



CITY OF ALAMEDA

**ALAMEDA POINT
DEVELOPMENT INITIATIVE
ELECTION REPORT
EXECUTIVE SUMMARY
PART I**

MAY 29, 2009

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I. INTRODUCTION

On March 26, 2009, a proposed initiative drafted by the developer SCC Alameda Point, LLC (SunCal) and labeled, Alameda Point Revitalization Initiative (Initiative), was submitted to the City of Alameda. In accordance with California Elections Code Sec. 9212, the City Council of the City of Alameda on April 21, 2009 directed this Part I election report. As directed by the City Council, City staff, in conjunction with transportation consultants, is also preparing a Part II report regarding the transportation impacts of the Initiative that will be released separately by the week of July 20, 2009.

This Part I report discusses the following topics:

- **Chapter II. Initiative Process** outlines the legal authority for a citizen-sponsored initiative, the procedural timeline for implementing the election process, the City Council process for ordering the election report and other City Council directed election questions.
- **Chapter III. Development and Land Use Control Mechanisms** presents the major mechanisms for controlling future development at Alameda Point, including ways in which the Initiative alters the City's current development standard and processes. The mechanisms discussed include: Amendments to the Initiative (Section 14 of the Initiative Text); the Development Agreement (Exhibit F); a Disposition and Development Agreement; Environmental Impact Report; and other subsequent approval processes outlined in the Initiative.
- **Chapter IV. Fiscal Impact** describes the projected fiscal impacts of the Initiative on the City's operational and capital budgets, including a discussion of the provision and funding of infrastructure and the potential mitigation of any adverse fiscal impacts.
- **Chapter V. Infrastructure** outlines the infrastructure improvements proposed as part of the Initiative and the impacts of such improvements. The infrastructure-related items discussed in this Chapter include: site grading, storm drainage and water quality, sanitary sewer, dry utilities, streets, and maintenance and operations issues.
- **Chapter VI. Land Use** discusses the Initiative's consistency with the City's General Plan and existing specific plans, densities and height limits, effects on the use of vacant parcels of land, and impacts to open space and agricultural land.
- **Chapter VII. Housing** provides information on various housing topics outlined in the Initiative, including the proposed affordable housing program, discrimination in housing, density bonuses, consistency with the City's Housing

Element, its impact on the availability of housing, and its impact on the ability of the City to meet its regional housing needs.

- **Chapter VIII. Schools** discusses the capital and operational funding of school facilities proposed in the Initiative.
- **Chapter IX. Economic Development** explores the various impacts that the Initiative may have on the economic development of the City, including impacts on existing business districts, the community's ability to attract and retain business employment, and areas designated for revitalization.
- **Chapter X. Environmental Remediation** discusses issues pertaining to environmental remediation at Alameda Point, including Navy-required remediation obligations, the relationship between environmental remediation and the conveyance of land from the Navy to the City, and the land uses proposed in the Initiative.

II. INITIATIVE PROCESS

This Chapter outlines the initiative process as it pertains to the Initiative submitted on March 26, 2009 to the Office of the City Clerk.

LEGAL AUTHORITY FOR AN INITIATIVE

The constitution of the State of California establishes the power of the local electorate to pursue an initiative, as follows:

CALIFORNIA CONSTITUTION ARTICLE 2
VOTING, INITIATIVE AND REFERENDUM, AND RECALL
SEC. 11. (a) Initiative and referendum powers may be exercised by the electors of each city or county under procedures that the Legislature shall provide.

PROCEDURAL TIMELINE

On March 26, 2009, a resident of Alameda, Ms. Kathy Moehring, submitted a Notice of Intent to Circulate Petition for the Initiative to the City Clerk, which included the following:

- a. Initiative Text
- b. Charter Amendment
- c. General Plan Amendments, including a revised Chapter 9, new Chapter 11 (Alameda Point Community Plan), and other amendments
- d. Alameda Point Specific Plan
- e. Revised Zoning Map and Text Amendments
- f. Development Agreement

The Ballot Title and Summary for the Initiative was issued by the City Attorney's Office on March 31, 2009 and, as required by law, was published in a local newspaper. The title of the ballot measure issued by the City Attorney is "Alameda Point Development." The City Attorney's objective summary of the Initiative can be found in Appendix A.

Publication of the ballot title and summary was completed Friday, April 3, 2009, and shortly thereafter the developer submitted a notice of publication to the City Elections Official, which is also required by law as a prerequisite to gathering signatures. The proponents of the Initiative are currently gathering signatures with the aim of qualifying the Initiative for the November 3, 2009 election. As of the date of release of this report, the signatures had not yet been submitted to the City Elections Official for certification. The next steps required for the Initiative to qualify for the November election include the following:

- **No later than June 15th:** Proponents submit signatures to the City Election Official for examination. The City Elections Official contracts with the

County Registrar's Office to complete a random sample within 30 working days to determine whether the petition has a sufficient number of valid signatures.

- **No later than July 28th:** The City Elections Official certifies the results of the examination of the signatures. If the random sample meets the State election law requirement for a sufficient number of valid signatures, the Initiative qualifies for the November election.
- **August 3rd:** City Council holds a Special City Council Meeting to order a special election on November 3, 2009. State law requires that an ordinance initiative be placed on the ballot not less than 88 days and not more than 103 days after the date of the order of the election.
- **August 17th:** Direct arguments for and against the Initiative are due to the City Clerk by this date.
- **August 27th:** Rebuttal arguments for and against the Initiative are due to the City Clerk by this date.
- **November 3rd:** Election.

CITY COUNCIL ORDERED ELECTION REPORT

On April 21, 2009, the City Council considered the need for, and the scope of, an impact report about the Initiative in accordance with California Elections Code Sec. 9212. The statute authorizes the City Council to request staff to prepare a report on any or all of the following:

(1) Its fiscal impact.

(2) Its effect on the internal consistency of the city's general and specific plans, including the housing element, the consistency between planning and zoning, and the limitations on city actions under Section 65008 of the Government Code and Chapters 4.2 (commencing with Section 65913) and 4.3 (commencing with Section 65915) of Division 1 of Title 7 of the Government Code.

(3) Its effect on the use of land, the impact on the availability and location of housing, and the ability of the city to meet its regional housing needs.

(4) Its impact on funding for infrastructure of all types, including, but not limited to, transportation, schools, parks, and open space. The report may also discuss whether the measure would be likely to result in

increased infrastructure costs or savings, including the costs of infrastructure maintenance, to current residents and businesses.

(5) Its impact on the community's ability to attract and retain business and employment.

(6) Its impact on the uses of vacant parcels of land.

(7) Its impact on agricultural lands, open space, traffic congestion, existing business districts, and developed areas designated for revitalization.

(8) Any other matters the legislative body requests to be in the report.

The City Council directed staff to prepare an election report executive summary, Part I for release to the public by June 2, 2009 that: evaluates items (1) through (6) above and as much as possible in (7) above. This report also describes the responsibilities of both the Navy and developer for environmental remediation at Alameda Point, and explains the future mechanisms for controlling development at Alameda Point, including the City's ability to name a future developer. Given this first deadline, City staff, in conjunction with transportation consultants, is also preparing a Part II report regarding the transportation effects of the Initiative that will be released by July 24, 2009, addressing the balance of (7) above.

OTHER COUNCIL DIRECTED ELECTION QUESTIONS

The City Council also directed staff to answer two additional election questions:

(1) What will occur if the Initiative fails to win a majority vote of the Alameda electorate in November 2009?

The entitlements requested in the Initiative would not be valid if the Initiative fails to win a majority vote. However, pursuant to the Exclusive Negotiating Agreement (ENA) between the City, the Community Improvement Commission of the City of Alameda (CIC), and the Alameda Reuse and Redevelopment Authority (ARRA) (collectively, Alameda) and SunCal, SunCal, the developer sponsoring the Initiative, retains the right to submit an entitlement application to the City for development of Alameda Point compliant with the City's existing Charter and Alameda Municipal Code by January 15, 2010.

(2) What will occur if the developer discovers an inconsistency within the various documents included in the Initiative and decides to change the Initiative?

If the developer elects to change any aspect of the Initiative, a new and revised initiative would be required to be re-submitted to the City Elections Official and

the election timelines required by law would re-start. Given initiative submittal requirements, there would no longer be sufficient time for the developer to submit a revised and qualified initiative for the November 2009 election.

III. DEVELOPMENT AND LAND USE CONTROL MECHANISMS

This section outlines the major mechanisms for controlling future development at Alameda Point. The Initiative establishes the majority of the development rights at Alameda Point, but allows for some modifications at a later date by the developer or future property owner, and for some discretionary approvals by City officials and legislative bodies summarized below.

AMENDMENTS TO INITIATIVE

If approved by the voters, any part of the Initiative may be amended or repealed by a majority vote of the voters at a subsequent time. Or, the City Council may amend or repeal any part of the Initiative provided that all of the following conditions are met:

- The application is submitted by or with the approval of the developer party to the DA or a significant landowner at Alameda Point;
- The amendment does not eliminate or reduce the developer’s obligations regarding the public benefits articulated in the DA; and
- The amendment does not increase the maximum number of residential units or maximum amount of non-residential building square footage allowed by the Specific Plan.

DEVELOPMENT AGREEMENT

The major terms and conditions of the Development Agreement (DA) included in Exhibit F of the Initiative are:

- **Parties.** The DA is between the City and “a person other than a governmental entity having a legal or equitable interest” in the Alameda Point property. The DA does not name the CIC or ARRA as a party.
- **Term.** The term of the DA is 25 years from its effective date under the Initiative. The term can be extended for any period due to delays attributable to: (1) the phased transfer of property from the City or other City entity to the developer; (2) requirements necessary to obtain the regulatory clearances that the appropriate environmental remediation has occurred; and (3) “Force Majeure,” including causes beyond the reasonable control of the developer, litigation, and development moratoria, among numerous other provisions.
- **Development Rights.** The DA grants development rights provided for in the Initiative to a developer with a legal or equitable interest in the property.

- **Phasing of Development.** The DA provides developer with the right to develop the project according to the order, rate, and time developer deems appropriate within the exercise of its business judgment. A phasing plan and schedule for development are expected to be conditions in the discretionary Disposition and Development Agreement (DDA) entered into between the developer and CIC at a future date, as discussed in further detail below.
- **Exactions.** The DA exempts the developer from paying City impact fees paid at the time a building permit is issued, such as the citywide development fee, construction improvement tax, and dwelling unit tax, and limits the City's ability to require acquisition, dedication, or reservation of land for construction or financing of public benefits other than those public benefits outlined in Exhibit 4, Section A. This is described and evaluated in further detail in Chapter IV of this report.
- **Public Benefits and Financing.** Exhibit 4 of the DA commits to fund public benefits in an amount not-to-exceed \$200 million. The provision of these public benefits is contingent on the CIC dedicating to the project 100 percent of its available non-housing property tax increment revenue from improvements in, on, or under the Property, less certain administrative costs. It is also contingent on the City's formation and implementation of a Community Facilities District (CFD) for the project. The DA also places a two percent (2%) cap on the total tax rate for Alameda Point property owners, which includes property tax and any special taxes, assessments and other impositions, which could affect the provision, maintenance and financing of public benefits. This is described and evaluated in further detail in Chapter IV of this report.
- **Fiscal Neutrality.** Section 4.2 of the DA in the Initiative commits the developer to "cooperate in good faith" with the City to implement the City's fiscal neutrality policy. The successful achievement of this policy will depend upon what is subsequently negotiated in the DDA.
- **Transfer of Rights.** The DA provides the developer with the right to transfer in whole or in part its entitlement rights under the DA without the City's consent.

DISPOSITION AND DEVELOPMENT AGREEMENT

The DDA will be between the CIC and SunCal and will control the terms and conditions of the transfer of land from the CIC to SunCal, including, but not limited to, the scope of development; land takedown, infrastructure, and development phasing plans; environmental remediation liabilities and responsibilities; schedule of performance; financial assurances; fiscal neutrality; public and private financing plans; public financing commitments; amount and timing of public benefits; the revenue threshold at which point the City shares in profits; affordable housing programs; transportation improvements and programs; sustainability programs; and mitigation of potential ARRA holding costs. The DDA will also memorialize third party transaction documents that affect the ultimate

terms and conditions of disposition of the land, including a conveyance agreement with the Navy and a Tidelands Trust Exchange agreement with the State.

ENVIRONMENTAL IMPACT REPORT PURSUANT TO CALIFORNIA
ENVIRONMENTAL QUALITY ACT

Pursuant to state law, environmental review is not required when a voter-sponsored initiative is placed on the ballot. However, subsequent actions by the City Council or other City entities to implement the Initiative will be subject to environmental review under the California Environmental Quality Act (CEQA). Prior to taking the first action, the City or other City entity must prepare and adopt an environmental impact report (EIR) that evaluates the proposed land use plan and program set forth in the Initiative. Measures identified in the EIR to mitigate significant impacts described in the EIR must be imposed on the project. In addition, CEQA allows the City to make statements of overriding consideration when the benefits of a proposed project outweigh unavoidable adverse environmental impacts.

It is anticipated that at the conclusion of environmental review required under CEQA that mitigation measures will be identified to address expected impacts of the project. CEQA does not address who is to pay for those mitigation measures. The Initiative does state that any public benefits that also serve the purpose of mitigating impacts that are identified during environmental review should be taken into account. For example, traffic and transportation improvements are listed as public benefits, and are also expected to serve the function of mitigating in part or in whole the environmental impacts of the project. It is unknown at this stage whether the transportation public benefits would entirely satisfy the need for mitigation that is expected to be addressed later in the CEQA environmental review. If the CEQA process identifies more traffic or other mitigation measures than what is covered by the public benefits, they will need to be funded. The DA does not identify who will provide such funding; however, the City typically imposes these costs on the developer.

The EIR will evaluate the development program established by the Initiative, which includes:

- Up to 4,346 new housing units
- 186 existing low-cost housing units
- Re-use of existing buildings for up to 309 housing units
- Up to 350,000 square feet of retail space
- 3,182,000 square feet of commercial uses, including up to 500,000 square feet in existing buildings
- Up to 260,000 square feet may be developed for civic uses
- 600 boat slips
- 145 acres of open space.

SUBSEQUENT APPROVALS

Implementation of the Initiative will require multiple subsequent discretionary approvals from the City that affect the character and timing of development:

- **Alameda Point Pattern Book.** The Initiative requires that the developer prepare a set of design guidelines, known as the “Pattern Book” for Alameda Point. The Pattern Book must include guidelines for all future buildings, parks, parking lots, streetscapes, energy and water resource conservation and sustainable architecture, site planning, and construction at Alameda Point. The Pattern Book must govern design review for Alameda Point and replaces the City’s standard design review process. The Pattern Book must be consistent with the Specific Plan, included as part of the Initiative. The Planning Board must hold at least two hearings on the Pattern Book and adopt, adopt with changes, or deny the Pattern Book within 120 days after submittal to the City by the project developer. The action by the Planning Board to approve or deny the Pattern Book is appealable to the City Council. Upon adoption of the Pattern Book, the design of all buildings, parks and parking lots must be reviewed for consistency with the Pattern Book. The review for design consistency is a ministerial action delegated to staff by the Initiative. Staff’s ministerial approval of a design review application is not appealable. If staff finds the design to be inconsistent with the Pattern Book, the applicant shall be subject to the Conformance Determination process described in Chapter 9 of the Specific Plan, which is appealable.
- **Historic Resource Design Guidelines.** Historic Resource Design Guidelines (HRDG) must be developed for the treatment of historic resources at Alameda Point, including historic landscapes and design of new construction within the designated historic district. The Initiative specifies that the HRDG will be adopted as part of the final National Historic Preservation Act Section 106 consultation between the Navy, the Advisory Council on Historic Preservation, the State Office of Historic Preservation and the City, among other relevant parties, which will include the execution of final “Consultation Agreements.” The Initiative also establishes procedures and findings for the alteration or demolition of historic resources. The Initiative states that these procedures supercede the historic preservation provisions in the Alameda Municipal Code.

The Initiative provides that demolition of historic resources that have been or shall be approved for demolition by the Consultation Agreements or that are located outside the Alameda Point Preservation Mixed Use District (AP-PMU) established by the Initiative is permitted by right. Approval shall be ministerial and granted upon submittal of an application to the Planning and Building Department for issuance of the demolition permit and is not

appealable. Demolition of historic resources within the AP-PMU district may be approved by the Planning Board, if the Planning Board finds that approval of the demolition is substantially consistent with the General Plan and Specific Plan and one or more of eight specific findings included in Chapter 9 of the Specific Plan can be made. The decision of the Planning Board may be appealed to the City Council.

Different procedures govern applications to alter historic resources. If an alteration of a historic resource is consistent with the HRDG, General Plan, Community Plan, and Specific Plan, then the Initiative provides that the alteration shall be approved by the Planning Director. If the Planning Director does not believe the alteration is consistent with these documents, then the application shall be referred to the Historic Advisory Board (HAB). The HAB shall make a recommendation to the Planning Board, which shall make a final determination on the proposal. The Planning Board may make one of several findings specified by the Specific Plan to allow an alteration that is not consistent with the HRDG. The Planning Board's action is appealable to the City Council.

- **Transportation Demand Management Plan (TDMP).** The TDMP will include a detailed implementation and operations plan for each phase of the transportation strategy and parking management plan for Alameda Point envisioned in the Initiative; it is required to be prepared and approved by the City prior to the first phase of development. The TDMP will address the recommendations and mitigations of the environmental review process conducted prior to the first phase of development. Prior to each of the subsequent phases of development, the City and developer may amend the TDMP for the next phase to better serve the project and respond to program monitoring results and recommendations. While the specific strategies have not yet been finalized, the TDMP is expected to include a menu of strategies, that may include car-sharing, bicycle-share, guaranteed ride home, resident and employee ridematching and ridesharing, and market-based additional parking options and pricing strategies, among other items.
- **Subdivision of Land.** Pursuant to the Initiative, the Planning Director is the Advisory Agency as defined by the California Code for the review of the subdivision of land and is assigned the responsibility for approving, conditionally approving or denying applications for tentative maps, vesting tentative maps or parcel maps in the plan area. The Planning Director may refer a proposed subdivision to the Planning Board if the map is a residential subdivision of 500 units or more, a subdivision of land for 500,000 or more square feet of non-residential uses, or a master tentative map that requires a Master Demolition, Infrastructure, and Grading Plan (MDIGP). Subdivisions that do not meet the size criteria above must be approved, conditionally approved, or denied by the Planning Director. The first master tentative map application submitted by a developer within Alameda Point shall include the

MDIGP for Alameda Point. The MDIGP will show the manner in which the initial subdivision is consistent with an overall grading and infrastructure plan for the entire site. Actions by the Planning Director or the Planning Board may be appealed.

- **Use of Land.** The Initiative establishes a list of permitted uses and conditionally permitted uses for each area at Alameda Point. Table 3-2 in the Specific Plan lists all permitted and conditionally permitted uses. Permitted uses are allowed by right. Conditionally permitted uses may be approved or denied by the Planning Director based upon findings provided in the Initiative. The Planning Director may refer the use permit application to the Planning Board. Any action by the Planning Director may be appealed to the Planning Board. Actions by the Planning Board may be appealed to the City Council.
- **Development Phasing:** The Initiative describes phasing of the development in Section 8.5 of the Specific Plan; however, Section 8.5 does not regulate the phasing of the development. As described above, the DA provides the developer with the right to develop the project according to the order, rate, and time developer deems appropriate within the exercise of its business judgment. A phasing plan and schedule for development are expected to be conditions of the DDA executed between the developer and CIC at a future date.

IV. FISCAL IMPACT

A fiscal impact analysis was conducted to evaluate the impacts of the proposed Initiative on the City of Alameda's General Fund, including operational and capital budgets. Currently, the City has an established policy of "fiscal neutrality" for Alameda Point that states, "the cost to the City of providing municipal services, including, but not limited to, police and fire services and construction and maintenance of public infrastructure, with the intent that the revenues created by a development project, coupled with assessment district or community facilities district financing where appropriate, will provide sufficient funding to the City of Alameda to pay its cost of providing municipal services for that development."¹

IMPACTS ON OPERATIONAL BUDGET

A fiscal impact analysis was performed to estimate the General Fund revenues generated by the proposed project compared to the General Fund expenditures based on the City's 2008-2009 fiscal year budget. Revenues estimated included tax revenue (property, property transfer, sales, and utility users taxes) and other General Fund revenues, including revenues from motor vehicle in-lieu fees, business licenses, franchise fees, and fines and forfeitures. General Fund expenditures estimated included police, fire, public works, parks, and library services. This analysis assumes that major state funding sources (i.e., motor vehicle in-lieu fees) remain available to the City's General Fund through buildout of the project.

Summary of Fiscal Impacts

Fiscal impacts of the Alameda Point project on the City's General Fund budget are estimated to be negative in certain years through buildout of the project. The annual shortfall during the development of the project is (cumulatively) estimated to total approximately \$17.7 million during an assumed 15-year development period, if not mitigated. Additionally, the annual negative impact to the General Fund at buildout thereafter is estimated to be \$4.8 million without mitigation. This shortfall due to the service costs associated with a significant amount of new infrastructure and limited resources available to fund services will be funded by an annual assessment from Alameda Point property owners that could offset some or all of these adverse fiscal impact within the proposed property tax rate cap of two percent (2%) discussed later in this Chapter.

Mitigation of Adverse Fiscal Impacts

The DA in the Initiative commits the developer to cooperate in good faith with the City to implement the City's fiscal neutrality policy. The terms and conditions of the implementation of this policy will be included in the DDA. As part of the DDA negotiations, the fiscal impact analysis will be updated by the City on an ongoing basis to account for changes in the City's General Fund budget and levels of service, as well as in the project's phasing, development values, and infrastructure program.

¹ City of Alameda Resolution No. 13643, November 5, 2003.

Chapter 8 of the Specific Plan envisions relying on private funding sources, as well as tax, fee and assessment revenues generated by the development of the project to offset adverse fiscal impacts associated with the project, but will not require taxes, fees, or assessment revenue from residents, businesses or property owners from outside the plan area. The City's fiscal neutrality policy also contemplates that the project would use assessment revenue from Alameda Point property owners for offsetting adverse impacts to the City's General Fund.

The DA and Chapter 8 of the Specific Plan also outline the potential use of property assessment revenue from plan area property owners for infrastructure improvements, geological hazard abatement, and landscaping and lighting, among other uses. The DA does not specifically identify an assessment district mechanism for mitigating adverse fiscal impacts, including the impacts associated with the annual expense of maintaining streets and sidewalks. The DA also places a two percent (2%) overall tax rate cap on the total property tax burden to be imposed on the property within the project area. The Initiative does not contain sufficiently specific information to determine whether there will be the tax rate capacity necessary to fully mitigate the adverse fiscal impacts described above within the two percent (2%) cap and provide for the other potential assessments contemplated in the Initiative. The City, however, does maintain discretion over the issuance, including the amount, of a CFD for funding of infrastructure, which could influence the capacity available for fiscal neutrality within the two percent (2%) cap.

The projected annual General Fund deficit at buildout of \$4.8 million would absorb approximately 0.13 percent of the total two percent (2%) tax rate cap placed on Alameda Point property owners. The 0.13 percent was estimated using the assumed assessed value assumptions for the project at buildout from the fiscal impact analysis. This additional assessment, if levied, would be added to the City's current property and assessment tax rate of approximately 1.1 percent.

IMPACTS ON CAPITAL BUDGET

The Initiative contemplates the provision and funding of on- and off-site public infrastructure, as well as the exemption from most City impact fees used to fund infrastructure.

Provision of Public Infrastructure

The DA commits to fund, in an amount not-to-exceed \$200 million, public benefits that will serve project and Citywide residents and employees contingent on receiving public financing from the City, described in further detail below. The public benefits to be provided include:

- Regional Alameda Point Sports Complex;
- Parks and open space;
- Seaplane Lagoon frontage;

- Bay Trail extension;
- On-site and off-site traffic and transit improvements;
- Ferry terminal and transit hub;
- Upgrades to existing Fire Station; and
- Branch library.

The Initiative does not calculate the total cost of infrastructure for the project. Therefore, it is unknown whether the \$200 million will be sufficient to fund all of the aforementioned improvements. The project will also construct other project-related infrastructure, including street trees, storm drain, water, sewer, electrical and telecommunications utility systems.

Funding of Infrastructure

The DA and Chapter 8 of the Specific Plan in the Initiative describe various proposed private and public financing sources contemplated to be used for the funding of on- and off-site infrastructure, including public benefits:

- **Private Funding.** The developer and private capital funding sources will fund for the infrastructure necessary to implement the project in part.
- **Land Sale Revenue.** The proceeds from the sale of improved land are also envisioned as a source of funds to fund project infrastructure.
- **Redevelopment Property Tax Increment (TI).** The provision of the public benefits listed above is contingent on the City's redevelopment agency dedicating 100 percent of its available, non-housing property tax increment revenue from improvements in, on, or under the Property, less administrative costs, reserves, and any amounts required to be paid to the State of California to the project. Ultimately, the amount and timing of TI will be determined in the DDA.
- **Community Facilities District.** The provision of the public benefits listed above is also contingent on the City's formation and implementation of a community facilities district. The CFD would fund the construction of public infrastructure through a special tax on plan area property owners, capped at two percent (2%).
- **Impact Fees/Exactions.** Impact fees are fees charged by the City at the time a building permit is issued for new construction. The fees are intended to offset impacts on citywide municipal facilities associated with the new construction. The DA exempts the project from paying many of the City's standard exactions or impact fees, such as citywide development fees, construction improvement tax, and dwelling unit tax. The project will be required to pay other fees (see Table 1). The DA also requires that the City credit or reimburse police and fire fees to the developer against the value of land dedicated for, and the design and construction of, fire facilities, including equipment, provided by developer.

Table 1
Non-Exempted Impact Fee/Exaction Description and Revenue
Alameda Point Development Initiative

Fee Category	City Fee Revenue	State Fee Revenue	Total Fee Revenue	Note
Sewer Connection	\$ 2,104,000		\$ 2,104,000	
Police and Fire	\$ 1,711,000		\$ 1,711,000	Per DA, Developer receives credit against fire facilities upgraded and provided on-site
Public Art	\$ 150,000		\$ 150,000	Assumes maximum amount
Strong Motion Instrumentation Program Fee		\$ 515,000	\$ 515,000	State fee
Building Standards		\$ 154,000	\$ 154,000	State fee
School Impact		\$24,930,000	\$24,930,000	State fee; Will receive a credit against fee revenue, if school facility funded by project
TOTAL	\$3,965,000	\$25,599,000	\$29,564,000	

With the exception of impact fee revenue, the Initiative does not provide sufficient information to estimate the amount of funding that will be generated by the aforementioned list of financing sources. The commitment of the amount and timing of these other funding sources will be the subject of subsequent DDA negotiations.

Exemptions from City Impact Fees/Exactions

The DA in the Initiative exempts the project from many of the City’s impact fees and exactions. Table 2 provides information on the purpose and use of the exempted fees; the fee revenue not paid to the City due to the exemption; any relevant fee credit or exemption provisions in the City’s existing ordinances; and any project-related public benefits and infrastructure. The total fee revenue not received by the City due to the exemption in the DA is estimated to be approximately \$82.4 million; this assumes the City would not have granted a credit or exemption to the developer for any of these fees. The developer would have been eligible for credits for some portion of these fees in accordance with the City’s existing ordinances. There is insufficient information in the Initiative to determine the amount of that credit.

V. INFRASTRUCTURE

Within the Specific Plan the following infrastructure improvements are discussed: site grading, storm drainage and water quality, sanitary sewer, water, dry utilities, and street infrastructure. Upon adoption of the Specific Plan, new infrastructure would be constructed according to the standards shown in the Specific Plan rather than City standards. According to the DA, the City is required to accept all future public infrastructure proposed as part of the project once the improvements are completed, whether they meet City standards or not. The City typically reviews issues pertaining to safety, accessibility, flooding, sewer surcharging, capacity, interface with adjacent development, boundary controls, compliance with regulatory mandates, and long-term maintenance demands before accepting public improvements from a private entity.

SITE GRADING

As noted in the Specific Plan, the site is encumbered by various geotechnical and flooding constraints. In addition, the site has had historical land filling and industrial operations, resulting in organic and inorganic contaminants. Contaminants in the soil are constraints for subsurface utilities. At this time the Navy is remediating the site at a level acceptable for residential and commercial applications, depending upon the area. There are proposals for geotechnical and flooding mitigations, but it is not clear as to the method by which the Initiative proposes to provide other necessary measures to protect utilities and workers repairing these utilities from remaining subsurface contaminants.

Geotechnical

The impact of geotechnical issues, such as seismic slope deformation and lateral spreading will be evaluated in the EIR and it is anticipated that feasible mitigation measures will be implemented for pavement and gravity utilities throughout the site. It is not noted in the Initiative whether there will be a realignment of the infrastructure so it is not at risk from slope deformation and lateral spreading impacts or if site specific mitigation measures will be implemented. In particular, various shoreline stability options were discussed in the Specific Plan, but it is not clear whether these measures will be implemented on the north shore where currently there is a roadway, sewer main line and the proposed development of the future sports complex. Along the Sea Plane Lagoon, it has not been determined whether the retaining wall built in the 1940s has sufficient integrity to withstand the seismic impacts and provide long term protection for the adjacent improvements.

Climate Change

Sea level rise could affect the grade at which improvements are to be constructed. At this time there is general consensus that if there are impacts from global warming that the San Francisco Bay area could expect a rise of 18 inches in 50 years or 55 inches in 100 years. But, at a Federal level, there are currently few recommendations or guidelines for incorporating the risks of sea level rise into project planning, and virtually no required measures. It should be noted, however, that based on President Obama's statements that global warming is a priority of the new administration, relatively rapid changes in the

Federal government's involvement in global warming analyses and impacts may be forthcoming. Until that occurs, the Federal government has delegated the responsibility of providing sea level rise guidelines to local jurisdictions and regional regulatory agencies.

A commitment is made in the Specific Plan to raise the elevation for new construction such that the proposed finish ground floor elevations are at or above the Base Flood Elevation (BFE) for the 100-year storm event and an 18-inch sea level rise. There is insufficient information in the Initiative to determine the mitigation measures that may be implemented to address flooding impacts on existing facilities. It is not clear whether mitigation would be in the form of additional fill in some areas, or the construction of levees, which would require additional maintenance, long term monitoring and ongoing permitting. However, within the AP-PMU area (the area anticipated for adaptive re-use of many existing buildings) the majority of the roadways, which include the Specific Plan's proposed truck route, are below BFE and the Specific Plan notes that it considers it infeasible to raise the profiles or reconstruct these roadways.

STORM DRAINAGE AND WATER QUALITY

The existing design within the City for storm run-off is to collect the flow in the gutter, direct it through culverts at intersections, then as flow volumes increase beyond the capacity of the gutters, the flow is transferred into pipes. At the perimeter of the island pump stations would lift the flow from the pipes then discharge the run-off through outfalls at elevations near low tide. The Specific Plan proposes a different approach, including the use of bioswales that lead into pipes which discharge directly to outfalls from 8 to 11 feet below ground elevation. The proposed pipes are larger than existing storm drain pipes and, although they may prove to be of value to detain runoff if there is a concern with sea level rise, the lack of pump stations minimizes the flexibility of the design. The Specific Plan does not specify how these deficiencies will be addressed; the MDIGP could provide detail on plans for City equipment and training to address this issue. The additional annual maintenance costs associated with these facilities are not included in the fiscal analysis described in Chapter IV.

SANITARY SEWER

The Specific Plan proposes to replace the sanitary sewer system that was constructed more than 60 years ago. The existing sanitary sewer system does not meet current municipal standards, and as a result of settlement in bay mud, infiltration and inflow of ground water, available capacity has been reduced. As with the storm drain system and potable water, it was not noted in the Initiative whether the existing pipes would be removed or abandoned in place. This may be evaluated as part of the EIR with one potential mitigation being the filling and capping of the underground utilities, and, another mitigation could be the removal of the underground facilities. A recently completed project removed all underground utilities, and in doing so, eliminated the potential of underground contaminant migration through the abandoned facilities, minimized obstructions to future unforeseen underground improvements, and thereby

eliminated the potential of future sink holes, which result when pipes are not completely filled.

The Specific Plan also discusses the available sewer capacity based on correspondence with East Bay Municipal Utility District (EBMUD) from the 1980s. Given the recent development and entitlements of adjacent projects, verification must be obtained from EBMUD to determine if there is sufficient capacity for off-site collection pipes and capacity at the treatment plant to meet the demands of the development. As part of the EIR, EBMUD's treatment plant and the collection system capacity will be evaluated. The Initiative sets a cap of \$200 million on public benefits and CEQA mitigations. Since there are no off-site sewer improvements described in the analysis, if any mitigation measures required by the EIR exceed the \$200 million cap, the source of additional funding is unknown.

WATER

A new potable water system is proposed. It was noted in the Specific Plan that historically EBMUD supplied large amounts of water to support the demands of the Navy. But in recent years, EBMUD has rationed water usage due to reduced available stored water. EBMUD is proactively securing more water rights and constructing new water retention facilities, but EBMUD's calculation of water demand and verification of available potable water will be necessary for the project. As noted above, as part of the EIR, water demand and capacity will be evaluated for impacts and potential mitigations.

DRY UTILITIES

Dry utilities, such as telephone, cable, and electric services, are not as adversely impacted by geotechnical ground settlement as are gravity flow systems, such as storm and sewer lines. Protection for future repair work from any subsurface contaminants is a major concern for dry utilities.

STREETS

The City's current General Plan encourages a grid network for traffic circulation and connectivity. The average block length in Alameda is 400 feet, which reduces the need for large arterial streets by distributing rather than collecting traffic. The streets in the Specific Plan conform to a grid network and most of the residential streets are approximately 400 feet in length. In the Initiative, block length for boulevards and collectors are longer than 400 feet; like blocks along Ralph Appezato Memorial Parkway between Webster and Main Streets. Rather than provide intersections with crosswalks for pedestrians, mid-block crossings are included in the Initiative on streets longer than 450 feet. Currently, there are no standards to address the needs of pedestrians where there are long blocks, but the General Plan encourages a grid pattern to facilitate both the flow of traffic and pedestrian crossings. The long blocks proposed in the Initiative maintain a grid pattern, but because the blocks are long, they will serve as

collectors in the same way as Ralph Appezzato Memorial Parkway and Robert Davey Junior Drive.

In the Initiative, the streetscapes are designed with a pedestrian-friendly environment as a priority demonstrated by providing highly walkable, diverse mixed-use neighborhoods that have direct and convenient access to public transit. In addition, pedestrian crossing distance is reduced by reducing the travel lane and parking lane widths. There are eight proposed roadway cross sections included in the Specific Plan. Atlantic Boulevard and the “Typical Boulevard” are the cross sections in conformance with the City’s standards. The remaining streets are not in conformance with City standards.

A traffic analysis is conducted for all development to determine the demand and the appropriate width to meet the capacity needs. A traffic analysis has not been conducted on this project and consequently, it has not been determined whether the proposed widths are sufficient. A traffic analysis will be performed and these issues evaluated as part of the subsequent project EIR. The proposed cross-section for Atlantic Boulevard west of Main Street is in conformance with City standards. Without a traffic demand analysis, it cannot be determined if the two-lane street has sufficient capacity, whether the four lanes on Ralph Appezzato Memorial Parkway will transition into the proposed two lanes, and the potential impacts of the transition to the adjacent westend infrastructure outside of the project area. As part of the Part II Election Report, the number of trips generated at this intersection as compared to the available capacity will be evaluated.

As is the case throughout the City, trees are an important component of the streetscape. The Initiative proposes tree-lined bio-swales in street medians and sidewalk planter strips. Unlike existing planter strips, the bioswales are to contain storm water run off rather than channelize the runoff along the gutter. It is not clear from the Specific Plan whether the run off from the streets will be directed through the curb into the bioswale, and whether they are sized appropriately for the potential flows. The tree species are not identified, so there cannot be an assessment of the mature width of the tree or impact of the tree roots on the sidewalk, pavement, or bioswale runoff capacity. It is not clear in the Initiative whether the Pattern Book supercedes the City’s Street Tree Master Plan, or as part of the Pattern Book, whether the City’s Street Tree Master Plan will be used to provide guidance on the appropriate tree species. The tree’s mature width would ensure minimal impact to the infrastructure and maximum flow capacity.

CAPITAL IMPROVEMENTS, MAINTENANCE AND OPERATIONS

There are a variety of funding sources identified for capital improvements and on-going maintenance, as described in Chapter IV. The Specific Plan states that it is anticipated that the developer will fund the initial costs of infrastructure improvements and will then be reimbursed through designated public and private financing mechanisms.

The Specific Plan notes that roadway, utility improvements, police, fire, library and other municipal services will be operated and maintained through a portion of existing utility and public funding sources, as well as possible property assessments. The Initiative

proposes that landscaping and lighting districts and a CFD be created to fund an unspecified portion of annual maintenance costs as well as the design, acquisition, and construction costs of public facilities, such as the Bus Rapid Transit (BRT) connection to the Fruitvale BART. As discussed in Chapter III, the DA states there is an overall tax rate cap of two percent (2%) to cover all taxes and assessments. There is not sufficient detail to determine the size or location of all the infrastructure improvements, consequently, it cannot be determined from the Initiative whether the tax rate cap is sufficient to fund the ongoing maintenance through property assessments alone.

MASTER DEMOLITION, INFRASTRUCTURE, AND GRADING PLAN

This section provides more detail on the proposed MDIGP, in addition to the description provided in Chapter III. The MDIGP will provide an opportunity to ensure that infrastructure is constructed to the standards proposed in the Specific Plan, some of which are different than the current City standards. A MDGIP would not be needed if construction plans for the entire development were prepared at the beginning of the project. However, much of this project is proposed for phased development. The Specific Plan gives authority for approval of the MDIGP to the City's Planning Director. The City Engineer, who is required to be a licensed Professional Civil Engineer with the State of California, has the responsibility for approving public infrastructure improvements in accordance with engineering standards and principles. It is unclear whether the Specific Plan supercedes the role of the City Engineer, as required by state law and City ordinance.

Upon adoption of the Specific Plan, the City's Planning Director would act as the City's "Advisory Agency," with respect to subdivisions within the plan area and would be assigned the responsibility for approving, conditionally approving or denying an application for a tentative map, vesting tentative map or parcel map within the plan area. That responsibility is now held by the City Council with the Planning Board, City Engineer and Planning Director advisory to the City Council for conformance with state and local law.

VI. LAND USE

Approval of the Initiative will result in the rezoning of the property, establish a land use and development program for the land, and establish the processes for subsequent land use decisions consistent with the voter approved plan and land use program.

CONSISTENCY WITH GENERAL AND SPECIFIC PLANS

The Initiative amends the City Charter, the General Plan, and the Zoning Ordinance to ensure that all of the City's regulatory documents are internally consistent with regard to the land use plan for Alameda Point. The land use plan is articulated in the Specific Plan, included in the Initiative. The Initiative includes these documents, related amendments and a DA, all of which are described in Chapter III.

The Initiative would allow the following land uses at Alameda Point:

- Up to 4,346 new housing units
- 186 existing low-cost housing units
- Re-use of existing buildings for up to 309 housing units
- Up to 350,000 square feet of retail space
- 3,182,000 square feet of commercial uses, including up to 500,000 square feet in existing buildings
- Up to 260,000 square feet may be developed for civic uses
- 600 boat slips
- 145 acres of open space.

DENSITIES AND HEIGHT LIMITS

The Specific Plan establishes land use limitations and development intensities for each district within the Alameda Point project area. The maximum allowable residential densities vary from 10 units per net acre to 70 units per net acre. The Specific Plan allows commercial densities to a maximum floor area ratio of 1.5 square feet of floor area for each foot of land area. Through the Conformance Determination process established by the Specific Plan, the commercial floor area ratios can be increased. Residential building types range from single-family homes to multifamily apartment buildings and condominium projects in new buildings and in existing buildings. The Initiative amends the City Charter, General Plan, and Zoning Ordinance regulations to allow residential densities above 21 units per acre and to allow residential buildings with more than two units at Alameda Point.

The Specific Plan establishes a height limit of 60 feet (approximately 5 stories) for most of the project area. The western most area adjacent to the Least Tern colony is limited to 40 feet in height (approximately 3 stories).

EFFECT ON USE OF VACANT PARCELS OF LAND

The Initiative establishes a land use program for all vacant and currently developed lands at Alameda Point.

OPEN SPACE

The Initiative provides 145 acres of parks and open space. At full build out, there will be 4,841 existing and new units and a household population of approximately 11,000 people. This would result in approximately 13.2 acres of parkland per 1,000 residents at Alameda Point. The City currently has approximately 2.9 acres of open space per 1,000 residents. The 2.9 acres per 1,000 residents calculation includes all of the City's neighborhood parks, community parks, the 80 acres at Crown Memorial Beach, and 71 acres of open space at the Alameda Unified School District (AUSD) and Peralta Community College campuses, but excludes the open space currently being used at Alameda Point.

AGRICULTURAL LAND

There are no agricultural lands at Alameda Point. Increasing the amount of housing that could be built at Alameda Point on an existing infill site within the inner Bay Area, the Initiative does incrementally reduce development pressures on agricultural lands on the periphery of the Bay Area.

VII. HOUSING

The Initiative provides for 4,841 existing and new housing units at Alameda Point. The unit types range from single-family homes to multi-family apartments and condominium buildings.

AFFORDABLE HOUSING PROGRAM

The Initiative provides that at least 15 percent of all housing developed at Alameda Point be affordable to low, very low and moderate income households consistent with State of California requirements for redevelopment areas. The current City requirement established by the CIC is 25 percent for all projects in the City's redevelopment areas, including Alameda Point. If the project complies only with the 15 percent inclusionary requirement, it would also be in conflict with the terms of a settlement agreement between the City and Renewed Hope, which states that the City of Alameda must require 25 percent inclusionary housing at Alameda Point for every phase of the project. If the Initiative passes, it is not clear at this point whether the City or CIC would be able to require 25 percent inclusionary housing.

DISCRIMINATION IN HOUSING

The Initiative would not be expected to result in an increase in discrimination in housing. By providing a wider range of housing types than could be accomplished under the current development regulations for Alameda Point, the Initiative can be expected to result in greater housing opportunities for a greater range of income groups and household types.

DENSITY BONUS

The Initiative states that when an applicant seeks a density bonus for a housing project within the Plan Area, the City shall provide the applicant with incentives and concessions for the production of housing units and child-care facilities as described in Government Code sec. 65915. Under sec. 65915, individual projects may request and must receive a five percent to 35 percent density bonus above the maximum allowed by the General Plan, Zoning or Specific Plan, if the project provides a prescribed percentage of affordable housing units. A density bonus project would also be able to request, and must be granted exceptions from the development regulations within the Initiative. Therefore, a density bonus project could be granted an exception from the setback, height or other development regulations established by the Initiative, if those exceptions result in identifiable, financially sufficient, and actual cost reductions for the density bonus project. The Initiative is unclear as to whether additional units granted to individual projects within Alameda Point will be counted toward the 4,841-unit cap established by the Initiative.

HOUSING ELEMENT CONSISTENCY

The Initiative includes amendments to the City of Alameda Housing Element to ensure consistency between the Alameda Point development program and the City of Alameda Housing Element. The proposed amendments to the Housing Element amend those portions of the Housing Element that do not reflect the proposed Specific Plan.

IMPACT ON THE AVAILABILITY OF HOUSING

The Initiative increases the availability of housing in Alameda. In addition to increasing the number of housing units that may be constructed, the Initiative also increases the diversity of housing that may be made available in multi-family buildings, including condominiums and apartments, which would not be possible under current regulations.

IMPACT ON THE ABILITY OF THE CITY TO MEET REGIONAL HOUSING NEEDS

The Initiative improves Alameda's ability to meet its regional housing needs by increasing housing opportunities, allowing for a greater diversity of housing types, and providing land that is zoned to allow 30 units per acre, which is a residential density that is encouraged by state law for urban cities, such as Alameda.

VIII. SCHOOLS

The Illustrative Plan in the Specific Plan includes two sites that may be used for school sites. Public schools are either permitted or conditionally permitted in all of the Alameda Point land use categories with the exception of the areas designated as Public Trust (AP-PT). The project description in Chapter 1 of the Specific Plan states that civic uses include a school and Chapter 8 also states that the Specific Plan allows for a new elementary school. The Initiative does not provide information justifying the need for a school. The Initiative also does not indicate whether AUSD has been contacted regarding the proposed project and its impact on local school facilities. Table 8-1 in Chapter 8 of the Specific Plan proposes the following regarding the capital and operational funding of the proposed school facilities:

- **Planning, Design and Construction.** AUSD will be responsible for the initial planning, design and construction of any required school facilities.
- **Potential Capital Funding Sources.** State school fees paid by the developer, property assessments, State of California, and General Obligation Bonds are potential sources of funds used to pay for any new school facilities. It is estimated that the developer will be required to pay approximately \$24.9 million to the State to mitigate the impacts of the project on school facilities.
- **Operations and Maintenance.** AUSD will be responsible for operations and maintenance of any new school facilities.
- **Potential Operations and Maintenance Funding Sources.** The State, AUSD and property assessments are potential funding sources for the operations and maintenance of any new schools. The State will also receive a portion of property tax revenue for schools from the property value generated from the project as a redevelopment pass-through amount, consistent with state law.

IX. ECONOMIC DEVELOPMENT

There are various impacts the Initiative could have on the economic development of the City. The potential effects of the Initiative explored as part of this Chapter IX include impacts on existing business districts, the community’s ability to attract and retain business employment, and developed areas designated for revitalization.

IMPACT ON EXISTING BUSINESS DISTRICTS

There are numerous existing retail and office business districts within the City that could be affected by the Initiative.

Retail Business Districts

The Initiative could have both positive and negative impacts on the existing retail business districts. The actual impacts will depend upon various factors that are difficult to determine definitively at this time given the information provided in the Initiative. The major retail business districts in the City include the Webster Street business district, Marina Village shopping center, Park Street business district, Towne Centre Shopping Center, and independent retail areas along Lincoln and Encinal Avenues, among others.

The new and adaptively reused 4,655 units of housing (excluding the 186 of existing units) proposed for Alameda Point will generate new demand for retail goods and services in the City. Table 3 provides an estimate of potential new retail spending from Alameda Point households. The existing and proposed retail business districts in the City will only capture a percentage of the retail spending from project households, as new households will also shop outside of the City. Employees from new commercial development at Alameda Point are also likely to purchase goods and services in the City.

Table 3
Estimate of Retail Expenditures from Project Households
Alameda Point Development Initiative

Item	Assumption
Number of Households (HH)	4,655
Median HH Income	\$70,000
% of Income Spent on Retail Goods and Services	35%
Total Project Expenditure on Retail Goods and Services	\$114 million

It is likely that new retail expenditures from new households and employees will support proposed retail development at the Alameda Landing and Alameda Point projects, if developed, as well as existing retail business districts and the regional Alameda Towne Center, but especially those retail areas within close proximity to the project. Webster Street business district and the Marina Village shopping center may realize some benefit

due to increased vehicular traffic and visibility from project households and employees driving or riding transit along adjacent streets, such as Atlantic Avenue.

It is also possible that the development of 350,000 square feet of new retail at Alameda Point proposed in the Initiative will draw customers from existing business districts and shopping centers. Depending on the type, size, timing and character of the new retail development proposed for Alameda Point, new retail stores at Alameda Point could compete directly or indirectly with existing business districts. However, the clustering of greater amounts of new and existing retail in the westend of the City could also have the potential of creating a more competitive shopping destination drawing new customers from other parts of the City and the surrounding area, resulting in the augmentation of the overall customer base supporting the existing retail districts. Depending on the types and amounts of new retail, new stores potentially could capture and benefit from retail expenditures currently being made by residents and businesses at stores outside of the City.

Office/Industrial Business Districts

The Initiative could have both positive and negative impacts on the existing office/industrial business districts. The actual impacts will depend upon various factors that are difficult to determine conclusively at this time based upon the information provided in the Initiative. The major office/industrial business districts in the City include Marina Village and Harbor Bay business parks. The Marina Village business park is within close proximity to Alameda Point. While the 3.18 million square feet of business park development planned for Alameda Point may compete directly or indirectly with the existing business parks, the clustering of new and existing office development within the westend may also create a regional identity for this area as a competitive location for office development, possibly helping to increase demand for office space within the existing business parks. Proposed transit improvements could also benefit existing business districts.

IMPACT ON THE COMMUNITY'S ABILITY TO ATTRACT AND RETAIN BUSINESS AND EMPLOYMENT

The Initiative is likely to improve the community's ability to attract and retain business and employment uses within the City limits due to a significant increase in the supply of new business park and commercial land and the added amenities contemplated by the Initiative.

The Specific Plan in the Initiative permits 350,000 square feet of retail development and 3.18 million square feet of other commercial and business park uses. There is limited supply of land within the inner Bay Area that can accommodate large office and commercial users. The new supply of commercially-zoned land in Alameda Point could help the City attract new businesses and jobs to the City, as well as retain expanding business within the City limits. Additionally, the large, mixed-use nature of the project and the various transit, waterfront, open space, and park amenities envisioned for the site, if developed, could also help create a regional identity for the area and make the City

more competitive in attracting and retaining businesses, resulting in the creation of new employment opportunities.

IMPACT ON DEVELOPED AREAS DESIGNATED FOR REVITALIZATION

There are three redevelopment areas designated for revitalization within the City: the Alameda Point Improvement Project (APIP), Business and Waterfront Improvement Project (BWIP), and West End Community Improvement Project (WECIP) areas. In general, the Initiative is likely to have a positive impact on all three areas:

- **APIP** – The APIP area includes the former Naval Air Station (NAS) Alameda closed by the Navy in 1997, and consists almost entirely of the property planned for development in the Initiative. The existing conditions of the APIP area include many vacant and underutilized buildings vacated by the Navy. Although there is an active leasing program for the area, most of the leases are short-term leases that have not resulted in substantial private investment in the property. As a result, the project proposed in the Initiative, if developed, has the potential of significantly improving the current condition of APIP with new housing, commercial, park and recreational uses.

Redevelopment law requires a plan for any redevelopment project area, and limits the amount of time that indebtedness can be incurred to be repaid from tax increment. The law allows the local redevelopment agency to amend a plan to extend the time limit. Because developer's proposed project in the Initiative could extend beyond the time limit presently stated in the current APIP redevelopment plan, the plan may have to be amended. The law also requires a plan state the maximum amount of bonded indebtedness that can be outstanding at a given point in time. That limit may be increased by a plan amendment. Because the developer's proposed project could require a higher indebtedness, the plan may have to be amended to increase the indebtedness limit. Other plan amendments may also be required.

- **BWIP** – The BWIP area is comprised of the recently developed former Navy East Housing parcel (Bayport Project), Alameda Landing, approved for development on the former Fleet Industrial Supply Center, the City's two historic commercial districts and most of the City's waterfront on the Oakland-Alameda estuary. The existing uses in the BWIP include new residential homes, historic retail and commercial uses, and former and existing maritime industrial uses. The proposed project in the Initiative could increase housing values in the adjacent Bayport Project by providing enhanced transit and open space amenities that would benefit these households, and the new development planned for Alameda Landing, create demand for retail in the historic commercial districts and new retail planned for Alameda Landing from new project households; and, potentially provide new transportation infrastructure that could reduce the cost of developing areas along the waterfront.

Development of new retail at Alameda Point will draw some customers from the existing business districts and shopping centers, as well as new retail proposed for Alameda Landing. Depending on the type, size, timing and character of the retail development proposed for Alameda Point, new retail stores at Alameda Point could compete directly or indirectly with existing and proposed business districts, adversely affecting certain businesses.

- **WECIP** – The WECIP area consists primarily of the successfully redeveloped Marina Village shopping center and business park. While new project households may generate additional support for existing retail uses, the new retail proposed at Alameda Point could also create greater competition for the Marina Village shopping center and draw customers from this existing use. The ultimate impact of the Initiative on this shopping center will depend upon the type, size, timing and character of the new retail development envisioned in the Specific Plan.

While the business park development planned for Alameda Point may compete directly or indirectly with the Marina Village business park, the clustering of new and existing office development within the westend has the potential of creating a regional identity for this area as a competitive location for office development, possibly increasing interest in the existing Marina Village office space.

X. ENVIRONMENTAL REMEDIATION

BACKGROUND

The Navy announced that it would be closing Naval Air Station (NAS) Alameda as part of the 1993 round of Base Realignment and Closure (BRAC) actions. The Navy ceased operations in 1997, but continues to own all base property except the former East Housing parcel. As owner of the base, the Navy is responsible for all environmental remediation, activities pursuant to applicable environmental statutes. These statutes include the federal Comprehensive Environmental Response, Compensation and Liability Act (CERCLA or federal “Superfund”), the federal Resource Conservation and Recovery Act (RCRA), and others. In July 1999, Alameda Point was designated a Superfund site. The United States Environmental Protection Agency (USEPA) is the regulatory authority for Superfund sites. The California Department of Toxic Substances Control (DTSC) also regulates the site pursuant to RCRA and California law; the California Regional Water Quality Control Board (Water Board) regulates petroleum sites at Alameda Point. The Navy and the three environmental regulatory agencies are parties to a Federal Facilities Agreement (FFA). The FFA identifies 34 Installation Restoration (IR) Sites that are subject to CERCLA remediation by the Navy. The FFA includes a Site Management Plan, consisting of a budget and remediation work plan and a schedule that is prepared and updated annually.

NAVY-REQUIRED REMEDIATION OBLIGATIONS

CERCLA addresses environmental releases or threatened releases of hazardous substances to the air, surface water, groundwater, sediment, and soil. RCRA governs “hazardous wastes,” which include both CERCLA hazardous substances that are found as waste products on a RCRA “facility” and petroleum. The Water Board regulates underground and above-ground storage tanks, petroleum sites, and surface and groundwater quality. Both soil and groundwater are tested for contamination and remediated, as needed. In general, asbestos-containing building materials (ACM) and lead-based paint (LBP) are not subject to CERCLA remediation unless there is a “release” to the environment. A release may occur when LBP flakes off a building or other structure and contaminates soil, or when ACM crumbles and causes soil around a building to become contaminated with asbestos. The community-based Restoration Advisory Board (RAB) advises the Navy regarding its remediation activities.

ENVIRONMENTAL REMEDIATION AND CONVEYANCE

Although the Navy retains responsibility under CERCLA, RCRA and the FFA for remediating up hazardous substances and hazardous wastes, it can transfer property before it has completed the CERCLA remediation if, pursuant to CERCLA Section 120(h), it makes certain promises or “assurances” to the transferee that it will complete the remediation. Property that is conveyed prior to remediation requires the Navy to make a Finding of Suitability for Early Transfer (FOSET). A conveyance by FOSET does not relieve the Navy of its CERCLA remediation obligations. Property also can be

conveyed after remediation, once a Record of Decision (ROD) has been issued and the CERCLA remediation is completed. In this case, the Navy is required to issue a Finding of Suitability for Transfer (FOST), and the deed must contain the CERCLA “comeback” provision stating “any additional remedial action found to be necessary after the date of...transfer shall be conducted by the United States.”

ENVIRONMENTAL REMEDIATION AND LAND USE

When a base is closed pursuant to BRAC, a community reuse plan is prepared. At Alameda Point, the Navy has agreed to remediate soil and groundwater to support the land uses identified in the 1996 Reuse Plan. In particular instances, where there is a difference in the proposed land use at a specific location depicted in the Reuse Plan and the Alameda Point Preliminary Development Concept, dated February 1, 2006, the Navy will remediate that location to support the land use agreed to in the PDC. For example, the Navy will remediate planned commercial sites to commercial standards and planned residential sites to unrestricted use. Remediation may include any or all of the following (so long as the proposed remediation does not pose a threat to human health and the environment for the planned land use): removal or treatment of the contamination; isolating the contamination from exposure by capping or similar measures; long-term monitoring; and legal restrictions on types of land uses (for example, residential use restrictions) and/or activities (for example, digging in soil below a specified depth).

Although the Navy is required to remediate Alameda Point, following transfer, the developer still may have some remediation obligations. Developer obligations could include additional remediation if residential uses are proposed for sites that were remediated by the Navy for commercial reuse only pursuant to the Reuse Plan, or to address hazardous substance releases due to demolition of existing structures and improvements (ACM, LBP, etc.). Also, interim measures, such as vapor barriers and venting systems, may be required to be installed by developer in some new structures, if developer elects to develop property before long-term remediation is complete, because indoor vapor intrusion must be prevented while the underlying groundwater undergoes long-term remediation.

As noted above, as part of its remediation obligations under CERCLA Section 120(h), the Navy is required to “come back” following property conveyance in the event that additional remediation of hazardous substances is found to be necessary, and to conduct the remediation. The Navy also retains all responsibility for munitions and explosives of concern (MEC) and radiological contamination, regardless of when it is discovered.

APPENDIX A

The City Attorney's objective title and summary of the Initiative is as follows:

“Alameda Point Development”

This initiative proposes a development plan for Alameda Point, the 1,078-acre former military base. It allows development of up to 4,346 new housing units, 186 existing low-cost housing units, re-use of existing buildings for up to 309 housing units, up to 350,000 square feet of retail space, and 3,182,000 square feet of commercial uses, including up to 500,000 square feet in existing buildings. Up to 260,000 square feet may be developed for civic uses, with 600 boat slips, and 145 acres of open space. At least 15% of housing units would be affordable to people with low and moderate incomes. A transportation management plan must be approved by the City prior to construction.

The initiative amends the City's General Plan and adds a new chapter establishing policies at Alameda Point. The initiative adopts a Specific Plan, establishes zoning and approves a development agreement that holds the Specific Plan entitlements in place for 25 years. The initiative could be amended by voters, or the City Council on an application by a developer or a large Alameda Point land owner, provided the amendments do not reduce public benefits required from the developer or increase the amount of residential units or commercial space.

Alameda's City Charter prohibits construction of multiple dwelling units, with certain exceptions, and allows a maximum of one housing unit per 2,000 square feet of land. These provisions are commonly referred to as "Measure A." The initiative exempts Alameda Point from Measure A, but would not change how Measure A applies to the rest of the City.

The development agreement requires the developer to provide public benefits including a sports complex, parks and open space, ferry terminal and transit hub, fire station improvements, and a library. The benefits are contingent on the City redevelopment agency directing all tax increment legally allowed to the property, and forming a community facilities (Mello-Roos) district to allow the sale of bonds and collection of a special property tax paid by Alameda Point property owners to finance the improvements. The agreement specifies developer fees for sewer connections, police and fire facilities, earthquake monitoring, public art, and building standards, and exempts payment of a city-wide development fee, construction improvement tax and dwelling unit tax. The developer must cooperate in good faith to ensure development of Alameda Point pays for itself and has no negative financial impact on the City budget. The City will study the environmental impacts of the development before required development approvals are granted by the City. A developer must also reach a separate agreement with the Alameda redevelopment agency, to specify financing

commitments and timing of construction before the federal land can be transferred.

The developer would have to obtain City approvals for subdividing land, constructing buildings, use permits, and design. The initiative has no effect if the Navy sells the land to anyone other than the local base reuse authority. The developer can sell its rights and obligations under the developer agreement without City consent.