella stated the meeting will have to go late unless another meeting is added.

Mayor Spencer stated her preference is to go late.

Councilmember Oddie stated that he would like to continue with the meeting and be as concise in staff presentations and Council comments as possible.

Mayor Spencer moved approval of hearing the Site A item through Cannabis.

Councilmember Matarrese seconded the motion, which carried by the following voice vote: Ayes: Councilmember Matarrese, Councilmember Oddie, Mayor Spencer and Vice Mayor Vella – 4. Noes: Councilmember Ezzy Ashcraft – 1.

(18-126) Resolution No. 15352, “Authorizing the City Manager to Execute a Third Amendment to the Disposition and Development Agreement (DDA) and All Other Necessary Documents between the City of Alameda and Alameda Point Partners, LLC for the Site A Development at Alameda Point.” Adopted.

The Base Reuse Director, Joe Ernst, Alameda Point Partners and Linda Mandolini, Eden Housing, gave a Power Point presentation.

Urged Council to support the resolution; stated infrastructure is needed for residents and businesses: Michael McDonough, Chamber of Commerce.

Urged Council to support going forward: Kari Thompson, Chamber of Commerce.

Stated Renewed Hope strongly supports the DDA amendment to provide affordable housing: Doyle Saylor, Renewed Hope.

Urged Council to move forward to help with the housing crisis: Andreas Cluver, Alameda County Building Trades (ACBT) Council.

Urged Council to move forward to provide housing, jobs and improve the economy of Alameda: David Ross, Alameda resident and Carpenters in Action.

Urged Council to do whatever it can to make the project go through: Edward Alvarez,

ACBT and Alameda resident.

Discussed the cannabis matter [paragraph no. 18-129]: Phil Redd, Alameda Cannabis LLC.

Mayor Spencer clarified the current item being discussed is the Alameda Point matter, not Cannabis.

Councilmember Oddie raised a point of order that speakers are supposed to speak to the Council as a body and not point out individual Councilmembers.

Urged Council to move forward to support housing in Alameda: Philip James, Alameda.

Urged Council to support the project to help the Alameda Point community: Doug Biggs, Alameda Point Collaborative.

Discussed housing and commercial properties not being built: Dorothy Freeman, Alameda

Stated AC Transit supports the amendment and is excited about new transit service at Alameda Point: Michael Eshleman, AC Transit.

Urged Council to move forward with the project: Jim Summers.

Urged Council to vote no on the amendment; stated the financing does not add up: Robert Matz, Alameda.

Stated that he supports the amendment; the infrastructure at Alameda Point needs to be updated: Brad Shook, Bladium and Alameda resident.

Stated Alameda needs affordable housing now: Victoria Fierce, East Bay for Everyone.

Stated that she supports the project moving forward; the project helps with the transportation problem: Anne Cook, Alameda.

Stated that she is in favor of the project moving forward to assist with housing needs: Laura Thomas, Renewed Hope.

Stated that she is in favor of the amendment; urged Council to approve the amendment: Sarah Sieloff, Center for Creative Land Recycling.

Urged Council to support the amendment: Josh Geyer, Alameda.

Urged Council to support the amendment to finally develop Alameda Point and fix the infrastructure: Jon Spangler, Alameda.

Urged Council to move forward with the amendment; stated the investment in the infrastructure is desperately needed: Tim Frank, Center for Sustainable Neighborhoods.

Stated that she supports the amendment; the developer is putting the funds in to develop the land so that all of Alameda can enjoy the results: Karen Bey, Alameda.

Mayor Spencer inquired what the sale price is of the three blocks.

The Base Reuse Director responded Block 6 is selling for \$19.4 million, Block 11 for \$25 million and Block 9 for \$12 million, totaling \$56.4 million.

Mayor Spencer inquired what the cost is of the infrastructure.

The Base Reuse Director responded the construction cost is \$32 million.

Mayor Spencer inquired where the balance of the \$56 million is going.

The Base Reuse Director responded the ferry terminals, affordable housing, the sports complex and significant soft costs related to the tentative map and engineering design.

Mayor Spencer inquired how much of the affordable housing family project will need to be financed.

The Base Reuse Director responded \$26 million.

Mayor Spencer requested clarification; stated that she thought it was \$23 million.

The Base Reuse Director responded there is \$3 million infrastructure fee; stated a \$9 million State grant is needed.

Mayor Spencer inquired how much the City is short for the senior project.

The Base Reuse Director responded \$16 million.

Mayor Spencer inquired whether Council is being asked to not enforce the metering provision because Eden does not have the money lined up for the two projects.

The Base Reuse Director responded in the negative; stated in order to finance the infrastructure, Alameda Point Partners (APP) is using the proceeds from the sale; the City holding up the building permits is too much risk.

Mayor Spencer inquired whether the City could not hold up the building permits if Eden has the financing, to which the Base Reuse Director responded in the affirmative.

Mayor Spencer inquired whether Eden being short \$25 million is causing the matter to return to Council and the reason the building permits could be held up.

The Base Reuse Director responded Eden has not defaulted and has met all obligations under the project.

Mayor Spencer inquired whether APP would not have to ask for a third amendment if Eden has 100% of the commitments, to which the Base Reuse Director responded in the affirmative.

Mayor Spencer inquired whether the metering ensures that the affordable housing would be built.

The Base Reuse Director responded needs have shifted; stated the needs are for the infrastructure.

Mayor Spencer stated the community needs affordable housing; inquired whether there is a way to require the affordable housing be funded prior to the blocks being flipped.

The Base Reuse Director responded the recommendation from staff is the best way to get the affordable housing built.

Mayor Spencer inquired whether there is a way to guarantee the funding for the affordable housing.

The City Manager responded a number of items can be subtracted out of the \$56 million; stated the backbone infrastructure is as important as the funding to make the project work.

Mayor Spencer stated \$10 million going to the ferry is being put in front of the affordable housing.

The City Manager responded the \$10 million is required to receive some of the affordable housing funding; stated a criteria to receive affordable housing funding is the project has to be close to transit.

Mayor Spencer inquired whether there is a way to guarantee that the affordable housing is built.

The City Manager responded staff and the developer have indicated there is no way to guarantee the affordable housing.

Mayor Spencer inquired what the value is of the 600 market rate homes.

The City Manager responded the infrastructure and construction costs are figured into the process.

The Base Reuse Director stated approximately \$460 million.

Mayor Spencer inquired if \$460 million is the sale price.

The Base Reuse Director responded \$460 million is the project value.

Mayor Spencer inquired whether there is a way to guarantee the affordable housing, to which the Base Reuse Director responded in the negative; stated staff's recommendation is the best way to achieve the affordable housing.

Mayor Spencer inquired whether the developers are not willing to guarantee the \$24 million to ensure the City gets the affordable housing.

The City Manager responded in the affirmative.

Mayor Spencer inquired whether the anticipated rents will be \$3,300 and \$3,400 a month.

The Base Reuse Director responded that the rent would vary by floor plan; stated the average is approximately \$3,300 a month.

Mayor Spencer inquired whether the average of \$3,300 a month is for a studio or one bedroom, to which the Base Reuse Director Responded in the affirmative.

Mayor Spencer stated that [\$3,000 in rent] is not workforce housing or affordable housing; she will not support the amendment.

Councilmember Matarrese stated the risk is bigger if the amendment is not granted; by State standards, the developer is still required to supply affordable housing; three things happen when the closing occurs: the developer has to pay property tax, the City will receive transfer tax each time a block sells and the backbone infrastructure will be started within 30 days; inquired whether the developer puts up a surety bond, to which the City Manager responded in the affirmative.

Councilmember Matarrese stated the surety bond would guarantee the money; the affordable units will not be built if the infrastructure is not done; denying the amendment will decrease the City's chances of acquiring any affordable housing.

Councilmember Ezzy Ashcraft stated there is a huge need for all types of housing, market rate and affordable; the financing for affordable housing is difficult; she supports the project.

Vice Mayor Vella stated that she plans on supporting the project; there is no way to guarantee the affordable housing, but good faith actions have proved the City has a good partner, committed to trying to get the affordable housing done; the City needs to figure out how to get the funding; the project will help with jobs and the housing crisis.

Vice Mayor Vella moved adoption of the resolution.

Councilmember Ezzy Ashcraft seconded the motion.

Under discussion, Councilmember Oddie stated that he is ready to get moving on the project; he will support the project.

On the call for the question, the motion carried by the following voice vote: Ayes: Councilmembers Ezzy Ashcraft, Matarrese, Oddie and Vella – 4. Noes: Mayor Spencer – 1.

(18-122 continued) Recommendation to Authorize the City Manager to Execute an Agreement with Marcy Wong Donn Logan Architects in the Amount of up to \$1,604,676 in Fiscal Year 2017-2018 Renewable Annually by the City Manager for up to Four Additional Years for a Total Compensation of \$1,604,676 for Architectural and Engineering Services for Design of the Seaplane Lagoon Ferry Terminal; and

(18-122A continued) Resolution No. 15350, “Increasing the Capital Projects Seaplane Lagoon Ferry Terminal Project (91814) by \$1,604,676 from the Base Reuse Fund and Tideland Trust Budgets for Fiscal Year 2017-2018.” Adopted.

Councilmember Matarrese moved approval of the staff recommendation and adoption of the resolution.

Councilmember Oddie seconded the motion, which carried by the following voice vote – Ayes: Councilmember Ezzy Ashcraft, Councilmember Matarrese, Councilmember Oddie and Vice Mayor Vella – 4. Noes. Mayor Spencer – 1.

(18-127) Recommendation to Approve a Funding Agreement with Alameda-Contra Costa Transit for Continued Supplemental 20-Minute Service during Peak Commute Periods on Line 19 for 30 Months Starting July 1, 2018 through December 31, 2020 Up to a Total Cost of \$491,215; and

(18-127A) Resolution No. 15353, “Amending the General Fund, Measure B and Transportation Funds Budget for Fiscal Year 2017/18 to Fund the Continued Supplemental 20-Minute Service During Peak Commute Periods on AC Transit’s Line 19, Totaling \$177,000.” Adopted.

The Assistant Community Development Director gave a brief presentation.

Mayor Spencer inquired whether the cost would be \$357,000.

The Assistant Community Development Director responded in the affirmative.

Mayor Spencer inquired whether the cost is over 30 months, to which the Assistant Community Development Director responded in the affirmative.

Mayor Spencer inquired whether there will be money from another source.

The Assistant Community Development Director responded the total cost is \$457,000, but \$100,000 has already been raised.

Mayor Spencer inquired how much money is coming out of the General Fund.

The Assistant Community Development Director responded the money is split between two sources; stated \$88,000 per source per year is \$177,000.

The City Manager stated the money will come from end of the year surplus.

Mayor Spencer stated there is no end of the year surplus.

Councilmember Ezzy Ashcraft stated the staff report states the funds will be from Measure B and BB, which would have been used on pavement management, and the General Fund.

Mayor Spencer stated \$88,000 is out of the General Fund.

The City Manager stated large property transfers occurred this year that exceed \$500,000 in transfer tax; the \$88,000 can come out of additional funds; the matter was taken off Consent because staff felt it was a policy decision of whether to go from 20 to 30 minutes.

Mayor Spencer inquired whether going back to 30 minutes will not require General Fund money.

1:55

The Assistant Community Development Director responded Line 19 will continue to run indefinitely; stated staff wanted to ask Council if they want to fund the gap to keep the 20 minute service.

The City Manager stated the matter is dependent on the delay in the development projects.

Vice Mayor Vella inquired why Council is hearing the matter tonight and whether it is a time sensitive issue.

The Assistant Community Development Director responded AC Transit needs to be told immediately whether or not Council wants to shut down the service.

Councilmember Oddie inquired whether going back to 30 minutes would result in fewer riders.

The Assistant Community Development Director responded it is very hard to estimate.

In response to Councilmember Oddie's inquired about how many cars it would equate to, the Assistant Community Development Director stated about 100.

The City Manager stated when bus lines are farther apart, commuters become less reliant on the service.

Councilmember Ezzy Ashcraft inquired whether increasing the time from 20 to 30 minutes means a commuters will get in cars and drive or use another mode of transit.

The Assistant Community Development Director responded it is very hard to estimate and gauge the impact.

Stated AC Transit supports the funding commitment but understands the City has other funding commitments: Michael Eshleman, AC Transit.

Stated the success of Line 19 has been due to the 20 minute service; he would like to see the service continue: Mike O'Hara, Alameda Transportation Management Association (TMA).

Mayor Spencer stated that she will support the item.

Vice Mayor Vella stated that she will also support the item; the service is important to Alameda.

Councilmember Oddie stated that he will support the item.

Councilmember Oddie moved approval of the staff recommendation and adoption of the resolution.

Councilmember Matarrese seconded the motion.

Under discussion, Councilmember Ezzy Ashcraft stated there are other important transportation projects; she will look to the TMA to expand the easy pass program by doing a loadable Clipper Card; AC Transit is not the only transit system; she will support the item.

(18-128) Mayor Spencer moved approval of considering the cannabis item [paragraph no. 18-129].

Vice Mayor Vella seconded the motion.

Under discussion, Councilmember Ezzy Ashcraft inquired whether only that item would be heard, to which Mayor Spencer responded in the affirmative.

On the call for the question, the motion carried by unanimous voice vote – 5.

Councilmember Matarrese stated Line 19 is growing and working.

Mayor Spencer stated that she would prefer the ability to purchase Clipper Cards with cash.

On the call for the question, the motion carried by unanimous voice vote – 5.

(18-129) Recommendation to Approve the Implementing Regulations Governing a Request for Proposals Process for Allocating Limited Privilege to Apply for a Cannabis Business Permit and the Request for Proposals.

The Economic Development Manager gave a Power Point presentation.

Councilmember Oddie inquired how subjective is the oral interview.

The Economic Development Manager responded the oral interview is follow up questions from the review process and systematic questions would be asked; staff is primarily trying to get more information on the proposed categories.

Councilmember Oddie inquired whether everyone being interviewed is being judged on equal categories; what objective standards are in the questions.

The Economic Development Manager responded the criteria is not listed; stated different options have been discussed.

In response to Councilmember Oddie's inquiry regarding options, the Economic Development Manager stated other cities have included consultants on the panel, or had just staff, or included staff from other cities on panels.

Councilmember Oddie stated that he would be interested in hearing the public's opinion on the process.

Mayor Spencer inquired whether staff has ever heard of a committee chosen by Councilmembers.

The Economic Development Manager responded in the negative.

Councilmember Oddie inquired whether staff evaluated having a health expert, instead of law enforcement, on the panel.

The Economic Development Manager responded staff reviewed a number of different scenarios, but felt the recommendation is best; .continued the presentation.

Councilmember Oddie inquired why the presentation demographic numbers do not add up.

The Economic Development Manager responded the category for other is not listed; if a person does not want to state race, it would qualify under other; continued the presentation.

Urged Council to approve the RFP process; stated laboratories do not incur public foot traffic; requested Council raise or eliminate the cap on laboratories in the City and consider taxing laboratories just like any other professional service; stated laboratories do not have the same profit margins as other cannabis businesses have: Emily Richardson, CW Analytical Laboratories.

Councilmember Ezzy Ashcraft left the dais at 10:53 p.m. and returned at 10:57 p.m.

Expressed concerns with the City allowing people not from Alameda to open cannabis businesses in Alameda: Phil Redd, Alameda.

Gave a Power Point presentation; suggested a six person citizen based panel: Rich Moskowitz, Alameda Cannabis Times.

(18-130) Mayor Spencer moved approval of continuing the meeting past 11:00 p.m.

Vice Mayor Vella seconded the motion, which carried by unanimous voice vote – 5.

Stated there should be more than four manufacturing licenses for cannabis businesses in Alameda: Amber Lopez, Alameda.

Outlined concerns with certain sections of the RFP: Anne Kelson.

Stated cannabis testing is critical to cannabis customers: Kelly Kaufman, Steep Hill Labs and Alameda resident.

Expressed concerns with the language requirement on the letter of intent; stated be more cannabis manufacturing facilities should be allowed on the Island: Sasha Stallworth, Alameda.

Stated that he would like the demographic arrest data made available by sector; inquired if there is data available regarding the asset seizure related to cannabis arrests over the 20 year period: Rasheed Shabazz, Alameda.

Urged Council to ensure the Alameda Police Department (APD) meets with the

applicants since APD will have to respond to all the issues: Linda Cazerres.

Councilmember Ezzy Ashcraft inquired whether Council can receive a copy of the permit application staff is drafting.

The Economic Development Manager responded in the affirmative.

Councilmember Ezzy Ashcraft inquired what the process is when there is more letter of intents received than the number of permits allocated to a particular category; inquired whether the process is first come first serve.

The Economic Development Manager responded the applicant would move to the proposal process.

Councilmember Ezzy Ashcraft inquired whether the process would become competitive, to which the Economic Development Manager responded in the affirmative.

Councilmember Ezzy Ashcraft inquired what “other background information” refers to under proposal implementation.

The Economic Development Manager responded the language refers to a resume to assess the individual’s background and how they qualify to be a cannabis business operator.

Councilmember Ezzy Ashcraft inquired whether the requirements will be spelled out in the material the applicant receives.

The Economic Development Manager responded the information is in the RFP.

Councilmember Ezzy Ashcraft inquired whether staff remembered Council’s request to be cautious with cannabis businesses involvement with the philanthropic and non-profit community.

The Economic Development Manager responded community benefit was left in the ordinance.

The City Manager stated the weight has been lowered.

The Economic Development Manager stated the philanthropic aspect is voluntary.

Councilmember Ezzy Ashcraft inquired whether there is a way to track how often wages and salaries will be increased.

The Economic Development Manager responded the cannabis business has to renew the permit every year; stated the renewal process will include verification that the applicant has done what the proposal stated they would do; staff will be tracking the

process.

Councilmember Ezzy Ashcraft inquired whether the City can charge sales tax on manufactured products until the matter is brought before the voters.

The Economic Development Manager responded manufactures do not pay the sales tax; stated sales tax is paid at the retail level.

Councilmember Ezzy Ashcraft inquired whether Assemblymember Bonta's Bill applies to any marijuana conviction regardless of the quantity and offense charge.

The Economic Development Manager responded that she would have to research said matter.

Councilmember Ezzy Ashcraft inquired who will monitor applicants to addresses inequities that impact low income people and people of color and whether the applicant can receive points for that.

The Economic Development Manager responded that will be a part of the proposal process; stated upon renewal, the applicant would have to verify the requirements have been met.

Councilmember Ezzy Ashcraft inquired whether there is a penalty for stating the applicant would do something but not do it.

The Economic Development Manager responded in the affirmative; stated the permit would not be renewed.

Councilmember Matarrese inquired whether proposed locations would be publicly disclosed and if the Letter of Intent (LOI) meets the criteria.

The Economic Development Manager responded the LOI would be for a lease; stated that she is unsure about the location being publicly disclosed due to the contract being a real estate transaction; a real estate LOI or an option to purchase would tie the site down, versus a Letter of Interest, which is not acceptable because it does not do anything but say the applicant is interested and does not provide a commitment; a Letter of Interest will not be acceptable.

In response to Councilmember Ezzy Ashcraft's question regarding Assemblymember Bonta's Bill, the Community Development Director stated the Bill has automatic expungement or reduction of a prior cannabis conviction for an act that is not a crime as of January 1, 2017 or for a crime that, as of that date, is subject to a lesser sentence.

Councilmember Ezzy Ashcraft inquired whether that means lower quantities, to which the Community Development Director responded in the affirmative.

Mayor Spencer inquired whether increasing the number of manufacturing or any types of cannabis businesses is not being considered tonight.

The Economic Development Manager responded in the affirmative; stated an increase in the number would mean amending the ordinance.

Mayor Spencer stated Council is being asked to review the criteria for the RFP; a few speakers requested Council increase the limits, which is not before Council today so action cannot be taken on said request; increasing the number of the different types of businesses would be a new process because the Council has already given direction and the ordinance has been adopted; inquired whether staff could address the speaker's concerns about community property rights.

The Assistant City Attorney responded regulations regarding the community property rights have been removed from the State regulations; stated staff will review whether local jurisdiction can still consider community property rights; if it is not permitted, a cleanup amendment to the ordinance can be done.

Mayor Spencer inquired how the points for security is addressed in the evaluation.

The Economic Development Manager responded per the ordinance, the application requires an extensive security plan; stated staff would ensure the cannabis business operator knows how to operate a cannabis business.

Mayor Spencer inquired whether security is part of the 25 points.

The Economic Development Manager responded the security portion is a part of the 15 points.

Councilmember Oddie stated that he was told security would be a part of the 50 points.

The Economic Development Manager inquired whether the question is regarding the written proposal, which reads: "description of the company's understanding of, and approach to, running the cannabis business."

Mayor Spencer inquired whether the section is under the 15 points, to which the Economic Development Manager responded in the affirmative; stated the follow up in the interview would be part of the 50 points.

Mayor Spencer requested the language be cleaned up to provide better direction; inquired whether there can be rubrics for each of the criteria.

The Community Development Director responded staff has established broad categories against which the proposals will be evaluated.

Mayor Spencer inquired how the 25 points are weighted.

The Community Development Director responded staff has left the categories more broad to allow the raters to determine how many points should be awarded based on the proposals being evaluated.

Mayor Spencer requested staff to address the speaker's concerns regarding not wanting to enter into a lease until the applicant knows their permit is going to be approved.

The Community Development Director stated the City is not requiring that the applicant enter into a lease; the requirement is that the applicant can obtain a Letter of Intent to enter into a lease and the landlord will allow several months to secure entitlements and approvals before the lease is executed.

Mayor Spencer inquired whether it is possible to get the arrest data broken down by sector.

The Economic Development Manager responded the data is in Exhibit 2 of the staff report.

Mayor Spencer inquired about local ownership and people that have been displaced as a result.

The Economic Development Manager responded local ownership for people that have been displaced was not considered.

Mayor Spencer inquired how it could be considered.

The Community Development Director responded if Council would like to capture local ownership, staff could have applicants document that they had previously been a resident of Alameda and was forced to move because they were arrested for a cannabis related violation.

Mayor Spencer inquired whether there can be a spot on the application where an applicant can provide the information.

The Community Development Director responded if Council provides such direction, staff can do so.

Vice Mayor Vella requested lists and examples for the point system; stated the interview process is important due to information that people do not want to put on an application; expressed concerns with how much weight the interview portion is being given and how few people are on the panel; stated the questions need to be provided in writing to the applicants who make it to the interview stage to allow them to prepare; examples need to be given of the contingent lease to show what will be acceptable; she would like five panelists, with someone from the Planning Board; she does not want the Police Chief

on the panel.

Mayor Spencer stated members of the public participate on interview panels, such as for the Fire Chief; inquired how that can be done in this instance.

The City Manager requested clarification on Mayor Spencer's request.

Mayor Spencer stated members of the public are used in other instances.

The City Attorney stated if Council appoints panel members, it triggers the requirements, such as the Brown Act and Form 700s.

Mayor Spencer inquired what the requirement would be if each Councilmember selected one person to be on the panel.

The City Attorney responded the Sunshine Ordinance would need to be followed.

Mayor Spencer inquired whether people can apply and have staff choose five different panelists, to which the City Attorney responded in the affirmative.

The City Manager stated Council can provide input on specific backgrounds desired.

Mayor Spencer inquired whether different professionals or different areas in the industry can be chosen, to which the City Manager responded in the affirmative.

Councilmember Oddie stated when the City Manager interviewing was done, each Councilmember appointed two people to a panel and that was not done in public.

The City Clerk noted the panel in City Manager process was selected in closed session.

Mayor Spencer inquired whether the process for cannabis can be done in closed session.

The City Attorney stated hiring of an employee can be done in closed session; an RFP process for a license or a permit is not allowable in closed session.

Councilmember Oddie stated that he concurs with Vice Mayor Vella about having a rubric; stated people need to understand what is expected and how they will be judged; suggested a more diverse and broad base interview panel; stated the questions should be the same for everyone to not reward the person with the best lawyer, flashiest presenter or best consultant; 50 points for the interview is too much when 60 points is needed to move forward; he would like to see bonus points for Fire safety, a Police Department evaluation on security and cash safety, and less for the interview part; inquired what is the tie breaker.

The Community Development Director responded one way to handle a tie would be to

conduct a lottery or random drawing.

Councilmember Oddie stated staff can suggest options to Council at the next meeting when the item comes back.

The Community Development Director stated the RFP process is to award the right to move forward to apply for an application; issues around Fire safety and security are premature and would be better in the application side where people have to discuss the physical layout of the building and other safety features.

Councilmember Ezzy Ashcraft stated that she agrees with the suggestion to have a Planning Board member on the panel; she feels law enforcement should still be on the panel; she is opposed to each Councilmember appointing someone on the panel; the process should not be politicized.

Councilmember Matarrese stated the organization of the RFP is fine; to understand the City's risks, he would like a law enforcement presence on the panel to evaluate the handling of cash and of the substance which is federally illegal; he would also like having a City Attorney on the panel to evaluate risks; he would agree to consultants on the panel to ensure other City work is still getting done, like the homeless and housing issues.

The City Attorney noted there is an appeal to the City Attorney on the panel issue.

Councilmember Matarrese stated that he withdraws his request for having a City Attorney on the panel.

Mayor Spencer stated it is important to have rubrics and a five member panel; she does not believe it is appropriate to have law enforcement on the panel; suggested employees from other departments assist with the panel; stated the interview should be pass/fail instead of 50 points because it is extremely subjective; she would like to consider other criteria for the top percentage or a lottery.

Councilmember Oddie suggested the panel include a contracted City Attorney, someone from Planning and real estate; stated an individual who can evaluate the applications more broadly is needed.

The Community Development Director clarified the request from Council is: increasing the panel to five members; no law enforcement on the panel because when the process advances to the permit, the permit will be routed to the Fire and Police Departments to add conditions of approval; and a mix of consultants and staff from a range of departments.

Mayor Spencer stated that she did not hear anyone else say consultants; stated consultants would need to be paid.

The City Manager stated the cost would be reimbursed.

The Community Development Director concurred; stated the process will pay for itself.

Councilmember Matarrese stated the interviewing should not be done by regular staff because they already have work to do.

Vice Mayor Vella stated the issue will return to Council; she would want to know what consultant staff would hire.

The Community Development Director responded the current cannabis consultants, SCI Consulting Group, would be used,.

Councilmember Oddie stated that he feels it should be someone with a planning background or the Community Development Department (CDD), not SCI.

The Community Development Director stated CDD covers Planning, Building and Economic Development.

Councilmember Oddie stated CDD can bring in consultants for each.

Mayor Spencer inquired whether Councilmember Oddie is requesting law enforcement on the panel.

Councilmember Oddie stated there are other options for the law enforcement area of expertise.

Mayor Spencer stated clear direction needs to be provided.

Vice Mayor Vella stated there are retired City employees with backgrounds in said areas and part time City staff in each area who could pick up extra hours.

The Community Development Director stated staff can return with a five member panel composed of a range of City staff; there is not a majority support for a cannabis industry consultant; a rubric would be developed; the interview would receive less points; the same questions would be used for everyone and can be delivered ahead of time.

Mayor Spencer inquired how staff will choose from the top proposals.

The Community Development Director responded the balance would be placed on a waiting list.

Mayor Spencer inquired whether only the one with the highest points would be selected.

The Community Development Director responded the applicant may not successfully complete the permit process, so staff would then go to the next applicant on the waiting

list.

Mayor Spencer stated there needs to be a strong rubric.

The Community Development Director stated staff hears the request for a strong rubric; inquired whether Council would consider creating a Council subcommittee to work with staff.

Mayor Spencer stated if staff would like a Council subcommittee, she would like to serve with either Councilmember Oddie or Vice Mayor Vella.

Councilmember Ezzy Ashcraft suggested Councilmember Matarrese.

Mayor Spencer stated that she does not think it is appropriate to have someone who voted against the matter on the subcommittee; inquired if a motion is needed to do so.

Councilmember Oddie stated that he is already on a subcommittee; suggested Vice Mayor Vella and Mayor Spencer.

The Community Development Director stated the idea would be that the subcommittee would work with staff and when the work is done, the RFP would be issued and not return to Council because there is the high level of direction.

Mayor Spencer moved approval of having a subcommittee of Mayor Spencer and Vice Mayor Vella.

Councilmember Oddie seconded the motion, which carried by the following voice vote:
Ayes: Councilmember Matarrese, Councilmember Oddie, Vella and Mayor Spencer – 4.
Abstention: Councilmember Ezzy Ashcraft – 1.

Councilmember Matarrese stated that he would like the RFP to return to the full Council.

Councilmember Ezzy Ashcraft concurred.

Mayor Spencer stated the matter would return to Council.

The Community Development Director stated the goal is to return to Council by April 17, 2018.

Vice Mayor Vella inquired whether the item can be on consent.

Councilmember Matarrese stated the matter should be on consent.

The Community Development Director stated staff will be returning to ask Council to adopt the regulations to implement the process.

Councilmember Ezzy Ashcraft stated that she would like to have someone with knowledge of Alameda.

(18-131) Adoption of Resolution Amending Resolution No. 15319 Calling an Election to be Consolidated with the Statewide Primary on November 6, 2018 and Submitting to the Voters at That Election a Measure that Proposes to Amend the City Charter by Incorporating into the Charter Ordinance 3148 (Rent Stabilization Ordinance), with Certain Modifications,” by Amending Section 3 (Ballot Question). Not heard.

CITY MANAGER COMMUNICATIONS

(18-132) INFORMATIONAL ONLY - Annual Update on the Alameda Fire Department Fire Prevention Division Submitted by the Fire Chief.

The City Manager stated the report can be read or return at a different Council meeting.

Councilmember Matarrese moved approval of accepting the report.

Vice Mayor Vella seconded the motion, which carried by unanimous voice vote. Ayes – 5.

ORAL COMMUNICATIONS, NON-AGENDA

None.

COUNCIL REFERRALS

(18-133) March 6, Update on Tracking of Council Direction through the Referral Process.

(18-134) Consider Directing Staff to Provide Information on the Citywide Dockless Bike Sharing Program and Return to Council with Additional Safety Requirements. Not heard. (Mayor Spencer and Vice Mayor Vella)

(18-135) Consider Banning Motorized Commercial Vehicles, Including Robotic Commercial Vehicles, from Sidewalks and Commercial Drone Aircraft Used for Deliveries. Not heard. (Councilmember Matarrese)

(18-136) Consider Updating Housing Policy to Meet Current and Future Needs. Withdrawn. (Councilmember Matarrese)

[Note: Under Agenda Changes, Councilmember Matarrese withdrew the referral.]

COUNCIL COMMUNICATIONS

(18-137) Consideration of Mayor’s Nomination for Appointment to the Public Art

Commission.

Mayor Spencer nominated Elizabeth Rush.

(18-138) Councilmember Ezzy Ashcraft stated that she attended a summit meeting on homelessness and encampments in Alameda County; she will share some ideas with staff.

ADJOURNMENT

There being no further business, Mayor Spencer adjourned the meeting at 12:11 a.m.

Respectfully submitted,

Lara Weisiger
City Clerk

The agenda for this meeting was posted in accordance with the Sunshine Ordinance.

MINUTES OF THE SPECIAL CITY COUNCIL MEETING
TUESDAY- -MARCH 6, 2018- -6:00 P.M.

Mayor Spencer convened the meeting at 6:00 p.m.

Roll Call – Present: Councilmembers Ezzy Ashcraft, Matarrese, Oddie, Vella and Mayor Spencer – 5.

Absent: None.

The meeting was adjourned to Closed Session to consider:

(18-106) Conference with Real Property Negotiators (Government Code Section 54956.8); Property: Northwest Territories, Alameda Point; City Negotiator: Jill Keimach, City Manager and Jennifer Ott, Director of Base Reuse & Transportation Planning; Potential Tenant: East Bay Regional Park District; Issue Under Negotiation: Real Property Negotiations Price and Terms of Payment.

Following the Closed Session, the meeting was reconvened and the City Clerk announced that direction was given to staff.

Adjournment

There being no further business, Mayor Spencer adjourned the meeting at 6:53 p.m.

Respectfully submitted,

Lara Weisiger
City Clerk

The agenda for this meeting was posted in accordance with the Sunshine Ordinance.

MINUTES OF THE SPECIAL JOINT MEETING OF THE
CITY COUNCIL AND SUCCESSOR AGENCY
TO THE COMMUNITY IMPROVEMENT COMMISSION (SACIC)
TUESDAY- -MARCH 6, 2018- -6:59 P.M.

Mayor/Chair Spencer convened the meeting at 7:01 p.m. and led the Pledge of Allegiance.

ROLL CALL - Present: Councilmembers/Commissioners Ezzy Ashcraft, Matarrese, Oddie, Vella and Mayor/Chair Spencer – 5.

Absent: None.

ORAL COMMUNICATIONS, NON-AGENDA

None.

CONSENT CALENDAR

Mayor Spencer announced the Financial Statements [paragraph no. 18-108 CC/18-06 SACIC] was removed from the Consent Calendar for discussion.

Vice Mayor/Commissioner Vella moved approval of the remainder of the Consent Calendar.

Councilmember/Commissioner Matarrese seconded the motion, which carried by unanimous voice vote – 5. [Items so enacted or adopted are indicated by an asterisk preceding the paragraph number.]

(*18-107 CC/18-05 SACIC) Minutes of the Joint City Council and SACIC Meeting Held on February 6, 2018. Approved.

(18-108 CC/18-06 SACIC) Recommendation to Accept the Fiscal Year 2016-17 Audited Financial Statements and Compliance Reports.

The City Auditor made comments regarding liabilities that will be in upcoming Financial Statements; urged caution on future budgets.

Mayor/Chair Spencer requested clarification on the amount of the unfunded pension liabilities.

The City Auditor responded the net pension liabilities is \$227,324,871; Other Post-Employment Benefits (OPEB) is \$39,668,326.

Mayor/Chair Spencer inquired whether there is an estimate of the deferred maintenance.

The City Auditor responded the deferred maintenance does not appear in the financials because it is not required.

Mayor/Chair Spencer inquired whether there is a payment plan for the unfunded pension liabilities.

The City Manager responded Council has set aside money towards paying the amount down; stated last fiscal year, money was set aside and 50% of any surplus is directed to go towards the unfunded liability; staff will bring the item back to Council during the mid-year budget.

Mayor/Chair Spencer inquired about the highest amount the City will have to pay, to which the City Manager responded \$34 million.

Mayor/Chair Spencer inquired whether that is for one year payment and which year the payment is due.

The City Manager responded in 2025.

Mayor Spencer inquired when staff will return to Council.

The City Manager responded the mid-year budget cycle will be on the next Council meeting.

Councilmember/Commissioner Matarrese requested clarification on OPEB; stated at one point, public safety employees were paying into the fund.

The City Manager responded a contribution brought the fund from 0% funded to the 12% funded range.

Councilmember/Commissioner Matarrese inquired whether deferred maintenance can be listed in the Auditor's report although it is not required to be listed.

The City Manager responded the matter can be discussed at the mid-year budget cycle.

Councilmember/Commissioner Matarrese stated that he would like to be ahead of the curve on said issue.

The City Manager stated staff has collected data and has deferred maintenance figures.

Mayor/Chair Spencer inquired whether the deferred maintenance can return at the next meeting.

The City Manager responded the issue cannot be brought back at the next meeting but would be included in the mid-cycle budget.

Councilmember/Commissioner Matarrese moved approval of accepting the reports.

Councilmember/Commissioner Ezzy Ashcraft seconded the motion, which carried a unanimous voice vote – 5.

ADJOURNMENT

There being no further business, Mayor/Chair Spencer adjourned the meeting at 7:18 p.m.

Respectfully submitted,

Lara Weisiger
City Clerk and Secretary, SACIC

The agenda for this meeting was posted in accordance with the Sunshine Ordinance.