

CITY OF EMERYVILLE MEMORANDUM



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

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

CITY MANAGER

- Legislation (AB 1250) was introduced in the State Assembly to reform redevelopment as an alternative to killing it as the Governor has proposed. Fifteen democratic legislators have decided to co-author the bill. This is a significant positive movement to retain redevelopment since the death legislation (AB 101) failed to obtain Assembly approval approximately one month ago by a single vote. Emeryville staff and Council Members continue to contact our legislators to urge adoption of the reform bill and support a more moderate stance of “mend it don’t end it” since the majority of our funding for affordable housing and the Capital Improvement Program depend on redevelopment funding.
- The Mayor and staff welcomed a representative of our newest headquarters business Santen (optometry related vaccines and eye care products) which will relocate to the Watergate office complex from Napa. We provided info for their employees (such as our homebuyer programs) as well as info on how to plug into the community through the Emery Ed Fund and other organizations.
- On the same day staff and Council members attended a welcome reception for the new EUSD Superintendent, Debra Lindo, who will assume her new post on July 1st. We also attended a reception later in the month for outgoing Interim Superintendent John Sugiyama who generously put aside his retirement to give three years of outstanding leadership to the district.
- Staff met with Oakland’s Interim City Manager (at his request) to discuss a possible 3-5 year agreement between Oakland and Emeryville for the

provision of library services (Emeryville currently receives library services, including reciprocal privileges throughout the statewide library system, through the Oakland Public Library and about 2,730 Emeryville residents are library card holders). Under an agreement, made with Oakland's previous City Manager, Emeryville agreed to pay \$120,000 for library services, starting in FY10-11 and \$85,000 for services rendered but not invoiced in FY09-10. The City's FY11-12 budget contains \$120,000 for the continuation of library services, however, a multi-year agreement was never finalized and Oakland has become interested in renewing discussions regarding compensation for these services. In particular, Oakland is interested in developing a standard formula for assessing the contribution of outside agencies that wish to receive library services through Oakland (the City of Piedmont also received library services through the Oakland Public Library).

After the meeting, City staff concluded that library service discussions with Oakland should be delayed until after the start of FY11-12. Oakland is facing at least a \$58million budget deficit and may be forced to drastically curtail city services in order to balance the City's FY11-12 budget, unless labor negotiations and/or tax measures can result in cost savings or increased revenue. If Oakland adopts a "cuts only" strategy for balancing the City's budget, then the City plans to close fifteen (15) out of the nineteen (19) Oakland public libraries, including the Golden Gate Library, which is considered Emeryville's branch library. Only the Oakland Main Library, 81st Street (East Oakland), Dimond (East Oakland), and Rockridge libraries would still operate, thus greatly impacting Emeryville residents to access library services. Emeryville residents would still have access to other public libraries within the statewide reciprocal library system, such as Berkeley and Alameda County-operated libraries (such as Albany). However, if Oakland closes virtually all of their public libraries, Berkeley and Alameda County may revise the current policy of not charging fees for reciprocal library privileges. Therefore, staff believes that it is in the City's best interest to delay future negotiations until these issues are resolved.

- Per Council request, staff met with the three largest businesses in the City as well as the Chamber of Commerce, to discuss the potential impacts of the proposed increase in the Business License Tax rate and cap which the Council later in the month decided to place on the ballot for voter consideration. As a result of these discussions staff learned that the cap increase would not yield the amount of additional new revenue to the General Fund that was originally anticipated, and that the majority of the new revenue would result from an increase in the rate affecting all businesses. It is estimated that the Council approved increase in the cap and rate will yield approximately \$900,000 annually, which will offset a portion of the \$2.6 million in budget, staff and service reductions that have been made over the past two years due to declining sales and hotel tax revenues.

- Staff met with the managers of the two Emeryville Marinas and Bob Cantor from the Chamber to strategize on how to take advantage of potential business that could spin off of the Americas Cup event in SF Bay in 2013. The group decided to form an ad hoc committee to continue to meet and implement ways to promote our hotels, restaurants and other businesses to participants and spectators of the event. It was agreed that Emeryville will not be a prime viewing location for the race but will offer an affordable and attractive alternative to staying in more expensive SF lodging. It was also recognized that there will be activities leading up to the actual races that will require supporters of the event to visit the Bay Area over the next 18 months. Staff asked Bob Cantor to assist for the City pursuant to our contract with the Chamber to promote business activity.
- Staff and the Mayor met with EBMUD Director Andy Katz and EBMUD staff to express concern about the recent rash of water line breaks in the vicinity of Powell/Hollis and what it means for the lab businesses in the area that are dependant on a constant water supply for their activities and experiments. Representatives from Novartis and Wareham also participated and we discussed short term improvements that need to be made to the system, as well as long term growth plans that will need to be fed into the EBMUD facilities improvement plans. A similar meeting is scheduled in June with P.G.&E.
- Staff and the Mayor met with representatives of Bayer (at the request of Bayer) to discuss their plans to move operations out of the Novartis campus at the end of the Novartis lease in two years. Their move from Novartis was not a surprise as the lease was for 6 years to allow Bayer to absorb the new business, and we knew they did not want to continue to operate long term in the campus of a competitor. What was a surprise was their decision to move the business out of the country as opposed to Berkeley. This leaves space for Novartis to continue to expand within their own facilities in the future.
- City Clerk staff continues to work on several projects, including the following: developing a clear and comprehensive set of guidelines regarding the City's advisory bodies; developing an "Emeryville 101" interactive workshop for City staff; developing an electronic tracking system for public records requests; expanding and improving the City's community outreach initiatives and procedures; and converting the City's paper-based records management system to an electronic-based system.
- Staff has been working with outside legal counsel to consider the City's options regarding how the City continues economic development and affordable housing initiatives and conducts the City's general operations and bonding procedures, given the currently proposed State plan (AB101 and SB77) to eliminate redevelopment agencies, effective July 1, 2011. In addition to being the governing body of the City's redevelopment efforts, the Emeryville Redevelopment Agency is part of two joint powers authorities in

conjunction with the City of Emeryville: the Management of Emeryville Services Authority (MESA) and the Emeryville Public Financing Authority (PFA). MESA was created to employ non-sworn staff represented by SEIU 1021 (formerly SEIU 790), CAMP (previously unrepresented employees) and executive and unrepresented staff (City Manager, Assistant City Manager and City Attorney) and the PFA was created to issue bonds and other debt obligations. If the State Legislature adopts, and the Governor signs, the pending State legislation to terminate redevelopment agencies in its current form, the Agency would be eliminated as of July 1, 2011. If the Agency is terminated, then both joint powers authorities also would terminate, unless the City and Agency add another party to each agreement, because a joint powers authority requires at least two public agency members. The possibility of MESA ceasing to exist is particularly problematic because the employment status of SEIU, CAMP, and the executive and unrepresented staff employees would be uncertain and essential City services would be impaired during the time period required for staff to be reemployed by the City at much greater cost (approximately \$500,000 per year). City staff plans to submit a proposal to the City Council to address these issues at the June 7, 2011 City Council and Redevelopment Agency meetings.

- The “2nd/4th Tuesday ENEWS, the City’s electronic newsletter was distributed on May 10 and 24. The May 10 edition featured articles on Debra Lindo, the Emery Unified School District’s new superintendent; and invited the community to attend several events, including a workshop on the City’s proposed Pedestrian/Bicycle Plan, Emeryville Chamber of Commerce’s 25th Anniversary, Bike to Work Day, and Relay for Life fundraiser. The May 24 edition had an article about the proposed amendments to the business license ordinance (the proposed ballot measures would remove the maximum tax cap for businesses making more than approximately \$146 million in gross annual receipts and would raise the business fee from 0.08% to 0.10% of gross receipts); gave an update on the City’s FY10-11 and FY11-12 operating budget; announced that Emeryville was a finalist for the Lawrence Berkeley Laboratory campus expansion location; had a story about Emeryville students taking sailing lessons through a non-profit organization; announced a workshop on how to refinance and/or avoid predatory loans and how to prevent/manage home foreclosure; announced a workshop on the City’s proposed sustainable transportation plan; and announced that the City Council was looking for community members to serve on the Finance Advisory Committee. 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 subscribe and have the newsletter sent directly to their email address.