



City Manager's Weekly Update

Week ending September 30, 2011

UPCOMING MEETINGS

- 10/3** City Council Meeting,
7:00 p.m.,
Council Chambers
- 10/7** Finance Committee
Meeting, CANCELLED
- 10/10** City Council Work
Session, 7:00 p.m.,
South Offices
Conference Room
- 10/11** Facilities and
Transportation
Committee Meeting,
4:00 p.m.,
Sister Cities Gallery
- 10/13** Business & Housing
Committee Meeting,
4:00 p.m.,
Sister Cities Gallery
- 10/14** Disaster Council,
8:30 a.m., Senior
Community Center
- 10/17** City Council Meeting,
7:00 p.m.,
Council Chambers
- 10/21** Finance Committee
Meeting, 8:15 a.m.,
Sister Cities Gallery
- 10/24** City Council Work
Session, 7:00 p.m.,
South Offices
Conference Room
- 10/27** Rules and
Communications
Committee Meeting,
4:30 p.m.,
Sister Cities Gallery

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

Three San Leandro firms are included in the list of California's Top 40 Clean Tech Innovators for 2011 announced by Grow-California this week. Energy Recovery Inc, Cleaire and OSIsoft are included on the list that Grow-California CEO Jon Gregory described as the "best of the best" in California. These companies were recognized for their "vision, leadership and ability to transform innovative ideas to reality." We are fortunate to have them here in San Leandro.

Mark Your Calendar

Friends of San Leandro Library Fall Book Sale (reminder)

- **Saturday, October 1, 9:00 a.m. for members, 11:00 a.m. for non-members, Main Library, Karp/Estudillo Rooms**
- Tomorrow, October 1, over 10,000 quality books covering just about every subject and genre will be available for sale at bargain prices at the annual Fall Book Sale hosted by the Friends of the San Leandro Library.
- The sale will include children's books, reference items, CDs, DVDs, software programs, as well as collectible books. All books for sale are either in good or excellent condition and, with so many choices, shoppers are bound to find something that interests them.
- New memberships can be obtained the morning of the sale, although early registration is encouraged. The sale ends at **4:00 p.m.**, and book sale proceeds help support San Leandro Public Library programming.
- Mark your calendar for this special event – it's a book lover's dream come true! For more information, call the San Leandro Library Information Desk at 577-3971.

Sausage & Suds Festival 2011 (reminder and article attached)

- **Sunday, October 2, 10:00 a.m. to 6:00 p.m., Parrott Street between East 14th Street and Washington Avenue**
- The annual Sausage & Suds Festival in Downtown San Leandro is this Sunday!
- This fun event includes entertainment by Layce Baker, the Spazmatics, Avance and others, a beer and wine garden and a Kid's Zone.
- The City of San Leandro is a sponsor of this event organized by the Downtown Association.
- The Police Explorers will be offering valet bicycle parking between 10:00 a.m. and 5:00 p.m. Alternative transportation methods are encouraged.
- Please meet at the main stage at **1:00 p.m.** if you would like to participate in the official City welcome.

2011 Seniors Flu Shot Clinics (reminder)

- **Monday, October 3 and October 10, 10:00 a.m. to 2:00 p.m., Senior Community Center**
- The annual Seniors Flu Shot Clinics will be held twice on October 3 and October 10. This service is offered in partnership with Sutter Visiting Nurse Association and Hospice (VNA). While the focus on the clinics is for seniors, no one is turned away.
- This year's flu immunization will include the H1N1 strain. There is no charge for those covered by Medicare Part B. VNA is not receiving free vaccines from the county this year, so flu shots will be \$25 for those not covered by Medicare Part B, \$55 for pneumonia shot, and \$30 for preservative-free shot (for those pregnant or allergic to thimerosal). The fee is established by VNA, which is a non-profit organization, and the City receives no money. Last year, over 300 shots were administered at the Marina Community Center.

Council Follow-Up

San Leandro – Creating Great Places (flyer attached)

- A flyer has been created which highlights development projects recently completed or in process. During this challenging economic time, we can be proud that the City continues to be able to invest in the community.
- Business Development staff will be at the Farmers' Market Information Booth next week to share this information. Please feel free to join them.
- Hard copies of the flyer will be included in your packet next week. Please let Yolanda know if you would like additional copies.

Employee Development – Update

- The City will be participating over the next several months in two employee-based leadership programs. The **Leadership San Leandro** program, organized by the Chamber, will begin in October. Doug Calcagno from the Police Department and Jean Hom, Housing Specialist in Community Development, will be participating and representing the City this year. I would like to thank Doug and Jean for their participation and commitment to building strong partnerships with our business community.
- A new leadership program, sponsored by the Alameda County City Managers' Association, has been made available to all cities within the county. This pilot program is titled the **Local Government Leadership Academy in Alameda County**, and was spearheaded by Frank Benest, former City Manager of Palo Alto, along with a steering committee made up of City Managers and Assistant City Managers throughout the county. The program is designed as part of a plan for engaging and investing in the next generation of leaders in local government. It also begins in October and will conclude in April 2012. Each city was asked to provide two participants. We are pleased that Bob McManus from the Police Department and Theresa Mallon from the Library will be representing San Leandro this inaugural year. Bob and Theresa were selected after reviewing several applications. We congratulate them for their commitment to continued professional development.

27th Annual California Coastal Clean-up – San Leandro (photos attached)

- The 27th Annual California Coastal Cleanup up was held on September 17.
- In total, approximately 465 people attended this year's event. Several community groups participated including, KIPP Academy, Washington Manor Middle School, The Principled Academy, Cub Scout packs 506 and 708, Girl Scout troop 31752, and the San Leandro High Key Club. There were also many volunteers from local high schools and churches.
- Approximately 17 cubic yards of trash and debris was collected. There was significantly more debris (70% more) than last year mainly because the Long Beach area was included this year. Last year the beach was closed due to the LAVWMA construction project.
- The Heron Bay Homeowners Association issued seven parking passes to Kipp Academy and Washington Middle School teachers, which was a tremendous help with logistics.

Council Information

Municipal Regional Permit Update

- In October of 2009, the San Francisco Bay Regional Water Quality Control Board adopted the current municipal regional permit (MRP) for regulating “stormwater” discharges in the Bay Area.
- In November of 2009, many agencies, including San Leandro, filed petitions for review of certain requirements in the MRP with the State Water Resources Control Board. San Leandro, as well as the other agencies, requested that its petition be held in abeyance for an unspecified period of time to protect the City’s rights to challenge the requirements in the future. The State Water Board acknowledged our petition, stating that it would be held in abeyance for two years.
- The two-year abeyance period is expiring in November of this year, so the Public Works Department has filed for an extension of the abeyance period.
- This action preserves our rights to challenge certain provisions of the current MRP. This action is separate from the City’s filing of a test claim with the CA Commission on State Mandates on the same permit last year.

State Medical Marijuana Laws Update

- Chief Spagnoli has provided the following information: The RAND report ([link here](#)) has recently been released. This report provides an overview of state medical marijuana laws and preliminary findings on the relationship between medical marijuana dispensaries and local crime, based on results from an ongoing analysis in the City of Los Angeles. The authors analyzed data for the ten days prior to and ten days following the June 7, 2010, closure of over 70 percent of the 638 dispensaries then in operation. Crime reports within a few blocks around closed dispensaries were compared with crime reports near those that remained open. The authors found that crime increased in the vicinity of closed dispensaries relative to the vicinity around dispensaries allowed to remain open. The effects are concentrated on crimes, such as breaking and entering and assault, which may be particularly sensitive to the presence of security. Hypotheses for what might drive these results include the loss of on-site security and surveillance, reduction in foot traffic, resurgence in outdoor drug activity, or a change in police efforts.
- The Chief also provided a copy of a letter from the LA District Attorney to the RAND Corporation ([link here](#)) in response to the study which the DA believes was based on a 20 day period in Los Angeles and is flawed at best. The Los Angeles City Attorney has sent a letter to the RAND Corporation asking them to recant the results of their study based on the inaccuracy of the data they used to draw their conclusions.
- Lastly, the Chief provided the latest update from the City of Isleton Medical Marijuana Grow Project ([link here](#)).
- Article attached: *Feds Stir the Pot as Kern Tries to Regulate Marijuana*

Businesses in the News

San Leandro Businesses in the News (articles attached)

- A private investment firm is in the process of purchasing San Leandro based **A.G. Ferrari Foods** along with Andronico’s Markets, as each went bankrupt earlier this year. Renovo Capital plans to revamp the stores and operate them independently.
- **KWW Kitchen Cabinets and Bath**, an importer of kitchen and bath products, will be expanding in San Leandro, relocating from a 50,000 square foot facility on Merced Street to a 123,000 sq foot facility at 1251 Doolittle Drive (the former Prescolite building). Balco, the owner of 1251 Doolittle, will be purchasing the Merced property as part of the deal.

Three San Leandro Companies Named “Top 40” Clean Tech Innovators for 2011 (press release and flyer attached)

- **Claire, Energy Recovery Inc. and OSIsoft**, of San Leandro were included in a list of 40 clean tech leaders for their focus on innovation and important contributions to California’s economic growth.
- Grow-California CEO Jon Gregory commented that the California Clean Tech ‘Top 40’ Innovators represent the ‘best of the best’ in California, and by virtue of that, are critical to California’s economy now and in the future.

- From this elite group of clean technology leaders, fifteen nominees will be presented “Game Changer of the Year” awards at a luncheon culminating the first Clean Tech Innovation Conference, scheduled for November 2-3 at the Kaiser Center in downtown Oakland.

Westgate Center – Acquisition/Redevelopment Opportunity (flyer attached)

- **SKB**, the current owners of Westgate Center, are accepting offers from companies to acquire or joint venture in the redevelopment of Westgate Center. Offers are due by Tuesday, October 18, 2011.
- Staff has held numerous meetings with SKB and their consultants the past few years on various ideas for redevelopment of the shopping center which currently includes retail on the bottom floor and industrial space and parking on the second floor. Staff has been supportive of SKB’s plans to reposition the shopping center which have included creating a green building with a focus on clean and bio tech with incubator spaces or an ethnic retail center on the second floor. Access from Davis Street as well as access to the second floor remain challenges.

Correspondence from Other Agencies

Alameda County Fire Department (press release attached)

- On Tuesday, Alameda County Fire Department (ACFD) Fire Chief Sheldon Gilbert was announced as the Ronny Jack Coleman Fire Chief of the Year by the California Fire Chiefs Association (CFCA) during its annual conference in Riverside.

SanLeandroPatch

Sausage & Suds Music Festival On Tap October 2

Like one big block party, this annual event is geared for the whole family

Sausage and Suds, the downtown's annual outdoor food and music festival, returns Sunday, October 2, from 10 a.m. to 6 p.m.

This family-friendly event is produced each autumn by the non-profit San Leandro Downtown Business Association, a group of approximately 70 local businesses. As in past years, it will be held on Parrott Street, between Washington Avenue and E. 14th Street.

Since it began in the late 1990's it has evolved into a hometown tradition that now attracts as many as 6,000 people.

"People expect it to happen each year," said Lawrence Allphin, coordinator of the festival and owner of Allphin Jewelers. He has been involved with Sausage and Suds since its beginning and considers organizing it a labor of love.

Unlike the once popular San Leandro Cherry Festival, which was sponsored by the City of San Leandro and which has been on a multi-year hiatus due to municipal budget cuts, Sausage and Suds is organized solely by volunteers. It is underwritten by sponsors from the business community.

Proceeds from Sausage and Suds fund the downtown association's other free community offerings such as the It's a Wonderful Life holiday event each December and Bike SL every Spring.

This year's Sausage and Suds will include a wine and beer garden serving an extensive array of micro-brews, 30 types of beers in all.

Vendors will be selling a variety of food including many types of sausages, roasted corn on the cob, kettle corn and roasted potatoes.

A children's play area with free attractions such as a climbing wall and bounce structures will be set up for the event. "We are calling it the Kid's Green Zone this year," said Allphin, "because it will have a recycling education component to it."

The San Leandro Police Department and Citizens for a Safer San Leandro will staff an informational booth at the festival and the police department's Explorer Program will offer valet bicycle parking for a small fee.

"We are encouraging people to use alternative forms of transportation," said Allphin. The festival is within walking distance of the San Leandro BART station and AC Transit bus lines run up and down E. 14th Street which is adjacent to the event. For those who must drive, street parking is available in the vicinity of the festival.

The entertainment line-up for the event runs all day. This year for the first time, in addition to musical acts, local D.C. Dance Center owner Debbie Cabral will offer Zumba Classes from 10 to 11 a.m.

From 11:30 a.m. to 12:45 p.m. blues musicians Layce Baker and the Black Diamond Band will perform.

Home-grown San Leandro musical artists the Glimpse Trio, just back from a six state tour, will play rock and roll from 1:15 to 2:30 p.m.

Back by popular demand, the Spazmatics again offer their zany comedy antics and rock music of the 70's and 80's from 3 to 4:15 p.m.

From 4:45 to 6 p.m. the Avance band will perform Latin selections. One of this band's members is affiliated with Carlos Santana's band, according to Allphin.

Business sponsors of this year's event are Horizon Beverage, Ghiradelli Chocolate, Aidell's, Otis Spunkmeyer, OSI Soft, Peterson Power Systems/CAT, Coca Cola and Alhambra Water.

Visitors are encouraged to bring their photo I.D.'s for entry into the beer and wine garden and athletic shoes if they plan on taking the free Zumba class.

"All of the acts are terrific," said Allphin, "I believe we have the largest music festival held in San Leandro. It's like one big giant block party."



San Leandro - Creating Great Places



1. Creekside Plaza



2. Village Marketplace



3. Downtown Parking Garage



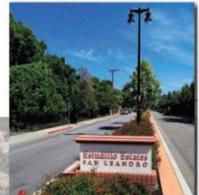
4. San Leandro Blvd. Pedestrian Improvements



5. Downtown to BART Pedestrian Gateway



6. Downtown Lighting and Pedestrian Improvements



7. MacArthur Blvd. Improvements



8. Townhall Square



9. Farmers Market



10. The Alameda at The Crossings



11. The Cornerstone at The Crossings



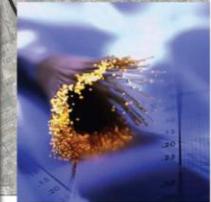
12. Shoreline Development



13. Senior Community Center



14. Estabrook Place



15. Lit San Leandro Dark Fiber Loop



16. Kaiser Permanente



17. SLUSD Performing Arts Center



18. E.14th Street Improvements



19. Fred Korematsu 9th Grade Campus

San Leandro - Creating Great Places

September 2011

1. **Creekside Plaza** – This award-winning, 230,000 square foot, class A office complex ten years in the making was completed in March 2010. Over 1,000 employees currently work in the three building project, which is 100% occupied.
2. **Village Marketplace** – 1550 East 14th Street, home of the former Albertsons, was purchased by the Redevelopment Agency in 2009 and is currently being used as temporary parking during the construction of the downtown parking garage. Preliminary design concepts envision a high-quality, Mediterranean-style neighborhood retail center, anchored by a specialty grocery store with retail and restaurant spaces, outdoor dining, and a public plaza with a fountain.
3. **Parking Garage** – The City is constructing a LEED certified, four-story garage and ground floor office space along Estudillo Avenue with an improved entry from East 14th Street through the Plaza del Oro. Construction of the garage is scheduled to be complete in Spring 2012.
4. **San Leandro Boulevard** – The City received federal grant funding to construct a series of improvements along San Leandro Boulevard which will enhance the pedestrian experience, reducing the number of travel lanes from six to four, increase on-street parking, add additional sidewalks and widen the current sidewalks.
5. **Downtown to BART Pedestrian Gateway** – This enhanced connection between BART and the downtown includes the undergrounding of utilities, new lighting, a decorative arch, sidewalks, crosswalks and kiosks highlighting San Leandro's history. An Art & History Museum along with the historic Casa Peralta line this attractive pedestrian avenue.
6. **Downtown Lighting and Pedestrian Improvements** – The City made significant investments in new pedestrian amenities downtown such as improved lighting, sidewalks and landscaping to enhance downtown shopping and entertainment activities. Construction of a community plaza at Joaquin Avenue and East 14th Street was completed in fall 2010 and features a fountain and areas for outdoor dining.
7. **MacArthur Boulevard Streetscape Improvements** – Infrastructure improvements on MacArthur Boulevard, including the narrowing of the street, new sidewalks and medians, enhanced lighting, landscaping and the creation of outdoor dining areas, transformed this street into a pedestrian friendly shopping area.
8. **Town Hall Square** – The Redevelopment Agency owns four of the seven parcels located on the block bound by Davis, East 14th, and Hays Streets, and is working with the Innisfree Companies and the surrounding business and property owners to develop this complex and important opportunity site, once home of our original town hall.
9. **Farmers' Market** – Wednesdays from April to October, Parrott Street in downtown San Leandro is transformed into a vibrant marketplace of tree-ripened fruits, healthy vegetables, fresh-cut flowers, gourmet foods, and tasty snacks. The market is visited by an average of 2,200 visitors per week and is more the just a market – it's a place to gather and meet friends.
10. **The Alameda** – A four-story 100-unit affordable housing development by Bridge Housing is part of The Crossings, a mixed-used, multi-phase transit-oriented development located adjacent to the Downtown San Leandro BART Station.
11. **The Cornerstone** – A 200 unit, market rate residential project by Westlake Development Partners, LLC in conjunction with BART is also planned as part of the larger Crossings development.
12. **Shoreline Development** – The City of San Leandro is working with Cal-Coast to develop approximately 40 of its 1,800 acres of publicly-owned shoreline. The conceptual master plan includes a complementary mix of uses, namely a hotel and conference center, restaurants, office, retail, housing, a pedestrian walkway around the perimeter, kayak and bike rentals, a park with bocce ball courts and infrastructure and landscaping to connect all the amenities
13. **Senior Community Center** – The new Senior Community Center, located at 13909 East 14th Street, opened in April 2011. This modern LEED Gold, 21,000 square foot building was designed and built to enrich the lives of the seniors by offering an array of social, recreational and health-related activities. The new center is centrally located, with a Flex shuttle stop. The center will also serve as the City's new Emergency Operations Center.
14. **Estabrook Place** – Estabrook Place is a 51-unit affordable senior housing community designed to create a healthy, supportive environment for low-income seniors close to San Leandro's downtown corridor.
15. **Lit San Leandro Dark Fiber Loop** – The City is working with OS/soft, a local software company, to license an approximately 11-mile loop of City conduit to install fiber optic cable. The loop will provide high-speed internet connectivity data communications for businesses that opt to tie in to the system. This important infrastructure positions San Leandro to attract and retain companies that rely heavily on data communications.
16. **Kaiser Permanente** – Kaiser had been working with the City for several years to develop the former Albertson's distribution center, located off Marina Boulevard and I-880. Phase 1 of the Medical Center is under construction and includes a 436,000 square foot hospital containing 264 beds, a 275,000 square foot Hospital Support Building, a central utility plant, and 2,100 surface parking spaces. This is the largest development project in San Leandro's history.
17. **Performing Arts Center** – San Leandro High School's state-of-the-art, 550-seat performing arts center was funded through Measure B bond proceeds. The theater is the centerpiece of the new Arts Education Center that includes digital media classrooms, a sound stage with a green screen, and photography studios.
18. **East 14th Street Improvements** – The City constructed raised concrete medians, enhanced pedestrian crossings and new landscaping along East 14th Street between 136th and 144th Avenues. This is phase I of the streetscape plan to create East 14th Street as a Grand Boulevard. The undergrounding of utilities is being implemented concurrently.
19. **Fred T. Korematsu Campus** – San Leandro High School's new 9th Grade Campus opened in the fall of 2010 and is named after Fred T. Korematsu, a Japanese-American civil rights activist. The City partnered with the school district to build the gymnasium and to enhance curb appeal.

The San Leandro Key Club were the first arrivals at Monarch Bay Bridge Registration



The Principled Academy



Teamwork





- Volunteers along the Shoreline Trail
- KIPP Academy arrives @ Heron
- Heron Entrance sign-up table

Cub Scout Troop 708 at the Monarch Bay Bridge



Washington Middle School



KIPP Academy in Action



Trash collected at Long Beach Area



Jennifer Auletta and two volunteers counting and sorting



Feds Stir the Pot as Kern Tries to Regulate Marijuana

BY JAMES BURGER Californian staff writer jburger@bakersfield.com |
Last Updated Thursday, Sep 29 2011 07:00 PM

Federal law enforcement officials are the wild card in the regulation of medical marijuana in California. Sometimes they play the trump. Sometimes they're not even in the game.

When storefront shops selling medical marijuana first appeared in Kern County, the Drug Enforcement Administration aggressively raided them and federal prosecutors filed charges against the operators.

Then federal intervention slacked under a new administration and the burden of hefty law enforcement costs.

Now, U.S. Attorneys' offices are warning California cities and counties that they could face criminal or civil action if they try to regulate marijuana under state law.

Kern County has received that threat and taken it seriously -- factoring it into an Aug. 9 decision to ban storefront collectives and cooperatives in unincorporated county areas.

But is there really a risk of federal prosecution? It's unclear.

"We recognize that cities and counties are in a difficult situation," Benjamin Wagner, the U.S. Attorney for the Eastern District of California, said Thursday. "While we don't have any particular desire to prosecute city and county officials, we can't rule it out."

Wagner said his office is not as concerned about local governments that are trying to limit the proliferation of medical marijuana growing and distribution as it would be with municipalities that might consider offering land to large growers or helping set up growing or distribution operations.

And, with limited resources, the office has to pick the cases it brings carefully, he said.

But Wagner said his office retains the power to prosecute or file civil suits against local governments that act to permit medical marijuana activity.

That, said Kern County Counsel Theresa Goldner, leaves Kern County in legal danger.

"It is my job to advise the Board of Supervisors of the risk that regulation entails to the county, county officials and county employees. I am satisfied that it is a genuine risk," she said. "But it is a risk that is difficult to quantify."

QUANDARY

On Aug. 9, Kern County supervisors passed a ban on medical marijuana collectives and cooperatives over the objections of a vocal, impassioned crowd of advocates who called for the county to regulate, not outlaw, the storefront operations.

Marijuana, even for medical purposes allowed under California's 1996 Compassionate Use Act, is illegal under federal law.

In making their decision, supervisors relied on an Aug. 4 letter from Wagner, sent at the request of Goldner, which indicated that by regulating medical marijuana growing and distribution, counties and cities would essentially be putting themselves in business with criminals.

Wagner's letter was largely boilerplate -- much of the language was identical to that in letters sent to local governments across California.

But supervisors also had a report from Chico city staff who received one of Wagner's letters and met with him to ask just how serious he was about prosecuting cities and counties.

The report stated that Chico left that meeting with the clear understanding that there is a "real but unquantifiable risk" to public employees of civil or criminal action.

SHERIFFS

Humboldt County Sheriff Michael Downey is a self-proclaimed conservative Republican who said he spent much of his law enforcement career finding and eradicating marijuana growing operations in one of the most active cultivation centers in the state.

But he discounts the threat letters from U.S. Attorneys' offices.

The letters only go out to jurisdictions that ask for them, Downey said. Humboldt County hasn't received a letter, he said, because it hasn't asked for one.

Growing operations in Humboldt County are worse now than he's ever seen them.

He'd welcome help from the U.S. Attorney for the Northern District of California in fighting the obviously illegal growing operations.

But he's not getting it.

"The U.S. Attorney in San Francisco has not taken a marijuana case in Humboldt County for I don't know how long," Downey said. "Years."

The feds simply do not have the resources to pursue cases, he said.

So he has trouble believing that city or county officials would be on the U.S. Attorneys' prosecution priority list.

Local regulation, he said, is the only way to confront the problems he's facing with marijuana cultivation and the upcoming challenges he expects from medical marijuana dispensaries that are in the process of being permitted.

Growers must register, pay a fee and submit to inspections. If they don't, Downey said, he rips out their plants.

Kern County Sheriff Donny Youngblood, who Downey said he counts as a friend, has a different approach.

When he took office in 2007, Youngblood made it clear that he wouldn't enforce the ordinance in place at the time that allowed up to six medical marijuana dispensaries -- because it violated federal law.

His stance hasn't changed.

"I will not take part in any regulation of anything that is a violation of federal law," Youngblood said.

He sees medical marijuana collectives and cooperatives as illegal. Period.

Banning them is the right path for Kern County, Youngblood said.

TROUBLED

But, at the moment, Kern County cannot ban collectives and cooperatives.

Last week, a petition circulated by medical marijuana advocates to block implementation of the county ban was certified as sufficient to stop the law -- forcing supervisors to either repeal the law or send it to county voters on a ballot.

On Tuesday, supervisors declined to choose between the two options, saying they needed more time and more information.

Goldner said the county will only be completely safe from federal prosecution if they either ban collectives and cooperatives or take no regulatory action at all -- allowing total freedom to medical marijuana growers and distributors.

The county took a bit of a risk in August when it also placed a 12-plant limit on any marijuana grown on a parcel of land in unincorporated parts of the county.

Wagner said that while those small grows are still a felony under federal law, "in the real world" of limited resources and larger problems, that "would not be a priority for us."

But Wagner was careful, even in saying that, not to relinquish the federal government's right to prosecute small grows.

And that is what troubles Goldner as she tries to advise supervisors on how to move forward with regulation of collectives and cooperatives.

An ordinance that controls collectives will demand enforcement by the county.

"It's going to require a great deal of regulation. And that translates into a great deal of taxpayer money and involves a great deal of county employee time and resources," she said.

And "the more involvement the county has, the closer the county gets to being in the danger zone in terms of federal prosecution. And that's the rub."

Wagner told her as much on Thursday, she said.

"The message that I got from Mr. Wagner, loud and clear, is there is no safe harbor," Goldner said.

Renovo Bids to Bag Both Andronico's Markets and A.G. Ferrari Foods

By George Avalos, Oakland Tribune

Posted: 09/22/2011 06:18:29 AM PDT

A private investment firm said Wednesday it is angling to bag both Andronico's Markets and A.G. Ferrari Foods through separate purchases of the Bay Area grocery chains, which each went bankrupt this year.

Renovo Capital plans to revamp the stores operated by San Francisco-based Andronico's and San Leandro-based A.G. Ferrari and operate them independently.

Scott Lavie, a principal executive with Renovo, said the attraction was that "each business has a brand, a customer base and great locations."

But they could combine some efforts. "Is it possible that A.G. Ferrari-branded items could be sold in Andronico's stores in the future? The answer is yes," Lavie said.

Renovo has already gotten court approval to buy A.G. Ferrari for \$1.2 million and separately has proposed to pay \$16 million to buy Andronico's. The prices for the separate deals were disclosed in documents on file with the U.S. Bankruptcy Court in Oakland.

"With both companies, we hope to improve the customer experience, the product offerings and the physical facilities," Lavie said.

Andronico's, founded in 1929, offers gourmet and other specialty foods, along with wine, kitchen gadgets and tableware. It has four stores in Berkeley, and single stores in San Francisco, Los Altos and San Anselmo. Annual revenue is about \$120 million, court papers show.

Ferrari Foods was founded in 1919 and features pastas, sauces, olive oils, vinegars and other offerings that represent items from all 20 of Italy's food regions. Ferrari has nine stores in the Bay Area, including two in Oakland, three in San Francisco, and single stores in Berkeley, Lafayette, Los Altos and Corte Madera. Sales are running around of \$9 million a year.

Andronico's has 470 workers, including 440 at its stores. Ferrari employs 100.

Executives with both companies see a Renovo deal as the best chance to escape financial quagmires.

"The sale of the company really does create a new playing field for us," Andronico's chief executive, Bill Andronico, said in an interview with this paper recently.

A.G. Ferrari contacted 72 organizations or individuals in a quest for buyers. Only Renovo emerged with a "bona fide proposal," Patricia Saucy, Ferrari's chief financial officer, told the court.

"This company has little or no value if it were to be shut down and liquidated," Eric Nyberg, a bankruptcy attorney for Ferrari Foods, said during a court hearing Sept. 8. "A.G. Ferrari has strategic value to the buyer as a going concern."

Renovo Capital was formed in 2008 to invest in companies that are distressed or represent special situations. Renovo typically invests \$5 million to \$15 million per transaction. It has bought four companies, in consumer products, automotive and building products industries, Mark Barbeau, a Renovo principal executive, said in court papers.

A.G. Ferrari's sale to Renovo is scheduled to close soon. A bankruptcy judge has already approved the deal. An auction for Andronico's is scheduled for Oct. 13.

"We are the highly likely buyer for A.G. Ferrari," Lavie said. "With Andronico's, our offer is subject to higher and better offers."

The potential deals and upgrades of Andronico's and Ferrari come at a time that the Bay Area's grocery wars have intensified.

"They face an uphill battle with the competition that is coming in," said Robert Reynolds, a Moraga-based retail consultant. "It will take a significant investment to upgrade the stores and get the inventories to where they need to be."

Safeway has launched revamps or new stores in the Bay Area. Fresh & Easy, Whole Foods, Sunflower Farmers Market, Foods Co. and Sprouts Farmers Market also pose challenges.

"We hope that the improvements we plan with both companies will continue generations of tradition of these two brands providing grocery and delicatessen services to Bay Area residents," Lavie said.

Balco Buys Tenant's Former Building to Ink \$3M Lease

San Francisco Business Times by J.K. Dineen and Blanca Torres
Friday, September 23, 2011

KWW Kitchen Cabinets & Bath's recent lease for 123,000 square feet at 1251 Doolittle Drive in San Leandro from **Balco Properties** came with an unusual condition: The landlord agreed to buy the company's previous 50,000-square-foot building.

The lease is worth approximately \$3 million over five years. KWW sold its former building, at 2955 Merced St., in San Leandro for about \$3.75 million.

KWW to distribute in the United States. Its new San Leandro location will be the main warehouse for shipments coming through the Port of Oakland, said **David Henderson**, a broker with **Colliers International** who represented the tenant in the deal. **Craig Hagglund** of **Lee & Associates** represented the landlord.

The San Leandro facility will also include a showroom. The company has four locations in the Bay Area and one in Los Angeles.

GROW-CALIFORNIA ANNOUNCES CALIFORNIA'S "Top 40" CLEAN TECH INNOVATORS

Companies Recognized for Their Green Technology Leadership

SACRAMENTO, Calif. (September 26, 2011) - With many political and business leaders advocating continued support for green technology to create much-needed jobs, improve the economy and lessen demand for fossil fuels, Grow-California announced today the "Top 40" Clean Tech Innovators for 2011. From this elite group of clean technology leaders, fifteen nominees will be presented "Game Changer of the Year" awards at a luncheon culminating the first Clean Tech Innovation Conference, scheduled for November 2nd and 3rd at the Kaiser Center in downtown Oakland.

The "Top 40" companies were nominated by the conference's Host Committee, as well as, dozens of other California-based professional services firms, suppliers, investors, banks and academia who identified clean tech companies that were distinguished from competitors because of their focus on innovation and important contributions to California's economic growth.

Grow-California, the conference organizer, is dedicated to fostering jobs and creating wealth in California by connecting entrepreneurs, growth companies and market leaders with talent, capital and customers. A selection committee comprised of clean tech industry experts, banks, venture capital firms, and academia will determine the fifteen "Game Changer" of the Year winners.

"This is an elite group of clean tech innovators who represent the tremendous impact that innovation is having on the green industry, and more importantly, the exciting potential for California and its economy," said Jon Gregory, CEO, of Grow-California. He added, "Despite recent news on some companies, the reality is that a number of clean tech companies are thriving and we are excited to recognize these companies for their vision, leadership and ability to transform innovative ideas to reality."

The Top 40 Clean Tech Innovators are:

Google, *Mountain View*
Clear Edge Power, *Sunnyvale*
Bloom Energy, *Sunnyvale*
Calera, *Los Gatos*
Solar City, *San Mateo*
Enphase Energy, *Petaluma*
Sapphire Energy, *San Diego*
SynapSense, *Folsom*
Soladigm, *Milpitas*
Amyris Biotechnologies, *Emeryville*
Acura Technologies, *San Francisco*
Hara, *San Mateo*
Fisker Automotive, *Anaheim*

Energy Recovery Inc., *San Leandro*
Sungevity, *Oakland*
BridgeLux, *Livermore*
Lundberg Family Farms, *Richvale*
eSolar, *Burbank*
Solazyme, *South San Francisco*
LS9, *South San Francisco*
BrightSource Energy, *Oakland*
Nanosys, *Palo Alto*
Contour Energy Systems, *Azusa*
Sentilla, *Redwood City*
eMeter, *San Mateo*
MBA Polymers, *Richmond*

Tesla Motors, *San Carlos*
Primus Power, *Hayward*
Cleaire, *San Leandro*
Scientific Conservation, *San Francisco*
Bay Friendly Coalition, *Berkeley*
eCullet, *Palo Alto*
NanOasis, *Richmond*
Lucid Design Group, *Oakland*
Altery Systems, *Folsom*

Project Frog, Inc., *San Francisco*
Pinnacle Engines, *San Carlos*
OSIsoft, *San Leandro*
Lemnis Lighting, *San Francisco*
Waste Management, *Oakland*
Pax Water Technologies, *Richmond*
Tau Science, *Mountain View*
Bloo Solar, *West Sacramento*

The California Clean Tech “Game Changer” of the Year Awards will be selected from twelve categories including Energy Investment and Financing; Technology and Energy Efficiency; Environmental/ Recycling; Raising Capital for Clean Tech Innovation; Consumer Education Initiatives; Public/Private Partnerships; Energy and Agriculture; Clean Tech Marketing and Sales Campaigns; Clean Water Innovation; Green Transportation; Green Building Technology; Solar Technology; Energy Storage; Clean Tech Start-Up; and, Renewable Energy.

Grow-California CEO Jon Gregory commented, “The California Clean Tech ‘Top 40’ Innovators represent the ‘best of the best’ in California and by virtue of that, are critical to California’s economy now and in the future.”

To find out more about the Clean Tech Innovation 2011 conference, visit www.grow-california.com

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CALIFORNIA CLEANTECH INNOVATION

Kaiser Center, Downtown Oakland  November 2nd & 3rd

A Must-Attend Conference on Cleantech Innovation



On November 2nd & 3rd, Grow-California will be hosting the inaugural California Cleantech Innovation conference at the Kaiser Center in downtown Oakland. The conference is unique in that it brings together all key influencers from across California and the U.S. affecting the cleantech industry, including emerging market leaders, major corporations, government officials, media representatives, early-stage companies, suppliers, academia, venture capitalists, angel investors, economic developers, mergers and acquisition advisors, and other industry experts.

This one-of-a-kind conference will address many important questions. What are the secrets to why some of California's clean tech firms have thrived while others have faltered? Can California-based green technology compete in the global market? What are the key trends in alternative energy, energy efficiency, green building, transportation and recycled technologies – and which area of cleantech holds out the best prospects for sustained green technology global market leadership? In light of both clean tech successes and failures by venture-back companies in 2011, has California's venture capital industry re-shaped its perspective on investing in the sector? How can new and established firms leverage publicly funded research and private capital to deliver innovative technologies and business models that create profits and jobs in California, even as they conserve resources and help address our AB32 mandate?

California Cleantech Innovation features a number of compelling sessions, including:

- Topical panels featuring investors and CEOs discussing trends and current opportunities in renewable energy, energy

efficiency, green transportation, environmental and recycling innovation, and green building initiatives.

- VIP dinner panel showcasing California's leading universities and federal labs and their focus and initiatives on the green technology sector
- Business plan presentations by 25 of California's most impressive "start up sensations"
- Compelling keynote and feature presentations by CEOs of California's cleantech successes and leading venture capital investors
- "State of Capital" showcase panel highlighting trends on available funding sources for cleantech businesses
- Government resources for cleantech segment identifying ways that businesses can access assistance from local, state and federal government

In addition, fifteen entities (businesses, investors, universities or other entities advancing cleantech innovation) will be honored with coveted "Game Changer of the Year" awards.

Prices

Full Conference: \$245.00

One-Day Attendance: \$125.00

VIP Dinner (Separate Ticket): \$75.00

Exhibitor Sponsorship: \$2,000.00

High visibility sponsorships are also available. For more information email jon@goldencapital.net.

To register for the conference, visit:

<http://events.constantcontact.com/register/event?llr=dgcqhubab&oeidk=a07e4vmf6r9fe835726>



Call for Offers - Tuesday, October 18th, 2011
Westgate Center- Redevelopment Opportunity

San Leandro, California



We invite you to submit your offer to acquire or joint venture Westgate Center to our San Francisco office no later than **2:00 PM PST on Tuesday, October 18th, 2011**. In addition to purchase price, your offer should also address specifics with respect to deposit, closing costs, timing and other material terms and qualitative factors such as:

- **Transaction Structure:** Please specify in the offer if you desire to acquire the asset outright or joint venture with existing ownership. If a joint venture, please outline major venture terms.
- **Financing:** Please indicate whether you plan to arrange debt financing prior to closing the acquisition and if so, the current status of lender commitment to the transaction.
- **Source of Equity:** Please address the source of equity funds needed to acquire the property and the level of approvals needed to consummate the transaction.
- **Due Diligence:** Please describe the extent of due diligence completed to date and major outstanding diligence items.

Leasing and Underwriting Update:

A leasing update will be posted to the transaction web site within a few days.

We look forward to working with you on the next steps of this transaction. In the interim, if you have any questions or would like to schedule a tour of the Property, please contact any of us.

If you have yet to submit a Confidentiality Agreement and are interested in reviewing the Confidential Offering Memorandum, please execute the **Confidentiality Agreement** and return to:

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Any questions please email us at: WestGateCenter@eastdilsecured.com

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WGC1 (CFO)

Alameda County Fire Department NEWS

FOR IMMEDIATE RELEASE
September 30, 2011

CONTACT: Aisha Knowles
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ACFD Fire Chief Named 2011 Fire Chief of the Year

Chief Gilbert Receives Prestigious Award from the California Fire Chiefs Association

Riverside, CA—On Tuesday, September 27, 2011, Alameda County Fire Department (ACFD) Fire Chief Sheldon Gilbert was announced as the Ronny Jack Coleman Fire Chief of the Year by the California Fire Chiefs Association (CFCA) during its annual conference in Riverside.

Named after retired State Fire Marshal Ronny Jack Coleman, the CFCA Ronny Jack Coleman Fire Chief of the Year Award was created in 2000 to recognize an outstanding member of the fire service leadership community. With a membership that spans throughout California's 58 counties, the award highlights an individual that is a role model for all fire chiefs in the state.

“Chief Gilbert’s demonstration of creativity, dynamic leadership in challenging economic times and sound vision has benefited the California fire service as a whole,” said CFCA President and ACFD Deputy Chief, Demetrious Shaffer. “This prestigious award puts him in an elite group of fire chiefs who have made a significant impact on the California fire service’s ability to meet the unique risks and challenges that are present within California.”

Annually, CFCA members nominate and vote for fire chiefs who have displayed exemplary performance in training and education, fire service leadership and management, fire prevention, and community involvement. The Ronny Jack Coleman Fire Chief of the Year Award is given to the Fire Chief that has exemplified the highest level of leadership and innovation resulting in contributions that have significantly enhanced the California fire service. This award is held by only a few fire chiefs and places Chief Gilbert amongst an exclusive group of chiefs who have been selected in the state.

“I am incredibly honored, humbled and thankful to receive this award from the California Fire Chiefs Association,” said CFCA Past-President and Alameda County Fire Chief Sheldon Gilbert. “I will do my best to live up to what the award is all about and continue the work of the amazing individuals who have received this award before me.”

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