

CITY OF SAN LEANDRO
CITY COUNCIL SHORELINE - MARINA COMMITTEE

September 23, 2008
9:00 a.m. – 10:30 a.m.

San Leandro City Hall
835 East 14th Street
San Leandro, California
Sister Cities Gallery Room

HIGHLIGHTS

Committee Members: Mayor Santos, Councilmember Prola, Councilmember Starosciak

City staff present: Interim City Manager Hollister, Interim Assistant City Manager Diaz, Community Development Director Sims, Engineering Director Udemezue, Public Works Director Bakaldin, Business Development Manager Battenberg, Facilities and Open Space Manager Pollart, Planning Manager Livermore, Marina Supervisor Snodgrass, Planner Penaranda.

Public present: Holly Bazeley (Unite Here), Nischit Hegde (Unite Here), Wei-Ling Huber (Unite Here), Barry Luboviski (Building Trades), Matt Maloon, Jillian Marks (Unite Here), Gene Parghall, Linda Perry, Michael Romula (Unite Here), Diana Souza, Alessandro Tinonga (Unite Here), Obray Van Buren

The meeting was called to order at 9:00 A.M.

1. Discussion of the Draft Exclusive Negotiating Rights Agreement (ENRA) by and between Cal Coast Development, LLC and the City of San Leandro

Mayor Santos in response to a request, allowed Barry Luboviski from the Building Trades Council to share his comments with the Committee prior to discussion of the issue. Mr. Luboviski requested the following provision be included in the Draft ENRA:

19. Execution of Definitive Agreement

(iii) To insure Labor Peace both during construction of the Marina and for the operation of a Hotel at the Marian and to thus protect the proprietary interests of the City of San Leandro, the Developer will meet with the Labor Unions and shall come to agreement on specific provisions to address those issues and insure Labor Peace.

He explained that this provision would make for an efficiently managed development project and make delays due to disagreement between the developer and labor less likely.

Interim City Manager Hollister asked what is meant by *insure Labor Peace* and stated that the language does not include specifics regarding what would happen if the developer and unions did not come to agreement. He further wondered if a lack of agreement would halt the project.

Manager Battenberg reviewed the main deal points of the Draft ENRA.

- The Developer is to be involved with the Shoreline Development CAC and generally responsive to public.
- The Developer and its contractors are to comply with prevailing wage laws and the City's Living Wage Ordinance.
- The term will be for 18 months with the ability to extend another 18 months.
- A \$50,000 initial deposit to cover the City's third party financial and legal consulting fees, plus an additional \$25,000 due upon extension of the agreement.
- The Developer will be responsible for all technical studies, and in the event an EIR is required the City will select the consultant to prepare the EIR and the Developer will be required to pay the City and consultant costs.
- The City and the Developer are to work cooperatively on hydrology and other tidal action studies.
- The City is to retain ownership of the site.

Mayor Santos asked if Section 1 of the Draft ENRA precluded the City from selling any of the shoreline property for development. Manager Battenberg explained that the agreement does not preclude the City from selling the property or entering into an equity sharing relationship and that this may be necessary in order for the Developer to secure funding. The intent, however, is to keep the shoreline as public land. Mayor Santos stated that interested restaurant developers and investors over the years have not been able to have viable projects without being able to purchase the land and having the land as collateral to secure their development loans. Councilmember Prola expressed his preference that the City retain ownership of the shoreline. Director Sims explained that the provision in the ENRA is standard wording. It makes clear that to the Developer that he has no legal property right if the environmental review and entitlements are granted. It protects the City's interest.

Mayor Santos and Councilmember Prola asked that *Labor Peace* be added to the ENRA. Interim City Manager Hollister stated that the City Attorney will be asked to review the proposed language and that language will be added following that review. Manager Battenberg stated that the proposed wording will also be forwarded to the Developer.

Recommendation:

The Committee asked City staff to review the provision on Labor Peace for inclusion in the ENRA scheduled for adoption at the October 20, 2008 City Council meeting.

2. Review of the Shoreline Development Citizens Advisory Committee (CAC) Schedule

Manager Battenberg reported that 66 applications for the CAC were received. The Committee then discussed the appropriate size of the CAC.

Councilmember Starosciak asked if there were any applicants 18 years old or under. Manager Battenberg replied no. Councilmember Starosciak recommended that a Youth

Advisory Commissioner be included in the CAC as the shoreline is an amenity used by youth. Mayor Santos agreed that this is a good idea.

Manager Battenberg outlined the CAC schedule. On October 28 a recommendation would be given to the Shoreline Marina Committee. On November 3 the recommended CAC would be reported to the City Council. On November 17 the City Council would adopt a list of persons to serve on the Shoreline Development CAC.

3. Public Comments

Wei-Ling Huber, President, Unite Here Local 2850, offered to give the City examples of what is meant by Labor Peace. In general terms, Labor Peace would mean an agreement between the developer and the labor union and the agreement between a business operator and the union. These agreements insure that the workers do not take action against the developer which avoids strife and project delays. She applauded the City in requiring living wage provision in the ENRA and considering the inclusion of Labor Peace in it.

Michael Romulo, member of Unite Here and employed at the Oakland Airport, stated that the labor union is good and provides fair wages for workers.

Allessandro Tinonga, Unite Here and employed in the catering field, urged the City to include *Labor Harmony* in the ENRA. She added that living wages sometimes is not enough; Labor Harmony is good and necessary, too.

Holly Bazeley, Unite Here, cited at one time one of the new owners of the Claremont Hotel did not agree to have Labor Peace. It resulted in boycotting, striking, and loss of a lot of revenue.

Gene Parghall, Union Shop Stewart and employee of the Oakland Coliseum Arena, commented that he would like to see the developer and future businesses in the shoreline use less non-profit labor and instead use union work.

Matt Maloon, Electrical Contractors Training and Union, stated that the community would benefit from the agreement for requiring unionized labor. This project would also provide the benefit of individuals having the opportunity to be trained at the electrical contractor school.

4. Committee Member Comments

Councilmember Prola thanked the audience for attending the meeting. He acknowledged that Labor Peace is essential. He believes this would ensure development projects are constructed on time and on schedule.

5. Adjourn - The meeting adjourned at 9:40 A.M.