

Regional Oral History Office  
The Bancroft Library

University of California  
Berkeley, California

Aliza Gallo:

Oakland Army Base Oral History Project

Interviews conducted by  
Lisa Rubens  
in 2008

Copyright © 2009 by The Regents of the University of California

Since 1954 the Regional Oral History Office has been interviewing leading participants in or well-placed witnesses to major events in the development of Northern California, the West, and the nation. Oral History is a method of collecting historical information through tape-recorded interviews between a narrator with firsthand knowledge of historically significant events and a well-informed interviewer, with the goal of preserving substantive additions to the historical record. The tape recording is transcribed, lightly edited for continuity and clarity, and reviewed by the interviewee. The corrected manuscript is bound with photographs and illustrative materials and placed in The Bancroft Library at the University of California, Berkeley, and in other research collections for scholarly use. Because it is primary material, oral history is not intended to present the final, verified, or complete narrative of events. It is a spoken account, offered by the interviewee in response to questioning, and as such it is reflective, partisan, deeply involved, and irreplaceable.

\*\*\*\*\*

All uses of this manuscript are covered by a legal agreement between The Regents of the University of California and Aliza Gallo, dated October 13, 2008. The manuscript is thereby made available for research purposes. All literary rights in the manuscript, including the right to publish, are reserved to The Bancroft Library of the University of California, Berkeley. No part of the manuscript may be quoted for publication without the written permission of the Director of The Bancroft Library of the University of California, Berkeley.

Requests for permission to quote for publication should be addressed to the Regional Oral History Office, The Bancroft Library, Mail Code 6000, University of California, Berkeley, 94720-6000, and should include identification of the specific passages to be quoted, anticipated use of the passages, and identification of the user.

It is recommended that this oral history be cited as follows:

Aliza Gallow, "Oakland Army Base Oral History Project" conducted by Lisa Rubens in 2008, Regional Oral History Office, The Bancroft Library, University of California, Berkeley, 2009.

## **Discursive Table of Contents: Aliza Gallo**

1994 joins City of Oakland's Office of Economic Development (later CEDA) as Deputy Director, awareness of OAB scheduled closure, thinking about local economic impact—1999 becomes Executive Director, becomes involved with Oakland Base Reuse Authority—OBRA background, working with Elois Thornton—negotiating with the Army for interim leases at OAB—leasing revenues fund redevelopment planning—working with Base Transition Coordinator Lynn Kreigbaum and Environmental Remediation Coordinator Roger Caswell—challenges of West Oakland community's relationship with port and OAB—revising a community reuse plan as closure process progressed: three different plans—more on OBRA's background—the East Bay Reinvestment Commission and Sandre Swanson—accomplishments: good military/civilian working relationship, developing an interim leasing program that benefited Oakland, and a no-cost economic development conveyance—expediting conveyance for the property, developing an environmental remediation program, FOSET—funding environmental insurance through interim leasing revenue—coordinating and negotiating environmental reports and assessments—the challenge of Building One and other base buildings being beyond remediation—attempt to transform OAB into an eco park—negotiating with Caltrans to transfer land from Tidelands Trust—closing OBRA in 2005, transfer of responsibility to Oakland Redevelopment Agency—failure of Wayan brothers project—role after OBRA—thoughts on ideal redevelopment of OAB: retail, eco part, biotech—post-OBRA work with redevelopment agency: Navy/Oak Knoll negotiation, Oak Knoll redevelopment plans.

[This transcript has been edited by the narrator and portions may be significantly different from the original audio file.]

Interview #1: October 13, 2008

Begin Audio File 1 gallo-aliza-1-10-13-08.mp3

01-00:00:03

Rubens: Here we go, it all looks good. Would you please, just for the record, state your name?

01-00:00:11

Gallo: Aliza Gallo.

01-00:00:13

Rubens: Ms. Gallo, it's a pleasure meeting you. Thank you for being a participant in this Oakland Army Base Oral History Project.

01-00:00:20

Gallo: Thank you.

01-00:00:21

Rubens: Maybe we should start with your background and to what extent you knew about or were involved with base closures in Oakland, and then get to when you became the head of OBRA.

01-00:00:44

Gallo: My background. Well, I have been with the City of Oakland since 1994, and I came in as the Deputy Director of the Office of Economic Development, the predecessor to the current office of the Community and Economic Development Agency. At that time, I was made aware that the Oakland Army Base had been announced for closure, and that at that time was the second base in Oakland that had been announced for closure. Right before that, the Naval Medical Center, Oak Knoll was closed, and then the Oakland Army Base was announced. And then a command center was also announced near the Port of Oakland. So I began to learn about it through my work as Deputy Director, about the economic impacts that were going to effect, particularly the community of West Oakland where the base is located at. We also learned that there were over, I believe, 4,000 jobs that were going to be impacted. And then of course subsequent to that is going to be the number of businesses that were going to be affected by the closure. So we began to look at it from that context. How was it going to affect the city economy?

01-00:01:54

Rubens: So your office, as well as you, you were already taking a look at those?

01-00:01:59

Gallo: Just a really preliminary review. When I became the Executive Director in 1999, at that point in time the Oakland Base Reuse Authority had already been formed. It had been already in existence for three to—well, actually it might have been in existence already about six years, because it was dealing with the

Oak Knoll Hospital closure. It had begun its planning process for the Oakland Army Base and was in the first phase of military base conversion activity, which is called the Community Reuse Planning Phase, in which the Department of Defense requires that there be a community planning process. In the case of the Oakland Army Base, it was quite extensive and involved since it's such a large property: 425 acres.

01-00:02:54

Rubens: Let me stop you just for one second. Now, Paul Nahm had been the first head of OBRA, is that right?

01-00:02:58

Gallo: Yes.

01-00:03:00

Rubens: And then he was followed by Elois Thornton?

01-00:03:01

Gallo: At that time, she was a Senior Planner for the City of Oakland and was leading the development of the environmental review of the base closure projects.

01-00:03:06

Rubens: And then when you came in, was that when she had been transferred back to—

01-00:03:11

Gallo: No. Elois worked under my overall supervision, as Deputy Director over Building, Planning and Economic Development. When Paul was ready to leave the Oakland Base Reuse Authority in 1999. Actually, it was December '98. So I took over in January 1999. Elois pretty much joined my team at that point in time. When I assumed the Executive Director position—I was asked by the city administrator to head up the Oakland Base Reuse Authority—Elois came in as part of my senior team to work on that.

01-00:03:52

Rubens: And how was it that you were picked? Who was the city senior administrator then?

01-00:03:57

Gallo: At that time, it was Kofi Bonner, who was the acting City Administrator at that time. Bill Claggett was the Executive Director of the Community and Economic Development Agency. Already at that point we had changed names, and so I was one of the assistant agency directors of CEDA, and it was at that time they asked me to please take over as Executive Director of the Oakland Base Reuse Authority. So I stayed with the OBRA Organization from January '99 to June of '05.

01-00:04:36

Rubens: And what was the significance of that communication?

01-00:04:41

Gallo:

Well, the significance was that a lot of activity occurred during that time frame. We completed the Oakland Base Reuse Plan, which is a required document in the planning process. We also completed the No Cost Economic Development Conveyance. We completed just about thirteen or so documents that were required for the army base transfer, and I can go over those if you would like. Each one of those documents is very significant in the process.

01-00:05:15

Rubens:

If you would, just very briefly go over—what I have before me is a report that came out in July 2002. That was your first effort to really lay out what it is that—

01-00:05:29

Gallo:

Yes, that was certainly one of the reports. When I took over, we began a pretty creative process with the Army, and it was something that the Army had the willingness to do, and Oakland, the Oakland team, had the willingness to work with them on, which was the Army—and usually military bases, when they close, they go dark. Which means everything is shut down and it's fenced. Or they carry on and have some presence on the base, but they incur quite a bit of cost. What we were able to negotiate was an interim lease of the Army Base facilities in which we were able to take over all of the facility management responsibilities for the Army, and as a result of that we were able to lease out the Army's facilities to private users.

01-00:06:30

Rubens:

Even while they were still there?

01-00:06:31

Gallo:

While they resumed their offices there. And technically it was a command, and we did have to coordinate with the Army in the selection and type of tenants, but we were very much able to quickly begin a revenue production of the uses. So what we did is we negotiated an interim lease that allowed for us to lease out the facilities. We were able to have approximately 400—well actually, I should say that we had about seventy tenants on the base at one time, private tenants. There were over 1,200 employees, private employees, on the base facilities. We were able to generate a revenue, and that revenue in turn supported all of our planning efforts, because they're very expensive. You're negotiating and you require expert attorneys, environmental remediation specialists. You require economic firms that can give you some support in your negotiations. Because while we had a friendly arrangement with the Army, at the same time we were negotiating with the Army for the final title of the property. So that interim leasing program was one of their first models that they used, and they found it to be successful. For Oakland, it was very beneficial because it provided us the funds to spearhead and support our planning efforts.

01-00:07:56

Rubens:

So the funds are literally coming right to CEDA?

01-00:07:58

Gallo:

They were. Well, they were coming to the Oakland Base Reuse Authority. The Oakland Base Reuse Authority is a separate JPA, a Joint Powers Authority. And the city of Oakland, the Redevelopment Agency, and the county of Alameda, when OBRA began during that time frame, they were all parties to the Joint Powers Authority. The OBRA was a separate and distinct agency. So we were able to cover all of our cost. The city had lent some of its staff to the project, but the salaries and the cost of all the consultants were funded through these interim leasing revenues.

01-00:08:38

Rubens:

I see. And did you have an attorney that was specifically assigned to OBRA?

01-00:08:42

Gallo:

Yes. Yes we did.

01-00:08:43

Rubens:

Do you remember who that was?

01-00:08:44

Gallo:

That was Curt Kidder. Curt worked with the project all the way up through about 2004 or 2005, about that time. Then when he left, another attorney came on line. Her name was Alex Rosenthal, and she's also with the City Attorney's Office now.

01-00:09:05

Rubens:

And so the negotiations that are taking place between the Army command, is that literally here in Oakland? Are you dealing with people in Washington, or is it all right here in Oakland?

01-00:09:17

Gallo:

Well, we did have a local command here for some time. In 2001, I believe, the actual command of the Army base closed down. They did leave a Base Transition Coordinator, who was a facilitator for us. Her name was Lynn Kreigbaum. She was a very good facilitator between the Washington D.C. Army interest and the city of Oakland and the Oakland Base Reuse Authority's Interest. Also on site was an environmental remediation coordinator, Roger Caswell, who stayed with the project all the way through about 2006. Those two individuals were the on site people. They worked directly with the Department of Defense, Department of the Army, and Washington D.C. through their base transition director there. At the time, there were several that we dealt with over that course of time. But most of the negotiations were either their team coming out to negotiate here in Oakland or we going to Washington D.C. to negotiate with them there.

01-00:10:25

Rubens:

And this is a multi-year and multi-phase process, right?

01-00:10:30

Gallo:

Yes.

01-00:10:31  
Rubens: I was going to ask, how many times did you find yourself going back to D.C.?

01-00:10:35  
Gallo: Not as often as you might think, given the number of years that were in negotiations. We actually did a lot by conference call. I think both parties were really interested in preserving cost and time. So I would say maybe a total of eight times. They often came out this way because they often had other base closures that were going on in the area, that they were able to stay in the area for some time.

01-00:11:07  
Rubens: Sure. So you need to give me a little direction, if you would. Do I ask you about what were some of the major stumbling blocks or roadblocks? And then we can go to the reports you were going to tell me about.

01-00:11:18  
Gallo: Sure. Well, I think that, as I stated earlier, the Oakland Army Base is located in an area known as West Oakland. West Oakland at that time was a neighborhood, a large neighborhood, and it was going through quite a bad, at the time. And it has over the years. It is located next to the Port of Oakland, there is a lot of community both support and resentment of the Port of Oakland. The support, of course, is jobs. How many jobs go to local West Oakland residents? There's a debate about that. What are the impacts of the Port of Oakland? Trucks, air quality, and certainly an industrial look and feel to the area. The Oakland Army Base property, again, 425 acres located in some of the most prime locations of any portion of Oakland or frankly any next-to-a-water city, offered an opportunity to really look at what the city could do in terms of a major economic development project. However, it was also a location that the West Oakland community felt it was their opportunity to develop a beneficial project for their community.

So there was a lot of need to take time to work through the process, work through the issues. A lot of time to work through what are the real feasible projects that could be put on that property? There were constraints about the site in terms of infrastructure, in terms of port uses and nearby port uses. The fact that it was clouded with some state requirements like BCBC, Stateline's Tidelands Trust, in which the city of Oakland frankly does not—while we certainly work with the State of California, the trustee for most Tideland Trust properties is the Port of Oakland. So there were quite a bit of back and forth about what we could do with a property, what we couldn't do, and in that case it created a lot of suspicion from the community about what could be done there and how beneficial would it be to the community?

So there was a lot of time spent in meetings. Several times there was a start to try to get a developer onboard. My opinion at that time, and today, is that we started that process too early. We should have stayed focused on learning more about the property. Like a number of other cities that are involved in

military base closure, the whole process, the national process, is a little bit backward. There's a requirement that you start with an approved community reuse plan. If you start at that point, you're starting with setting a high expectation for the community and potential users and decision makers. Because if you start there, that's setting the criteria for what you can and can't do all the way through the rest of the process. So what you continually do is have to amend your community reuse plan, and that creates confusion and suspicion. And that was the case in the Oakland Army Base project.

01-00:14:48

Rubens: In fact, there ultimately were three plans.

01-00:14:49

Gallo: Exactly. And so an amendment after an amendment. And so of course when you start out, you have quite ambitious plans. When you look at the site, it's gorgeous. You know, you can definitely value the auto traffic that's on the three freeways that intersect or come close to reaching the base property. And certainly the port and side is a great way to expand its operation. So what we did find, though, is that there are some very viable uses that the property could be used for. It was a matter of negotiating and compromising. At the end, when the City Council, the Redevelopment Agency at that point, and the Oakland Base Reuse Authority Board of Directors approved the last, final reuse plan, which I believe was in '93, was that?

01-00:15:48

Rubens: Well this one I'm looking at is 2002, and the final use one—you mean in 2003?

01-00:15:54

Gallo: Yes, it might have been. But regardless, as I was mentioning, the whole base reuse planning process, it starts and goes, starts and goes, and throughout that process you're required to have a community input process. It is difficult to maintain the communications with the community and have to go back and forth to them when there are major changes to the process.

01-00:16:25

Rubens: That was actually Elois Thornton's job, wasn't it? To keep the communications open and to take what WOCAG was coming up with—

01-00:16:35

Gallo: Exactly.

01-00:16:36

Rubens: —and bringing it to your office and/or appropriate entities in the city.

01-00:16:37

Gallo: Yes, Elois was very instrumental in helping to facilitate the amendments to the reuse plan that happened over time, as well as managing the environmental impact report that was done for the Oakland Army Base

project. Then she assisted me with the West Oakland Community Advisory Group.

01-00:16:59

Rubens: Let me just back up for one minute. When you said the directors of OBRA, now I've never seen a list of—

01-00:17:04

Gallo: The board directors?

01-00:17:06

Rubens: Yes. How were they appointed? How many of them, do you remember?

01-00:17:11

Gallo: Sure. There were four from the City Council, and they changed over time. But essentially it was the President of the Council, Ignacio De La Fuente? It was Council Member Chang, Henry Chang, who was the At-Large City Council Member. It was Council Member Nancy Nadel, who is the West Oakland Council Member. And Council Member Larry Reid. Because at the time, Oak Knoll, we were also doing Oak Knoll business as well, so he represents the area where Oak Knoll is located. Then we had an at-large seat for the city of Alameda, which was Ralph Apuzzato, who was Mayor. Then we also had the County of Alameda, because they were the third member of the Joint Powers Authority, which was Supervisor Keith Carson. Then we also had some at-large members, and that would have been a representative from Congress Member Barbara Lee's Office and the Executive Director of the ABAG, Ed [Eugene] Leong who was the director.

01-00:18:22

Rubens: And how often would you meet? Would that be on an as need basis?

01-00:18:26

Gallo: No. It was a monthly meeting that we had, and we were responsible, as any public agency, to comply with the Ralph and Brown Act, to poster meetings, to have board of directors reports. They were on a monthly basis, and during its earlier part, the hey-day of all the number of documents and approvals, we were going to the board quite often with recommendations and requests for authority to enter into certain documents and to provide updates on reports.

01-00:18:59

Rubens: The City Council had to approve that?

01-00:19:01

Gallo: No. The Oakland Base Reuse Authority. We only went to the City Council for input when it had an implication of requiring or having an impact to the future use of the base. So the City Council or the Oakland Base Reuse Authority Board of Directors in and of itself decided, in 2003, that it was best to just make it an Oakland-centric JPA, meaning that the county of Alameda stepped out of JPA, the at-large director stepped out of it. Because at that point, we were at the point where the No Cost EDC Conveyance had occurred, in 2003,

which is essentially we were receiving title to the property. So at that point, it became very much an Oakland project. So we had our board of directors comprised of the Oakland individuals.

01-00:20:01

Rubens: No opposition to that, that went all smoothly?

01-00:20:05

Gallo: No, no, I think it went very smoothly. And one director that I forgot to mention that was also very helpful when we were more of a regional board was the East Bay Reinvestment Commission, which was a commission that was formed to deal and help cities and areas with base closures. So they were funded by the Office of Community Services and I believe EDA to help communities deal with base closure activity. So they did help the city of Alameda, the city of Vallejo, our city, and they had a representative on our board.

01-00:20:47

Rubens: They were a regional agency, that was mandated by the legislation?

01-00:20:53

Gallo: No, no. They were just formed. They were a nonprofit corporation that was formed. They had several publications, and actually Sandre Swanson, who was on our board of directors as a representative of East Bay Reinvestment Commission, EBCRC, was also a great help to us as a technical resource. And then, of course, Mr. Swanson went on to become the Assembly Member.

01-00:21:18

Rubens: He's on my list to interview, but he's been quite taken up with the budget stalemate.

01-00:21:22

Gallo: Sure. His role began when he was Chief of Staff for Congressman Dellums, and as chairperson of the Defense Committee, it was through that he was able to bring some long term historical and very valuable connections that we were able to use for not only Oakland's federal legislative team and our lobbyists. And certainly when it came to any situations that we might require additional support with the Department of Defense. So it was definitely very helpful to us to have that in place.

01-00:22:01

Rubens: Can you think of a couple?

01-00:22:03

Gallo: Situations?

01-00:22:04

Rubens: Yes, where that did come to bear?

01-00:22:06

Gallo:

Well, I think when we were looking at making sure that we could qualify for a no cost EDC, which is an economic development conveyance of the property, it was helpful for Sandre. At that time, Mayor Dellums was no longer Congressman. Certainly those connections were still there. The other times when we were looking to secure economic development administration funding for infrastructure analysis, Sandre did play a role in helping us with the regional offices in Seattle, and then certainly in the Washington D.C. offices, to demonstrate the support of the board and demonstrate the support of Oakland's leadership team in funding those proposals. We did receive EDA grants for that effort and they helped us with looking at what the infrastructure requirements were for the base. In other cases, we worked with certainly our state offices and our federal offices, when we were looking at the BCDC and the Tidelands Trust issue. So we had several legislative issues that we had to work through that our lobbyists were helpful in and so was our legislative teams, state and federal teams.

01-00:23:31

Rubens:

So this is what you're doing. This is full time, more than full time, you're going to meetings—

01-00:21:37

Gallo:

Certainly, certainly.

01-00:23:40

Rubens:

Is there a way of talking about what you are most proud of in terms of how you served in this capacity?

01-00:23:48

Gallo:

Well, there's quite a few. But I mean, only not because it was my own effort, it was because there were so many individuals that I was able to play a leadership role in helping to keep the momentum going. But we certainly were, I think we have to be very proud of the interim leasing model that we developed. It was quite forward thinking in the sense that we were able to establish a very good working relationship with the Army. So I did spend a lot of time with the Army officials in developing a mutually beneficial relationship.

01-00:24:26

Rubens:

Was that the last commander?

01-00:24:31

Gallo:

There was a woman, (Col. Susan Halter) And I worked with all of the commanders. When it came to true decision making and true—decision making at a higher level, I did work more with the Washington D.C. group, and they had a good team. And what we decided at the end of the day is that we both had to arrive at a mutually beneficial arrangement, so everyone had to give a little bit on the back and forth of it.

But I do think that the interim leasing program was very beneficial to Oakland. I'm really quite proud of that because we were able to fund 100 percent of the base conversion cost all the way up until about 2005 because of the resources that we were able to keep online and accruing during that time frame. Again, it supported staff, it supported other costs and relationships. So the city of Oakland didn't have to use its own constrained resources for that effort. Secondly, being able to pull together a package for the No Cost Economic Development Conveyance, essentially a zero cost to acquire the property, I think was a highlight of my career. Because what we were able to do was to negotiate with the Army to demonstrate how beneficial it would be for the property to be brought to Oakland for economic development purposes and how necessary it was for it to begin at a zero cost. And that occurred, again, in 2003.

01:00:26:13

Rubens:

What do you think convinced them? I mean, they don't operate just out of the goodness of their hearts.

01:00:26:18

Gallo:

Well, we were at the end of that Economic Development Conveyance period. They had approved several of them, and we were days away from the program ended so we really had a jump on that. And yes, that was political support. Two, it was definitely the proposal, how we were able to demonstrate both on a financial level and on a real level that if we were able to receive the property by zero cost conveyance, we could create multiplier effects of jobs, revenues, and benefits to Oakland. So it's in the presentation of the argument, it's in the presentation of evidence and fact that shows that given the cost to develop the property, it would become unfeasible unless there was a zero cost associated with the acquisition of the property. So we were able to demonstrate that. And then the third item was the model that we use for the environmental remediation model for the property. We were able to expedite the conveyance of the property or access to the property because we were able to negotiate what's called finding a suitability for early transfer, a FOSET, for the property.

Now it's a risk, it's a risk, because what you're saying and what both parties agree to do is that based on their evidence of environmental situation of the property, that the parties agree that if they could define an environmental remediation program that satisfies the federal government and satisfies the local community, that the property could be transferred in advance, a full remediation. And then based on the work plan that the local community agrees to implement, the federal government then provides the funding that they would have used to clean the property. So we went through a tremendous amount of analysis by some expert environmental remediation experts, environmental law experts—

01:00:28:22

Rubens:

This is contracted?

01-00:22:23

Gallo:

Yes. And our own environmental supervisor, Andrew Clough, whom I'm hoping you'll speak with. We were able to put together a program that provided us, through environmental insurance, through a good analysis that both the city and port participated in, and the state had to approve it, to come up with a program that allowed us to go ahead and receive this FOSET. So the Army provided approximately \$13 million to us in advance of the full remediation. We used that money to purchase about \$50 million worth of environmental insurance to make sure we covered everything. And the total cost of the environmental remediation—which again, the federal government never does 100 percent of the cost, it's a negotiation—they covered slightly more than half. They covered about 55 percent of the total cost.

01-00:29:27

Rubens:

And who do you buy insurance from? How does that?

01-00:29:29

Gallo:

It was Chubb Insurance. There are insurance companies that fund that, in remediation requirements. So the city and the port had to come up with the balance. The balance was \$11.5 million. Each party had to come up with \$5.6 million. We were able to do that quickly and easily, again because we had the revenues in reserves based on the interim leasing program that we had. So we were able to expedite the conveyance and ability to access the property through the No Cost EDC, through the finding a suitability for transfer, the FOSET. And again, it being supported by the interim leasing start. So I think those are three things that I am really proud of and really am proud to have been a part of those.

01-00:30:24

Rubens:

Well, I really learned a lot. I just didn't know each of those stages. It's very, very complex.

01-00:30:30

Gallo:

It is. It is really complex, and it is a long-term process. Certainly Mayor Brown is correct, and I sometimes would cringe a little bit when he said this but it was true. Just in the context of time frames, it took longer to transfer the Oakland Army Base than it took to fight World War II. And that is true. But the process is we had to deal with, I think at one time we counted, we had thirteen agreements, certainly over twenty-plus agencies of some sort we had to deal with, and then we had the community process that we respected and we were very involved in. And then our board meetings. So we had a very small team in our group, very qualified team and I'm really proud of that, and then we were backed up by a very good round of consultants that again were instrumental in assisting staff and expediting some of these processes.

01-00:31:32

Rubens:

Well, I think one of the things that would behoove this project is to get a hold of these reports, and you had ticked off the name of quite a few of them. I

don't know if you wanted to go through all of them, but I did want to ask you. There was an EIR and then was the Army itself doing one called an EIS?

01-00:31:49

Gallo: Yes.

01-00:31:50

Rubens: What did that stand for?

01-00:31:51

Gallo: Environmental Impact Statement. It's the federal process. So both the EIS, which was conducted first, and tiered off of it came the EIR, which is the state process. Both of those environmental impact actions had to be completed before any subsequent agreements were entered into.

01-00:32:13

Rubens: So that was one of the first major?

01-00:32:15

Gallo: Yes. And we participated, and primarily Elois Thornton, Mark Wald of the City Attorney's Office, who was our CEQA, (California Environmental Assessment) California Environmental Quality Assurance Act, CEQA. Mark handled that. So we had our team on that and the Army had its team, and we worked together, held several community meetings as required by law. And then in the EIR process—so we commented on the EIS, and then the Army and other agencies commented on our EIR. Out of those two, the EIR, both documents still stand. What is most relevant at this point is the EIR, which accounts for how much envelope there is for development and what are the potential impacts.

01-00:33:16

Rubens: And envelope means?

01-00:33:17

Gallo: Just the ability of the project to cover an activity. So when you develop a project, you make your envelope a little bit larger than what you actually think so you can have enough room there to maybe go from 100,000 square feet of warehouse space to 200,000 square feet of warehouse space. Because you look at the impacts, what kind of traffic, air quality, other impacts that there will be on a project. So that EIR, the original EIR, is still being used today to help the city in its current process right now.

01-00:33:55

Rubens: One of the stumbling blocks, I think, for WOCAG was Building One. They wanted to see that building retained, and there was a dispute about how much toxic waste there was underneath it or flowing through it.

01-00:34:09

Gallo: Well, yes. It was certainly in respect to the community's interest and attachment to Building One. It just was not safe. Purely stepping back from a

technical and environmental expert standpoint, both the state, the federal government, our own environmental consultants, we had to really look at what was the risk, what was the public health and safety as our responsibility. We certainly looked at, sure, it was the point—and I'm not going to get this quite correct—you went in and you came out in a box because that's often where, unfortunately, a lot of soldiers left to go to war and then returned home in a casket. So there was a lot of respect, we tried to play to that, but it was impossible to remediate the building. And most of the remediation issues were below the building. And we the city felt that it was too high of a risk to take on that responsibility, so we insisted that the federal government complete that action and be responsible for it. So since then, of course, it's come down, and that was definitely WOCAG one of their issues. In terms of the other buildings on the property, in the case of the military, government, and because they were the military, because they were the federal government, they did not have to pay attention to local building laws or state requirements, so their buildings and their infrastructures were not suitable for reuse without some major improvements. And actually they were situated, you know, the base while it was being built in the late thirties to forties, they put buildings where they needed them for military operation. When it comes to a commercial and maximizing land, a lot of the buildings were in the wrong place. And they didn't have appropriate widths for fire trucks or building material, so it was really important. When we looked at it, without a considerable amount of money paid to remediation, upgrading, a lot of the buildings, it was cheaper to take them down. And that's definitely what happened with Building One and some of the other, larger buildings like Building 590, where our offices used to be at.

01-00:36:38

Rubens:

Is that where it was?

01-00:36:39

Gallo:

Yes, and now, well, I don't think it's rubble anymore. I think it's just now been flattened out with containers on top of it.

01-00:36:46

Rubens:

Yes, I think so. So did you have, well, I don't know if I should distinguish you personally from your group, OBRA- of how the base should be re-used. This is the first reuse plan that came out in 2002. And after that, I don't know if there were requests for proposals. But there was the potential, the Wayan Brothers were going to—

01-00:37:13

Gallo:

Well even before that—I'll have to look through some papers to get you the exact year, but at some point in time, I believe it was 2001, the City Council provided some input to the Oakland Base Reuse Authority that they wanted to proceed with a request for qualifications and a proposal process because they wanted to look at what was possible at the Army base. They selected the Opus West Corporation, who came in with a proposal because there's a great

amount of interest in an Eco Park. The Eco Park concept is primarily in Europe, which is where you bring, like, if you have an end product—for instance furniture, I think, was the example most commonly used to explain it. If you have a table, what do you need to build the table? Well, you're going to need the logging company to come in and bring in the logs, then you're going to need another company to help create the wood. Then you're going to need a manufacturing company to build the table. Then you're going to need perhaps another company to paint the table. So in that case, it's the whole cyclical process of production of a product.

The Opus West Company did come up with a proposal. They're a fine development company. It was frustrating because we couldn't make commitments to them about the footprint nor commitments to them about the status of the property in terms of environmental readiness, commitments to them regarding Tidelands Trust. Because at that time, the whole base was designated as a Tidelands Trust area. So it was very difficult for them to frankly come forward and us to arrive at a mutually beneficial deal. There were too many risks for the developers. That process ended, despite the fact that the City Council granted them an amendment or an extension of time. We just were not able to give them the certainty of the status of the property.

01-00:39:28

Rubens:

Was there someone on the City Council particularly pushing that?

01-00:39:33

Gallo:

I know that Council Member Nadel was very interested in the Eco Park concept. So after that, we really focused our attention on conveyance actions, and that's where, again, the State Lands Trust Legislation, the FOSET—

01-00:39:50

Rubens:

What is FOSET?

01-00:39:52

Gallo:

Finding a Suitability for Early Transfer. And that's related again to the remediation status of the property. So at the point in time after we had completed—let's see. 2003, the EDC and the FOSET were completed. 2004, around that time frame, we made our first attempt to do the State Lands, Tideland Trust exchange legislation. We made it all the way up to the governor's desk on the legislation, which essentially was to exchange a portion of the Tideland Trust out of Tideland Trust status and place it on another portion where the Port was going to have its part of the base property. That legislation, again, made it right up to the governor's desk. On the last day, it was rejected and was vetoed by the governor based on a recommendation from Caltrans. And that recommendation was based on Caltrans finding that it felt that it needed to exercise its authority as a state agency to try to receive more of the federal property. It actually had gotten into litigation, because the state took some of the property of the Army base. The courts found that they took it without the authority. We had to enter into a

settlement agreement, which we did, and subsequently as we were going through the legislative process, Caltrans then decided to pull in its chits for receiving additional property. We had to enter into a settlement agreement with Caltrans, which we did, and at that point in time they wanted six acres to expand their maintenance facilities out on along the Eighty. In exchange for that, they would support our second legislative attempt. The state legislation was approved, and it allowed for, again, the portion of property that the city was going to receive from the Army base transaction to be removed from the Tideland Trust area, and place that Tideland Trust designation upon the Port, left it on the Port's property.

01-00:42:20

Rubens: How much time difference was there?

01-00:42:22

Gallo: One year to the next, one year to the next. We went right to the next session. It did delay us a year, and there is still some impact being felt by Caltrans' taking six and a half acres. By Caltrans also continuing its lease of the western-most portion of the Army base property for the Bay Bridge Construction. But they are paying for it, and I think that's fair. So that is another revenue source that we were able to obtain for the city.

01-00:42:59

Rubens: It was both a roadblock and then revenue?

01-00:43:01

Gallo: Well, yes, but I think it was fair, that the state should not be able to prevent a local community from being able to pursue greater economic development activities. So we are in a fairly good working relationship with Caltrans right now, but it did take a good part, actually more than a year to get through some of these issues. At that point in time, this would have brought us up to July. Well, let's say early spring of '05. At that time, it was also planned that the Oakland Base Reuse Authority was going to cease its operation, because it was at that time we could move the project and program to the Redevelopment Agency of Oakland. So that's when we closed offices, that's when whatever remaining financial assets and responsibilities were brought to the redevelopment agency. Staff that was with the Oakland Base Reuse Authority were dispersed throughout the agencies or the city, I should say. And OBRA closed its doors. And I came to the redevelopment agency and worked on going back to the Oak Knoll project, I worked on the Oak Knoll project.

01-00:44:20

Rubens: That's in July of '05.

01-00:44:24

Gallo: So since July of '05, the council I believe in 2006 decided it was time to go out and search again for a master developer. And OBRA's no longer a functioning entity.

01-00:44:41

Rubens: And so it's the City Council's now?

01-00:44:43

Gallo: It's the City Council who, when it deals with the Oakland Army Base matters, it's the Oakland Redevelopment Agency. It's in a redevelopment area. So they were presented a proposal by the Wayan Brothers, which was a film, mix use development project.

01-00:45:07

Rubens: But would that have been for all the—how many acres were then?

01-00:45:10

Gallo: I don't know the exact acreage, Lisa. I think it was about ninety acres for film uses and the other acreage—and the city, the agency, actually has 170 acres it can develop. The other acreage was dedicated to some retail uses, a hotel uses. They in fact wanted to look at how to remove the restriction from having housing on site. There were a number of ideas. When the Wayan Brothers project failed and they weren't able to renew it, the staff then went to a process to solicit proposals from a larger group through an RFQ process. And then from the RFQ process, just in the last two months or so, they've gone to an RFP process from four respondents.

01-00:46:04

Rubens: And so what then were your responsibilities once OBRA closed and you came to redevelopment? Were you still the point person?

01-00:46:18

Gallo: No. Actually at that point, it was just primarily the implementation of the agreement. So the primary driver was the FOSET, and Andrew Clough, who came over to the redevelopment agency, he continued to manage the environmental portion, the remediation portion of that, in coordination with the Army. It was also some CEQA work that Elois continued to work on. John Monetta, who was our real estate person, he continued, because they had renewed some of the leases of some of the previous tenants. So he continued to work on that. Margaret Sullivan continued to work on the EDA program implementation. My role had been certainly no longer Executive Director, but often I was providing input to them on a historical issue or just finishing up some direction to them on some of the activities. But I didn't have an active role in it after that.

When I left OBRA's responsibilities, we had already presented, to certainly the OBRA and then to the City Council, one preliminary review of some development options through a development scenario that was being done for us by Design Community, DCE Group. And each one of those scenarios presented some development options that at some point in time the city could look at. Since we now knew, at that point in time, the environmental conditions, we had the ability to build given we had the title of the properties, we had already split the property between the agency and the Port, we knew

what was going to do and already paid out the Homeless Accommodation, we had already settled an agreement with the JATC, the Joint Apprenticeship Training Consortium. We had already purchased the Subaru site from the Army Reserves. We had already relieved the area, again, of Tidelands Trust through the legislation. And we had done several other hundred things. It was ready now to look at which of the development options did the city want to pursue? So that's the point where I left the organization. Now, the organization, while there's been a lot of progress made, they're still at the point of looking at land use choices that will be received from the four respondents.

01-00:48:54

Rubens:

Did you have a strong—this is what I was saying earlier. I didn't want to put you in an untenable position, but do you have a strong feeling about how that development should take place? Not the process, but what the development should be, what you think would be the best use of that land?

01-00:49:07

Gallo:

Well, I definitely think there are some opportunities for the city. I think a private development and the Port development can coexist. They can be complementary. They don't have to be in conflict. I had hoped by now that the city and the port had reached an agreement about infrastructure, roadways, traffic improvements, to support those themes of complementary development. In terms of where I was in July 2005 to where I am today, I had seen how the city does and I still believe the city needs definitely a higher-level entry development into the City of Oakland. It has a fantastic opportunity with the location of the Army base property as it is. With the creation of the new Bay Bridge, it'll have even a more tremendous visibility, given its location. Certainly there's an interest, I knew there was an interest, in major lifestyle retail development there that I think could definitely add sales taxes. Extremely important to any city. We have a tremendous leakage of sales tax, and so we often have to step out and see what's the biggest user or attraction.

So lifestyle retail is there, so I could see where that could have happened, backed up with some business park uses, which I think are still valid. I'm thinking business park use is more valid now. We have a number of possibilities with the spill over from the biotech industry of Emeryville. Certainly a number of companies are looking for locations so that they can operate more sustainable, meaning that—you know, a majority of San Francisco's companies, headquarter companies or even on the peninsula side, a lot of their employees live in the East Bay, and so from a commute, from an operational standpoint, if we had the ability to provide large floor plates for development or provide modern facilities, I believe we could capture a lot of them. There's nothing like that five to seven minute opportunity to get across to San Francisco.

So I didn't see it as a great opportunity to store containers, because there's no value in that. And I definitely believe it should be a job creation tool for Oakland and a revenue production opportunity. Eco Park, I don't think that was in and of itself sustainable because there's not that much manufacturing any longer in the United States, or certainly in this area. In terms of sustainable, yes, you can build sustainable or green facilities. That could work. So I do still think that—should it be an auto mall? I don't think so, and it doesn't appear that it's going to be that way because the auto industry is changing. What would work for Oakland, I think—we don't have those types of facilities that can attract large employers, and so we need to use that property in that regard. And create the appropriate buffers to allow for the Port's activities to occur.

01:00:52:43

Rubens:

Wow. I said that I'd be mindful of your time. We have just about five minutes, a little less. Is there anything else that you want to point me to that you think is important to talk about? Oh! I wanted to ask you about your rise in position here and seat. How did you come to be—what was the next move within your employ here?

01:00:53:10

Gallo:

Well, I came back to the redevelopment agency, like I said, in July of '05. And I think that it was difficult, I'll be honest with you, because it was quite a change of pace. I could see, I reentered and I had forgotten about a government bureaucracy. So I was very used to doing things quick and fast as that small organization was able to do. So my adjustment time was hard. On a personal level, the work that I was provided I appreciated, because I was asked to manage—when the Navy put the Oak Knoll property out for public auction, a number of developers were coming to Oakland to ask about what were our processes for entitlement? What was the city's interest in the site? What was the timeline for those processes? What information was available about the Oak Knoll property? So I was responsible for dealing with the developers on that.

We also had had a dispute with the Department of the Navy regarding the fact that we had already paid out the Homeless Accommodation for Oak Knoll, so that created value for the Navy. And we insisted and we were able to receive compensation for that. The compensation we received was 5.5 acres of property of the Oak Knoll property. And we took that because it gave us value, gives us value in terms of additional development or adding to the Oak Knoll development. Also as part of that, I was part of the and served as a project manager to merge the Oak Knoll redevelopment area, which is just the Oak Knoll property itself with the Central City East Redevelopment Area, which is the swath of property from the lake right along MacArthur International Boulevard up to a certain point in East Oakland, a very needy area. And our goal was to merge the two areas. Because we knew once Oak

Knoll was going to be developed, it was going to generate tremendous tax increment that could benefit the Central City East Redevelopment Area.

That was also a legislative process in and of itself to support that merger effort. We were able to do that. Then we provided the framework for a good portion of that new property tax to go to the Central City East Redevelopment Area. Obviously now with the Oak Knoll project on hold, the opportunity for that community, the Central City East community, to receive tax increment is going to be in a longer timeframe.

01-00:56:00

Rubens: What was going to be the essence of the project? Of the development at Oak Knoll?

01-00:56:06

Gallo: Well, it is or it could be up to 900 homes, new homes, market rate homes. 80,000 square feet of new commercial development. A new community center for that area. The new home for Seneca Center for Children, which is for emotionally disturbed children. A new Federal Credit Union, that's going to be on there. A lot of open space that would be there. So it's a major master development.

01-00:56:32

Rubens: And you just said earlier it's on hold now because of the financial crisis?

01-00:56:35

Gallo: The finances, yes, and the crisis with Lehman Brothers.

01-00:56:39

Rubens: But then what is your position in CEDA now?

01-00:56:41

Gallo: So after I did the merger project and the auction project, I was asked to come to the business development group and coordinate the business development group. And that's the group that's responsible for new business attraction, helping keep businesses in Oakland, retaining them, and then helping businesses expand. So that's what I do.

01-00:57:02

Rubens: So theoretically you'll be—

01-00:57:04

Gallo: Somehow I'll be back involved in both of these projects. Actually, I was just meeting with the SunCal folks, knowing this, of course, it was in the tea leaves that something was going to happen, because of the status of their financial partners. I believe it's on hold. That's all it is, until they find a new financial partner.

01-00:57:24

Rubens: Sun Cal's partner was Lehman Brothers?

01-00:57:26

Gallo: Yes. And that's for Oak Knoll.

01-00:57:29

Rubens: I want to check this camera very quickly, and I think we're done. Boy, I just learned so much from you. There just was a lot that I didn't know.

01-00:57:45

Gallo: So tell me about your project. So you're going to?

01-00:57:48

Rubens: Well, we're just trying to map out the different constituencies that have been involved with the Army base, including starting with the military, but we've having trouble getting enough military people.

01-00:58:00

Gallo: Well, a lot of them have changed a lot of positions. Have you talked to Lynn Kriegbaum, the Base Transition Coordinator?

01-00:58:08

Rubens: I met her at the planning meeting that gave the go to four projects to submit proposals. Have you been in touch with her?

01-00:58:20

Gallo: Yes. We're good friends, we've turned out to be good friends. I can provide you her number.

Rubens:

We've sent her an invitation letter. We just haven't heard from her. She must be busy right now.

01-00:58:28

Rubens: Yes, they actually are.

01-00:58:32

Rubens: Or you could put in a word and say we're ready to talk to her. Because that's what I understand, several narrators have commented on how competent she was.

01-00:58:35

Gallo: And she has a fantastic memory bank in terms of being able to provide you some names, you know.

01-00:58:53

Rubens: You know, at one point earlier you mentioned going to go over some of reports you were responsible for, but I don't think we need to do that. I think what we have to do is get copies of the reports. Just in closing, is there any other area that you think that we should have covered that we didn't? Well, I talked to a few community people. I can't quite get the overview from the community people, but that's fine.

- 01-00:59:16  
Gallo: I think that just demonstrates how it really wasn't—it was a small piece, the community versus representatives. Henry Gardner would be great.
- 01-00:59:28  
Rubens: Henry Gardner. And you mentioned somebody else, a lawyer I think. Bolt? What was his name?
- 01-00:59:34  
Gallo: George Moulton? I'm sure you've talked to him.
- 01-00:59:37  
Rubens: I have talked to George Bolton. Where—can I find Henry Gardner?
- 01-00:59:41  
Gallo: He's now the Executive Director of ABAG.
- 01-00:59:45  
Rubens: That's right, that's right. You think he would be good to talk to. I'll talk to Paul Nahm.
- 01-00:59:58  
Gallo: Phil Tagami Phil was on the board, he was the alternate for Mayor Brown when Mayor Brown was on our board. Because the Mayor was the chairperson of the board. So Phil was his alternate. Phil is also one of the respondents, the four respondents, to the new RFP. I think you should speak with Andrew Clough. That will give you an environmental perspective.
- 01-01:00:47  
Rubens: And where is he?
- 01-01:00:49  
Gallo: He's with the City of Berkeley, the Public Works Department. So you might want to catch him there.
- 01-01:00:57  
Rubens: Because of the environmental?
- 01-01:00:58  
Gallo: Curt Kidder I think, I don't know if you want to get that perspective from the attorney. Or Jennifer Hernandez was our consulting attorney, and Jennifer is very well-known in brownfield and environmental law.
- 01-01:01:12  
Rubens: Brown fill is-
- 01-01:01:18  
Gallo: Well, it's where a property has a remediation issue and in order to not necessarily have to dig it out, you can either contain it.
- 01-01:01:29  
Rubens: I see. I don't know how many more interviews we can do.

- 01-01:01:39  
Gallo: And these are all from the professional, technical perspective. If you're looking for more community perspective—
- 01-01:01:47  
Rubens: I think we almost have enough community. Well, what were you going to suggest?
- 01-01:01:50  
Gallo: I was going to say I can't really think of anybody off the top of my head. I mean, probably Nancy you should try.
- 01-01:01:56  
Rubens: I did talk to Nancy, George Bolton, Queen Thurston and also Ellen Wyrick-Parkinson.
- 01-01:02:11  
Gallo: John Brauer would be someone.
- 01-01:02:13  
Rubens: Yes. He was on my list.
- 01-01:02:18  
Gallo: John would be great.
- 01-01:02:20  
Rubens: He was representing the Homeless Collaborative?
- 01-01:02:23  
Gallo: Yes, but I don't know if he still works there or not.
- 01-00:02:26  
Rubens: Thank you so much. This was a tremendously helpful interview. I know I could be asking you more questions but I'll let you go, I know you have another meeting. So I may get back to you.

[End Audio File 1]