

CITY OF EMERYVILLE MEMORANDUM



TO: Mayor and City Council
FROM: Patrick D. O’Keeffe, City Manager
SUBJECT: Progress Report – February 2011

The following provides the City Council and staff with a summary of the activities of each department for the prior month.

CITY MANAGER

- Much of February was spent preparing to issue redevelopment bonds including conferences with the bond team and the rating agencies. The intent was to proceed with a long planned bond issue before the State adopted legislation that terminates redevelopment. Our intended bond issue would pay for capital improvement and affordable housing projects. On Wednesday 2/23 the State Department of Finance posted proposed legislation that would eliminate redevelopment and cease all activities of redevelopment agencies including the sale of bonds. Although the legislation was not yet adopted it forced us to suspend our bond sale due to the uncertainty it created regarding our ability to use the bond proceeds.
- Staff also spent considerable time lobbying the State legislature to reject the Governor’s proposal to eliminate redevelopment in order to balance the State budget. Staff and consultants also worked many hours to create agreements and transfer assets to try and protect redevelopment assets from state appropriation.
- Staff attended the annual League of California Cities City Managers Department meeting, and in particular workshops on pensions, post retirement benefits and use of social media. The first two topics were sobering in terms of the liabilities that California cities face to fund retirement costs. The majority of cities in our state are negotiating cost containment provisions in their labor agreements including two tier pensions, requiring employees to pay a portion of the PERS retirement dues, and limiting city payments for post retirement health care benefits. These costs are current

drains on General Funds and that have long term liabilities that will continue to grow absent some limitation and restraint. Without reform cities are currently, and will continue to trade off services that can be provided to their residents in order to pay for employee retirements.

- Staff was asked to make a presentation at a conference jointly sponsored by the California Redevelopment Association and the International Council of Shopping Centers regarding successful strategies for attracting and maintaining retail. Panelists also included representatives from Walnut Creek and San Jose. Strategies were discussed for both regional retail and neighborhood retail.
- At the invitation of the Mayor, staff attended a meeting sponsored by the SF Business Times to discuss how the East Bay is a hub for innovation. The meeting included representatives from business in the immediate area, UCB and various cities. The roundtable discussion that ensued was particularly focused on the role that the university plays in creating new technologies that are turned into new businesses. Two bits of information stood out: 1. UCB estimates that 10 to 15 technology/bio science based business ideas are created by the university on an annual basis; 2. the greatest need that growing innovative businesses have is space.
- Staff met with representatives of Novartis to discuss their plans to resume construction on their campus for space that will house the 150 researchers/scientists that will comprise the infectious disease unit that is being moved from the east coast to Emeryville.
- City Manger and Public Works staff met with engineers from East Bay Municipal Utility District (EBMUD) to discuss the unusual amount of water line breaks in Emeryville over the past year. These have been particularly problematic for our labs in Emerystation and elsewhere that require an uninterrupted supply of water. EBMUD confirmed that 2010 had a spike in breakages and twice as many as the average year. We discussed lines that are scheduled for replacement and requested that an additional line be added near Emerystation. Replacement needs are not driven as much by the age of the pipe as the material the pipe is made from.
- Staff started negotiations with EUSD staff for a successor memorandum of Understanding (MOU) to take the Center of Community Life project through the construction drawings stage. The current MOU will expire in June. EUSD will sell bonds before then and will have the resources to commit to paying the majority of the design costs over the next 18 months of the project. A draft of the agreement will be reviewed with the City School Committee at its April meeting.

- Per Council direction, as follow up to the Capital Improvement Program (CIP) workshop, staff developed a CIP survey that was mailed to all Emeryville residents and residential/commercial property owners. Staff estimates that about 250 surveys were returned. Since the CIP workshop/Special City Council meeting scheduled for March 15 has been postponed due to uncertainties regarding redevelopment funding, staff will post an electronic survey to provide additional opportunities for the community to have input on the CIP. All of the survey results will be provided to Council before the next scheduled CIP workshop.

The CIP sets priorities for building the City's infrastructure, such as parks; sewer/storm drain improvements; pedestrian/bicycle network; traffic/street improvements; affordable housing; and community facilities, such as the proposed Emeryville Center of Community Life (ECCL), the Emeryville Arts Center, and renovations to the City's Police Department building. The Redevelopment Agency provides most funding for CIP projects, with some funds also coming from the City's General Fund or state/regional/federal grants. The CIP Plan is updated every 2 years. If redevelopment is eliminated per the Governors proposal to balance the State budget, the CIP budget will shrink dramatically and will be limited to a few smaller projects that can be funded with City General Fund surpluses and outside grants.

- Staff continues to work with the cities of Berkeley and Oakland as well as PG&E to strategize how best to further energy efficiency and related climate change/"green" practices, especially for the commercial and multi-family sectors. As part of this strategy, staff attended a meeting of the proposed East Bay Environmental Network (EBEN), a consortium of businesses and developers, interested in working collaboratively on sector specific strategies to further environmental initiatives based upon the belief that environmental initiatives can support corporate profitability and success. The meeting was convened by Bayer Laboratories, the City of Berkeley's Energy Office, and PG&E, and was attended by Emeryville businesses, including IKEA, Wareham Properties, and Clif Bar as well as the Executive Director of Emeryville's Chamber of Commerce.
- Staff has been working with the Emeryville Transportation Management Association (TMA) and interested individuals to develop a Department of Transportation (Caltrans) Community Based Transportation Planning (CBTP) grant proposal to conduct a study to consider regional transportation options, to better connect Emeryville, West Berkeley, and parts of Oakland, including considering the feasibility of a fixed light rail or tramway (Emeryville-Berkeley-Oakland Tramway or EBOT). Staff plans to submit a request for City Council support of the grant application at the March 15th City Council meeting.

- The “2nd/4th Tuesday ENEWS, the City’s electronic newsletter was distributed on February 8 and 22. The February 8 edition featured articles regarding the Governor’s proposal to eliminate redevelopment and the impact on Emeryville’s planned capital improvement and economic development as well as affordable housing programs; the new Emery Unified School District quarterly newsletter, the Emery X-Press; household hazardous waste collection programs; the community-wide Capital Improvement Plan (CIP) survey and AC Transit workshops regarding proposed service cutbacks and the February 22 edition featured articles on the community-wide CIP survey; the Read Across America Day activities being held in the City’s public schools; and Alameda Countywide Transportation Plan workshops . Both newsletters announced that the Emeryville Child Development Center was now accepting applications for enrollment and provided information on the Thursdays Emeryville Farmer’s Market adjacent to City Hall. Interested community members can read the electronic newsletter on-line from the City’s website: www.emeryville.org or can subscribe and have the newsletter sent directly to their email address. Information on how to subscribe/unsubscribe is listed at the bottom of each e-newsletter.