



# City Manager's Weekly Update

Week ending January 27, 2012

## UPCOMING MEETINGS

- 1/30** City Council Ethics Training, 6:00 p.m., Dave Karp Room, Main Library
- 2/2** CC/SLUSD Liaison Committee Meeting, 4:00 p.m., Sister Cities Gallery
- 2/3** Finance Committee Meeting, 8:15 a.m., Sister Cities Gallery
- 2/6** City Council Meeting, 7:00 p.m., Council Chambers
- 2/7** Shoreline-Marina Committee Meeting, 4:00 p.m., Sister Cities Gallery
- 2/9** Business and Housing Development Committee Meeting, 4:00 p.m., Sister Cities Gallery
- 2/13** **Lincoln's Birthday Holiday, City Offices Closed**
- 2/14** Facilities and Transportation Committee Meeting, 4:00 p.m., Sister Cities Gallery
- 2/14** City Council Work Session, 7:00 p.m., Helen Lawrence South Offices Conf. Room
- 2/17** Finance Committee Meeting, 8:15 a.m., Sister Cities Gallery
- 2/20** **Washington's Birthday Holiday, City Offices Closed**
- 2/21** City Council Meeting, 7:00 p.m., Council Chambers

**To: City Council**  
**From: Lianne Marshall, Interim City Manager**

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This is my last Weekly Update as Interim City Manager. I would like to thank the City Council for the opportunity to serve in this capacity during the past seven months. It's been a great experience. And, I would like to welcome Chris Zapata as the City's new City Manager.

## Mark Your Calendar

Coffee with the Cops (flyer attached)

**Tuesday, February 7, 8:00 to 9:00 a.m., Creekside Bistro, 500 Davis Street (entrance on San Leandro Boulevard)**

- Police Officers, Detectives and the Police Chief will be discussing crime trends in neighborhoods. They will be available to answer questions, offer tips and provide information on topics of interest. Members of the Police Department's Crime Prevention Unit and Code Enforcement Section will be on hand to speak with residents about enhancing Neighborhood Watch Programs and other strategies to reduce crime.

Introducing Lit San Leandro Workshop and Reception (reminder)

**Tuesday, February 7, 3:00 p.m., OSISOFT Headquarters, 777 Davis Street**

- The City and OSISOFT are co-sponsoring a workshop for real estate professionals on February 7 to inform them about Lit San Leandro and the business opportunities it provides.
- Approximately 150 invitations were mailed to real estate professionals, broadband industry players, businesses leaders and politicians last week. The workshop will focus on the technical aspects of Lit San Leandro and how this new infrastructure opens opportunities for businesses to locate in San Leandro. Workshop space is limited to 75 and RSVPs are required. The invitation-only workshop will be followed by a 5:00 p.m. reception, which is open to all.

## Council Information

Water Pollution Control Division (WPCD) Staff Recognized by CWEA (photo and staff report attached)

- The Public Works Department is proud to announce that two of its WPCD staff have been honored as outstanding wastewater professionals in the San Francisco Bay Area by the California Water Environment Association (CWEA). This is the fourth year in a row that the City of San Leandro has received awards. This year the City won two of the most coveted awards: Operator of the Year Jorge Hernandez - recognizing an individual with outstanding performance in the field of wastewater plant operations, and Supervisor of the Year Rick Orta - recognizing an individual who shows exemplary organizational and personal skills, successful mentoring,

professional development, and effective communications between staff and management. Rick was also recently recognized as the Employee of the Quarter for the City. Congratulations to everyone!

#### San Leandro Police Department (SLPD) December Crime Statistics (view statistics [here](#))

- The end of the year total for part one crime shows crime slightly up (4% over 2010). The 5-year average is 4370. Based on this, when comparing the 2011 total of 4048 to the 5-year average, crime is down 7%.
- The crimes that were significantly up were murder at 75% (triple homicide) and rape at 80% (the majority of the suspects are known to the victims).

#### Daily Review Article (article attached)

- The attached article, *'Liveaboards' at the San Leandro Marina Want to Hang onto their Floating Homes*, depicts recent coverage on the San Leandro Marina. The City has also been contacted by KPIX Channel 5 in regard to a follow-up story.

## Council Follow-Up

#### Outdoor Lighting at the Main Library

- In the last two years, staff has been made aware of two complaints about the outdoor lighting at the main library. The latest complaint was brought up at a City Council meeting at the end of 2011. This memo provides background information on the lighting at the main library and the solutions that the Public Works Department has implemented to address the lighting concerns.
- The outdoor lighting at the main library was designed to highlight the architectural and landscape features at the renovated library. Virtually all of the lighting in the plaza is ground level uplighting to highlight the building and landscaping. The building has recessed soffit lights and uplights around the outside perimeter that further showcase the building. The plaza itself relies on ambient light since direct lighting would wash out the dramatic lighting effects. The parking lot has its own pole mounted lighting system with “shoebox” style fixtures.
- The focus of the first complaint from two years ago was on the parking lot lighting. Public Works responded to the initial complaint by providing additional lighting in the rear of the library parking lot. After the most recent complaint, staff analyzed several options and recently installed three additional lights on the parking lot light fixtures closest to the plaza. The lights are intended to provide direct lighting to the curb area by the entrance to the plaza. The cost for this additional lighting was just under \$1,000, including labor and materials, and will be absorbed by the department’s operating budget.
- Staff is hopeful that the additional lighting at the front of the parking lot will help alleviate the concern about the visibility of the curb at the entry to the plaza. If this latest attempt at improving lighting is unsatisfactory, or if concerns with the outdoor lighting are much broader than the curb area, than the scope of the project is beyond staff’s expertise and budgetary authority and should be added to the Capital Improvement Program list of potential projects.

## Businesses in the News

#### San Leandro Businesses in the News (articles attached)

- San Leandro’s **Energy Recovery Inc. (ERI)** has been awarded four new patents from the United States Patent and Trademark Office in 2011, the most approved in any one year in the Company’s history. All of the patents were related to ERI’s game changing Pressure Exchanger technology.
- **OSIsoft** has been selected as a technology provider to the Western Electricity Coordinating Council’s (WECC) Western Interconnection Synchrophasor Program (WISP). The OSIsoft PI System will provide the data collection and management infrastructure required by WISP in several areas related to storing and visualizing data that has been collected for use by grid operators to monitor the Western Interconnection.
- **Lit San Leandro** has continued to receive positive press coverage including a February 16 article in the Daily Review, two stories on KQED, one of which included an interview with Dr. Patrick Kennedy,

and Governor Jerry Brown re-tweeting Mayor Cassidy's tweet regarding the project. Listen to the interviews at the following links:

- <http://www.kqed.org/a/kqednews/RN201201180633/c>
- <http://www.kqed.org/a/kqednews/RN201201170733>

## Correspondence from Other Agencies

### Alameda County Fire Department (ACFD) – City of Emeryville Contract

- Last week, Alameda County Fire Fighters Association (ACFFA) President John Torres and Chief Sheldon Gilbert attended a work session of the Emeryville Fire Service Working Group, which consisted of the Mayor, a Councilmember, an Emeryville Fire Labor Representative and a community member. Stu Gary from City Gate Associates, Emeryville Fire Chief Kevin Johnston and the City Manager were also present. The purpose of the meeting was to finalize a recommendation to the City Council regarding Fire Services in the City of Emeryville based on the issued RFP and responses.
- The Working Group unanimously supported the Emeryville staff's recommendation to forward to the City Council that the City enter into contract negotiations with the ACFD to contract for fire services with a proposed start date of July 1, 2012. Previous to the meeting, the Emeryville Fire Fighters Labor Group also took a vote and overwhelmingly supported the recommendation. This continues to point to the excellent work the ACFD Administration and ACFFA have done to share their philosophy and the benefits of their service delivery model.

### League of California Cities

- *Legislative Leaders Block RDA Dissolution Extension Bill* (memo and article attached)



# San Leandro Police Department

## **COFFEE WITH THE COPS**

*Meet members of the San Leandro  
Police Department*

The San Leandro Police Department invites  
community members to join them at:

Creekside Bistro  
Tuesday, February 7, 2012  
8:00 am – 9:00 am



Police Officers, Detectives and the Police Chief will be discussing crime trends in your neighborhood. They will be available to answer your questions, offer tips and provide information on topics of interest. Members of the Police Department's Crime Prevention Unit and Code Enforcement Section will be on hand to speak with residents about enhancing Neighborhood Watch Programs and other strategies to reduce crime.

**"Coffee with the Cops"** is a program implemented by the San Leandro Police Department in an effort to enhance communication between community members and the Police Department. Meetings will have an informal format, designed to be informative regarding public safety and quality of life issues that impact your neighborhood. This will be a monthly presentation at locations throughout the community.

**TUESDAY, FEBRUARY 7, 2012**

**Creekside Bistro  
500 Davis Street**

This is a publication of the Crime Prevention Unit,  
San Leandro Police Department  
901 East 14th Street, San Leandro CA 94577

Please contact Officer Kerri Kovach if you have questions:

510-577-3252 or [kkovach@sanleandro.org](mailto:kkovach@sanleandro.org)

**City of San Leandro Water Pollution Control Division Staff Recognized by CWEA**



Rick Orta and Jorge Hernandez recognized as outstanding wastewater professionals.

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**CITY OF SAN LEANDRO**

**MEMORANDUM**

**DATE:** January 25, 2012

**TO:** Lianne Marshall, Interim City Manager  
City Manager's Office

**FROM:** Mike Bakaldin, Director  
Public Works Department

**BY:** Dean Wilson, Manager  
Water Pollution Control Plant

**SUBJECT:** WATER POLLUTION CONTROL DIVISION STAFF RECOGNIZED BY CWEA

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**SUMMARY**

The Public Works Department is proud to announce that two of its WPCD staff has been honored as outstanding wastewater professionals in the San Francisco Bay Area by the California Water Environment Association (CWEA). This is the 4<sup>th</sup> year in a row that the City of San Leandro has received an award. This year the City won two of the most coveted awards: Operator of the Year Jorge Hernandez - recognizing an individual with outstanding performance in the field of wastewater plant operations, and Supervisor of the Year Rick Orta - recognizing an individual who shows exemplary organizational and personal skills, successful mentoring, professional development, and effective communications between staff and management.

## **BACKGROUND AND DISCUSSION**

Jorge Hernandez, a member of the treatment plant team since 2004, was presented with the 2011 Operator of the Year Award. He was recognized in part for his involvement with plant safety, including writing hypo delivery and handling procedures and safety signage and labeling throughout the plant. Jorge is continually recognized by Public Works as a “Sick Leave Star” for his excellent attendance. He can be counted on to cover shifts and respond and report quickly for storm events or emergencies. He also has Laboratory Analyst certification and his cross-discipline capabilities improve facility efficiency and flexibility.

Supervisor of the Year Award winner Rick Orta has been with the City for 22 years, the last 9 as the Street Supervisor responsible for collection system maintenance. Rick is responsible for scheduling, inspection and maintenance of the City’s sewer and storm drain systems, responding to surcharges, spills and emergencies, and evaluating conditions and recommending corrective action. Rick’s award reflects his organizational skills and attention to detail. He has grown the capabilities of the Section including implementation of a comprehensive maintenance management system, significant improvement to tools and equipment, and safety and skills training. Under his leadership the collections group is an award winning operation and is comparable to the top programs in the state.

Hernandez and Orta now compete against other section winners for the California Water Environment Association’s State Award in April.

The San Leandro Water Pollution Control Plant is entrusted with the job of protecting the environment with the utmost integrity, ensuring efficient operation and maintenance of the conveyance and treatment of sewage while ensuring discharge permit regulations are met and formally reported. Operating 24 hours a day, seven days week, 365 days a year, 2,000,000,000 gallons of water was processed last year and 150,000,000 was recycled for use as golf course irrigation.

# 'Liveboards' at the San Leandro Marina Want to Hang onto their Floating Homes

By Eric Kurhi, Hayward Daily Review

Posted: 01/26/2012 12:00:00 AM PST

Patricia Sherwood and her crew -- a pair of parakeets and a hoary, dreadlocked cat named Morka -- share a modest cabin on Sabrina, a 26-foot sailboat that she's docked at the San Leandro Marina for 14 years.

Life aboard Sabrina is tranquil, with prime weather and sunsets worthy of a postcard. And it's thrifty -- for less than \$400 a month, berthholders like Sherwood can have a roof overhead and a deck underfoot at waterfront accommodations on San Francisco Bay.

But there's a problem lying just below Sabrina's hull: a relentlessly rising bed of silt brought in by the tides.

Mother Nature wants her mud flat back.

San Leandro can't afford moving the muck to keep the harbor operational, and it's estimated that Sherwood and about 40 other "liveboard" marina residents have two or three years before they'll be forced to sail for less muddy waters.

Marinas don't come cheap, and while other communities around the bay have been able to keep boating operations afloat despite tight times, San Leandro has a bigger challenge because of a two-mile long channel necessary to connect the harbor to deeper waters.

Officials still are discussing what will eventually become of the harbor. Last fall, a city committee advanced a plan to keep the docks for as long as feasible, then turn it into an aquatic park. That would mean islands and amenities to attract plants and wildlife, a boardwalk and vista areas for pedestrians, but waterways only suitable for canoes, kayaks and other small craft.

## **Harbor's Future**

Sherwood is not even sure her boat could go anywhere if it had to move.

"I don't know what I'll do," she said, dabbing a tear. "I have no clue. It's terrible, and I'm not going to think about it. I feel like I've just been dumped on."

The fate of the boat harbor is tied to a larger vision for 40 acres of the marina that includes a 200-room hotel, office complex, retail shops, 188 residential units, two new restaurants, a library and a community center.

The city and developer Cal-Coast are working out an exclusive negotiating agreement that is scheduled to go to the City Council around March.

At previous meetings, speakers have expressed a desire to keep at least some of the boats. It's a pretty universal sentiment -- officials and the developer acknowledge that a harbor makes the area more desirable but say it's simply no longer a fiscally viable option.

When the marina was created in 1963, then-Mayor Jack Maltester used his considerable clout in Washington, D.C., to get federal funding for the early dredges.

"You didn't need a hell of a lot of arguments," he told the Daily Review in 1996. "These people were friends of mine."

Officials were caught up in creating something worthy of civic pride, Maltester said, and dredging costs were underestimated. Environmental laws that would add millions to the cost didn't yet exist.

### **Funding Dilemma**

Since then, intensive lobbying has secured money for much of the work, with the last full dredge in 2001 and a partial dredge in 2009. The boat basin itself hasn't been mucked out since 1997, and the city has always picked up that tab.

But now funding sources have dried up, said Cynthia Battenberg, San Leandro's business development manager.

Since Hurricane Katrina, federal dollars have been going to levees and projects aimed at public safety, she said. Commercial harbors also can find funding, but San Leandro isn't home to anything but pleasure craft.

"There's no money for recreational harbors," she said.

Mayor Stephen Cassidy added that earmark spending for specific local projects was eliminated when Republicans took over the House of Representatives in 2010.

Oliver Campbell, an air traffic controller at nearby Oakland International Airport who has lived on his yacht for six years, doesn't think the city is trying hard enough. He said he can't think of a better investment for San Leandro than keeping the harbor alive.

"I coined the phrase, that this is the 'jewel of the city,' " he said. "When I hear other people say that, and then talk about getting rid of the harbor, it makes me choke."

Campbell, who often cruises his 60-foot yacht and is familiar with many bay marinas, said other cities know what they have in a boat harbor. He pointed to the San Jose community of Alviso, where a boat ramp and piers opened in 2010 amid boosters talking about it one day becoming the "Sausalito of the South Bay."

"Everyone is doing something, and we're trying to close this," he said. "This is what sets the city apart from everywhere else. They want a shoreline? The whole damned bay is a shoreline."

He said the city turns a blind eye to the potential of the harbor, otherwise officials wouldn't balk at allocating dollars to keep it running.

"Then boaters will come and revenue will go up," he said. "Build it and they will come, but only if you build it right. Don't build something stupid -- that's no way to make money."

San Leandro did a study of other bay marinas in 2005 and found that all needed subsidies to stay afloat. And there's a big difference in cost for San Leandro, said Battenberg, because of

the two-mile channel that needs to be excavated to keep the harbor connected to the Bay at a cost of about \$1.5 million to \$2 million annually.

"We did not find any other marina that had more than a quarter mile of dredging that they were responsible for," said Battenberg, who added that despite that advantage, no marina they looked at turned a profit.

"If citizens want to keep their harbor, they have to let the city know they are willing to pay an assessment, or have the city spend its money on the harbor rather than other areas," she said.

### **Public Opinion**

The city conducted a voter survey in 2007 to find out if people would be willing to pass a parcel tax to keep the marina. It found that while residents like the boats, less than half were willing to pass a tax, which would require a two-thirds vote.

"We all enjoy the Marina and wish for the boat harbor to remain," wrote Cassidy in an email. "But the majority of San Leandrans wish for it to be economically sustainable and not become a drain on our strained city budget."

The 2007 survey backs up Cassidy's sentiment. Only 2 percent of those polled said closure of the boat marina is a main concern, with the biggest issues being education, growth, development and crime.

Liveaboards share those concerns, Campbell said. They want to see growth and development at the Marina, and would like bustling restaurants and shops to replace fenced-off, blighted and cat-infested properties, such as the former boat maintenance shop, or site of the old Blue Dolphin, once the hottest restaurant in town.

They want to see this jewel of San Leandro polished, but want to live there, too.

Most harbors in the bay accept liveaboards, but are restricted to using 10 percent of the berths for that purpose. As a result, waiting lists can be long and private harbors that have available slips are considerably more expensive.

And besides, said Campbell and Sherwood, they and other liveaboards consider themselves San Leandro residents, and want to keep it that way.

"A lot of people, and at the end of the day," Campbell said, "they're fighting for their homes."

Contact Eric Kurhi at 510-293-2473. Follow him at [Twitter.com/erickurhi](https://twitter.com/erickurhi).

# Energy Recovery Inc Granted Record-Setting Number of New Patents

## Company Leads Innovation, Doubles New Patents in 2011 for its Game Changing PX Technology

Press Release - Jan. 26, 2012, 8:00 a.m. EST

**Energy Recovery Inc**, a leader in the design and development of energy recovery devices and pumps for desalination and other industrial processes, today announced that it was granted four new patents from the United States Patent and Trademark Office (USPTO) in 2011, the most approved in any one year in the Company's history. All of the patents were related to Energy Recovery Inc's (ERI) game changing PX(TM) Pressure Exchanger technology, including its application into osmotic power production.

As a leader and innovator of clean technologies at the intersection of water and energy, ERI is developing innovative solutions that change the economic and environmental impact of industrial applications. The new patents reinforce ERI's commitment to research and development, both in securing intellectual property and unique applications. ERI's recent patent awards are further confirmation of the company's commitment to expanding into new markets with disruptive technologies.

"We are dedicated to creating new and enhanced technologies within our existing markets and beyond. By forging ahead with new technologies, we are developing next-generation products that are critical to the water industry as well as other industrial fluid applications requiring energy efficiency solutions," said Tom Rooney, chief executive officer at ERI.

### About Energy Recovery Inc

Energy Recovery Inc. designs and develops energy recovery devices and pumps that significantly reduce energy consumption for desalination and other industrial processes. In total, Energy Recovery has more than 12,000 devices installed worldwide, helping to save an estimated 10 billion kilowatt hours of energy per year. The company is headquartered in the San Francisco Bay Area with offices in key centers worldwide, including Madrid, Shanghai, and Dubai. For more information about Energy Recovery Inc, please visit [www.energyrecovery.com](http://www.energyrecovery.com) .

SOURCE: Energy Recovery Inc

# OSIsoft Announces Its Selection as a Technology Provider to the Western Electricity Coordinating Council's Western Interconnection Synchrophasor Program

January 25, 2012 09:07 AM Eastern Time

OSIsoft, LLC ([www.osisoft.com](http://www.osisoft.com)) the leader in real-time data infrastructure solutions, today announced its selection as one of the technology providers to the Western Electricity Coordinating Council's (WECC) Western Interconnection Synchrophasor Program (WISP). The OSIsoft PI System will provide the data collection and management infrastructure required by WISP in several areas related to storing and visualizing data that has been collected for use by grid operators to monitor the Western Interconnection.

**"Advances in software and hardware are greatly improving our ability to monitor our grids and greatly increase reliability. Recent advances in the PI System bring the computing speed and scale required for WISP."**

Funded in part by a grant made available to the USDOE American Recovery and Reinvestment Act of 2009 (ARRA), WISP is designed to improve the reliability and efficiency of the bulk electric system in the Western Interconnection. WISP involves high speed measurement of electricity grid properties using phasor measurement units (PMU). Measurements from over 300 PMUs will begin to be collected and archived in OSIsoft's PI System over the course of the project. Other aspects of the program include advanced analysis tools performed on the data in near real-time to detect evolving disturbances in the grid. WISP, scheduled for completion in March 2013, will act as an early warning mechanism allowing grid operators to take actions to help avoid wide spread blackouts. When completely deployed, the PI System will collect data from over 2,000 unique signals at an aggregate rate of over 150,000 measurements per second.

In addition to PMU data collection and management, the OSIsoft PI System also provides analytic and visualization tools to WISP. The OSIsoft PI System will assist WISP in the creation of a Wide Area Visualization tool for WISP participants allowing for integration of PMU data with traditional grid information. "Advances in software and hardware are greatly improving our ability to monitor our grids and greatly increase

reliability. Recent advances in the PI System bring the computing speed and scale required for WISP,” says Dr. Chuck Wells, OSIsoft’s Center of Excellence engineer.

### About OSIsoft, LLC

OSIsoft ([www.osisoft.com](http://www.osisoft.com)) delivers the PI System, the industry standard in enterprise infrastructure, for management of real-time data and events. With installations in 110 countries spanning the globe, the OSIsoft PI System is used in manufacturing, energy, utilities, life sciences, data centers, facilities, and the process industries. This global installed base relies upon the OSIsoft PI System to safeguard data and deliver enterprise-wide visibility into operational, manufacturing and business data. The PI System enables users to manage assets, mitigate risks, comply with regulations, improve processes, drive innovation, make business decisions in real-time, and to identify competitive business and market opportunities.

Founded in 1980, OSIsoft, LLC is headquartered in San Leandro, CA, with operations worldwide and is privately held. Learn more about OSIsoft and the PI System at [www.osisoft.com/sustainability](http://www.osisoft.com/sustainability).

### About WECC

The Western Electricity Coordinating Council (WECC) is the Regional Entity responsible for coordinating and promoting bulk electric system reliability in the Western Interconnection. In addition, WECC provides an environment for coordinating the operating and planning activities of its members. WECC is geographically the largest and most diverse of the eight Regional Entities that have Delegation Agreements with the North American Electric Reliability Corporation. WECC's service territory extends from Canada to Mexico. It includes the provinces of Alberta and British Columbia, the northern portion of Baja California, Mexico, and all or portions of the 14 Western states between.

# San Leandro Builds 'Fiber Optic Loop' in Bid to Become a High-Tech Hub

By Jason Sweeney, [The Daily Review](#)

Posted: 01/16/2012 05:04:56 PM PST; Updated: 01/17/2012 08:21:13 AM PST

Construction begins this week on an ambitious project to wire up San Leandro with a "fiber-optic loop" in the hopes of attracting to town the kinds of businesses that have turned Palo Alto and Santa Clara into high-tech hubs.

According to the U.S. Commerce Department, annual global Internet commerce for 2011 totaled roughly \$10 trillion. City officials hope to gain a piece of that pie once an infrastructure backbone of high-speed fiber-optic cables is completed sometime midyear.

The cables aren't going to speed up Internet access for the average home user, but will provide the kind of fast and robust access needed by tech companies such as Google, Facebook and eBay.

The project, called Lit San Leandro, is a public-private partnership between the city and a company called San Leandro Dark Fiber, which was created specifically for the project by 38-year San Leandro resident Patrick Kennedy.

Kennedy, who holds a doctorate in chemical engineering, said the plan entails laying fiber-optic cables in a 10-mile loop that rings the city. The loop will connect to the outside world via fiber lines leased by BART's telecommunications division.

"Ten years ago, people weren't watching movies on their iPads," he said. "People now are using tremendous amounts of bandwidth. Every year, at least 50 percent more capacity is needed for data transfers. In certain businesses, it's absolutely critical to have more bandwidth."

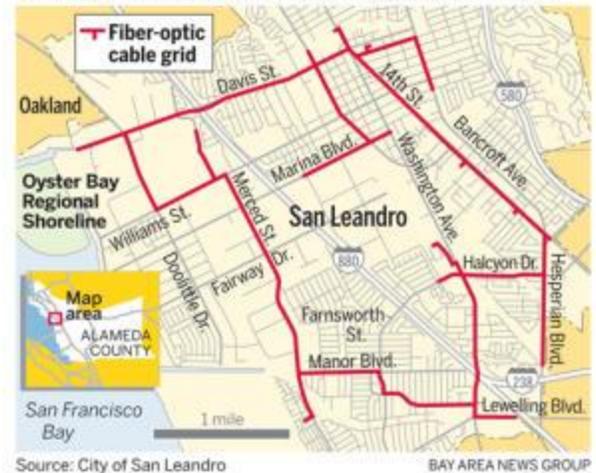
Kennedy is the chief executive of OSIsoft, a San Leandro-based software company, which will be Lit San Leandro's first customer. He is personally funding the construction of the loop at a cost of about \$3 million, he said. He is giving the city 10 percent ownership of the cables in return for use of existing city-owned underground conduits.

In October, the city approved a license agreement that allowed San Leandro Dark Fiber to install the fiber-optic cables in the existing conduits. While Dark Fiber is installing the cables and supporting equipment, the city will be promoting and marketing the loop.

Kennedy said San Leandro's fiber optic loop will provide the type of extremely high data capacity that will attract businesses that are dependent on Internet communications --

## San Leandro unleashes fiber optics

A project called Lit San Leandro would create a state-of-the-art fiber-optics backbone to provide businesses with high-speed broadband communications and attract high-tech companies to the city. The digital loop is expected to be in place by the middle of this year.



everything from animation studios to radiology labs to data and call centers to high-tech manufacturers.

Kennedy said the loop, combined with the city's industrial land, diverse building stock and attractive location in the heart of the Bay Area, will offer strong incentive for new businesses to locate here. "If we're looking for jobs, we have to find ways to bring in modern businesses so we can compete," he said.

Mayor Stephen Cassidy expressed excitement over Lit San Leandro, calling it an opportunity to "revolutionize" the city's infrastructure. He said that in 2010 during his campaign for mayor, he learned that Kennedy was interested in developing a fiber-optic network and in expanding the headquarters of OSIsoft, which employs more than 200 people in town.

"I met with Dr. Kennedy on my first day in office," Cassidy said. "When he outlined his proposal, I appreciated its value and importance to San Leandro and worked to move it forward."

Cynthia Battenberg, San Leandro's business and development manager, said the city has plans for a series of business workshops to promote the loop. "We have the infrastructure for advanced manufacturing," she said. "We need to make sure that brokers, developers and property owners understand what Lit San Leandro is."

# Legislative Leaders Block RDA Dissolution Extension Bill

**TO:** BOARD OF DIRECTORS  
**FROM:** CHRIS MCKENZIE, League of California Cities

Ignoring warnings from the three national bond rating agencies and with apparent reluctance to challenge the Governor or to confront the serious problems connected with unplanned dissolution of local redevelopment agencies, Senator Steinberg (with support from a spokesman of the Speaker) said today that the legislature will not take up SB 659 (Padilla) to extend the deadline for dissolution of RDAs. (See article below). I wanted you to know that our CRA-League team has worked very hard to educate the Administration and Legislative Leaders on the serious shortcomings of the Feb. 1st deadline. They have strongly resisted any action, however, in the face of knowing about some major risks and problems. Here are some of the things I mentioned late this afternoon when asked for a reaction by reporters.

- We requested delay of the deadline to April 15 so we could work with the legislature and administration to plan a much more orderly dissolution process. If the legislature and governor fail to do so, here is what we have told them will likely happen:
  - **Bond Defaults.** As already noted by the three bond rating agencies, because of conflicts and ambiguities in the dissolution legislation, there is a very real prospect of bond defaults, depriving the holders of these California municipal bonds of their rights and opening the state and local agencies to significant litigation costs.
  - **Loss of Critical Staff.** Lack of clarity about limits on administrative costs and conflicts in the legislation mean many talented staff will be laid off who may not have to ultimately be let go as quickly if the law is amended to clarify these issues. These experienced staff will not be around to help implement the law and support the work of the Oversight Boards who must supervise the Successor Agencies.
  - **Loss of Taxpayer Funds.** We have documented dozens of problems and questions about the implementing legislation that should be cleaned up before it is implemented. If not, valuable taxpayer funds will be potentially lost. One example is that the legislation may force successor agencies to “defease” bonds issued for projects that have been designed by not yet constructed. In such cases federal law and most bond covenants will require most successor agencies to do this by setting-aside bond proceeds in low-interest bearing escrow accounts while paying bondholders much higher interest rates. Taxpayers will shoulder the cost of this loss.
  - **Possible Violations of Federal Law.** Various parts of the legislation appear to require that local successor agencies violate federal tax law

on how bond proceeds can be used or contracts with federal agencies requiring prior approval of real estate before it is conveyed.

- **Stranded Public Infrastructure Projects.** The current law appears to prevent the completion of many infrastructure projects for which the bonds have been issued, engineering design has been completed, but for which no construction contracts have been let. In other cases, design contracts will have to be completed for projects that will never be built under the law. These projects, the jobs they create, and the revenue they provide to the state and local governments will be lost. In other cases, environmentally contaminated land will never be cleaned up and reused.
- **Designing the Next Economic Development Tool.** If the legislature and governor elect to require dissolution in this environment of great uncertainty, dealing with these issues and many other unintended consequences (e.g., the Sheriff of L.A. County has said the cities his department serves will lose public safety patrols) will make it that much harder to design a new job-producing economic development tool for the state and local governments. Tremendous opportunities will have been squandered.

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January 26, 2012

### **Steinberg: Extending redevelopment agencies 'not going to happen'**

Senate President Pro Tem Darrell Steinberg said today that he believes an effort to extend the life of local redevelopment agencies through April 15 is "not going to happen."

Legislation to that effect, Senate Bill 659 by Democratic Sen. Alex Padilla, faces a Tuesday deadline for winning passage in the state Assembly, in addition to the planned Feb. 1 date of closure for the agencies

"I'm skeptical," Steinberg said. "I think the speaker is skeptical, and the governor is dead set against the bill. The focus needs to be on recreating a new set of economic development tools for cities and not on trying to keep alive the current form."

The Legislature axed the agencies, which subsidize local projects in blighted areas, and created a new redevelopment entity as part of last year's budget package. But the state Supreme Court ruled in December in response to a legal challenge to the move that while the Legislature had the power to dissolve the agencies, the replacement organizations could not stand.

Local governments have pushed for the extension measure, saying it is needed to allow lawmakers to address legal and contractual issues related to terminating the taxpayer-funded agencies. Gov. Jerry Brown expressed doubts about the proposal on a campaign stop last week, saying, "I don't think we can delay this funeral."

Steinberg said he is interested in exploring ways to take money and assets now held by the agencies and "hand (them) back to the cities and counties for economic development, but with a connection to ... our goals of better planning."

The Sacramento Democrat has introduced legislation to allow local governments to retain and use redevelopment money earmarked for affordable housing projects. That bill also faces a Tuesday deadline for winning approval.

Assembly Speaker John A. Pérez appears to be on the same page as Steinberg.

"The governor certainly made his feelings absolutely clear for extending them for the sake of an extension," said Pérez spokesman John Vigna. "So I think our focus is preserving some of the (long-term) economic development functions of them."