

san leandro community development update

November 2011

Major Project Update

On October 17, the San Leandro City Council unanimously approved a license agreement with San Leandro Dark Fiber to allow installation of a fiber optic loop. Known as “**Lit San Leandro**,” the approximately ten mile fiber loop will run through existing conduit. Building upon San Leandro's strong industrial infrastructure, Lit San Leandro offers an opportunity to position the city to be a major player in the high-tech and clean-tech economies.

Lit San Leandro was conceived by Dr. J. Patrick Kennedy, a San Leandro resident and president and founder of OSISOFT, one of the city's largest employers. “In the 1950's and 1960's, San Leandro civic leaders designed and built an infrastructure to attract manufacturers. This included construction of sewer, water, gas and electrical systems that were needed to support heavy industry and still hold value for today's businesses,” stated Dr. Kennedy. “The next generation of industrial businesses will require additional infrastructure to leverage computer technology, including fiber optic communication, ready access to software programmers and designers, and computing capability to create an urban manufacturing environment.”



The Lit San Leandro fiber system will be connected to the outside world via fiber lines leased by BART's Telecommunications Division. Businesses in San Leandro will be able to tap into a direct fiber connection to most long haul carriers and telecom suppliers, allowing them to connect to the external world, (e.g. data centers, hubs, other offices) at extremely high speeds.

The installation of the fiber loop will not require any public investment, although City staff is working with San Leandro Dark Fiber on to market the system. The City will also receive approximately ten percent of the fiber capacity to potentially facilitate expansion of the City's internal data communications with other entities that can provide expanded broadband services for the community. (Citywide)

Visit: www.litsanleandro.com

Redevelopment and Business Development

- The 2011 **Downtown Farmers' Market** season came to a close on Wednesday, October 19. Market attendance was strong, averaging 2,500 visitors a week. The market hosts approximately 40 producer stalls weekly, and each producer is essentially an “independent business,” selling their product as a part of the Farmers' Market. In addition to a variety of fresh fruits and vegetable producers, this year the market saw the inclusion of Main Street Meats & Fish, Roli Roti Chicken and Precious Puch gourmet doggie treats and cakes. (District 1)



- The East Bay EDA has compiled an in-depth analysis of the East Bay economy entitled ***Building On Our Assets- Economic Development and Job Creation in the East Bay***. This report was created to better understand the interdependent dynamics of the East Bay economy and provide a basis for identifying the region's opportunities and challenges for future growth. The project team conducted an in-depth analysis of employment, business, workforce, infrastructure, and land use characteristics, augmented with interviews with business executives. On the basis of the analyses, the study provides recommendations for elected officials, workforce development and education board members, city managers, city and regional planners, economic and development specialists, regional agency commissioners, state officials, business leaders, and other decision makers to plan for a prosperous region. A copy of the complete report, including information on the San Leandro sub-region, is available for download [here](#). (Citywide)



- The City held its second community workshop on Wednesday, November 2 to provide an update and solicit citizen feedback on the proposed **Village Marketplace** retail center at 1550 East 14th Street (the former downtown Albertsons store).



Scott Whitney, a representative from Fresh & Easy Neighborhood Market, presented an overview of the market and answered questions regarding Fresh & Easy's products, staffing, and business model. David Imer of Innisfree Ventures II, the City's selected developer, along with project architects, presented refinements to the design based on feedback gathered at the previous public meeting. The design concepts include retail and restaurant spaces with outdoor dining, a public plaza and gathering place with a fountain, and public art. (District 1)

- Staff recently installed a customizable **online property search tool** on the City's website known as Showcase. This tool allows the public to search for available commercial properties. Although not all properties details can be viewed by the public, the Office of Business Development staff has access and is available to assist. To preview the free online property search tool, please click [here](#). (Citywide)
- **Brewers Supply Company**, which provides malt, hops and filtration products for brewers nationwide, leased 52,483 square feet at 750 139th Avenue in San Leandro. The 103,000 square foot building will now be 100 percent occupied. (District 2)
- The California Supreme Court announced that it will hear oral arguments for ***California Redevelopment Association v. Matosantos*** on November 10 at 9:00 a.m. This is the lawsuit challenging the constitutionality of the state's plan to eliminate redevelopment agencies unless they agree to pay \$1.7 billion in FY 2011-12 and \$400 million in subsequent budget years. For San Leandro, the payment equates to just under \$4.8m in 2011-12 and slightly more than \$1.1m each year thereafter.

The central claim in the lawsuit is that AB 1x 26 and AB 1x 27 violate the California State Constitution, including Proposition 22, which was passed by 61 percent of California voters in November 2010. In August, the Court agreed to hear the case on an expedited basis in order to reach a decision before Jan. 15, 2012, when the first payments under AB 1x 27 would be due. (Citywide)

- Construction continues on Phase One of the **Kaiser Medical Center**, scheduled to be open in 2013. (District 3)



- **Paramedics Plus** held a grand opening and ribbon cutting at its new San Leandro headquarters located at 575 Marina Blvd on October 27. Paramedics Plus recently signed a five-year contract for countywide ambulance services. A majority of the 375 employees will be former employees of American Medical Response, the paramedic company which previously served Alameda County. Paramedics Plus has committed significant resources and new technologies to improve emergency response service throughout the county. Additionally, Paramedics Plus will be capping profits and bringing in a new rate structure that will save County residents more than \$20 million in the next five years, while keeping jobs in San Leandro. (District 1)



Planning, Zoning, and Building Updates

- On October 5, the Planning Commission approved two projects:
 1. A **66-unit multifamily rental complex** at 2450 Washington Avenue to be developed by William Mathews, Inc., which also owns the site. The site currently contains an office building. The Planning Commission adopted a resolution recommending that the City Council adopt a Mitigated Negative Declaration; approve a General Plan Land Use Map Amendment from Office to High Density Residential; approve a rezone of the subject site from P Professional District to Residential Multi-Family with a Planned Development Overlay District; approve the Vesting Tentative Map; approve a Development Agreement; and approve a Planned Development subject to the recommended conditions of approval. This project is planned for City Council review on November 21. (District 1)
 2. **Heritage Baptist Church's** modification to its existing Planned Development (PD) overlay zoning designation. The modification adds approximately 24,000 square feet of new facilities including office area, religious study space and a new fellowship hall at the 2960 Merced Street site. The modifications conform to the existing PD approval. (District 3)

- Current Planning Calendar (as of October 31, 2011 and subject to change):

Event	Date/Address/Project Description/Approval Type (District #)
Board of Zoning Adjustments	November 3, 2011 <ul style="list-style-type: none"> • Zoning Code amendments re: assembly, commercial recreation uses, entertainment activities & cultural institutions (City) • Davis Street Transfer Station Yearly CUP Review (D6) • ACI Yearly CUP Review (D3) December 1, 2011 <ul style="list-style-type: none"> • Zoning Code amendments/miscellaneous clean-up (City)
Planning Commission	November 17, 2011 <ul style="list-style-type: none"> • Zoning Code amendments re: assembly, commercial recreation uses, entertainment activities & cultural institutions (City) December 15, 2011 <ul style="list-style-type: none"> • Zoning Code amendments/miscellaneous clean-up (City)
City Council	November 21, 2011 <ul style="list-style-type: none"> • 2450 Washington Ave/New multifamily rental construction/PD, Gen Plan Amendment, Rezoning, Development Agreement & vesting tentative map (D1) December 5, 2011 <ul style="list-style-type: none"> • Zoning Code amendments re: assembly, commercial recreation uses, entertainment activities & cultural institutions (City)
Administrative Review (AR)	<ul style="list-style-type: none"> • 14800 Washington Ave/T-Mobile wireless telecomm in ROW/AR (D3) • 130 Greenhouse Market/McDonalds 2nd drive-thru/PD mod (D4) • 1625 Graham Way/fence modification/AR (D2) • 1166 Manor Blvd/new commercial building/SPR (D4) • 15555 E. 14th St/Marshall X-mas tree lot/TUP (D2)

Notes: CUP (conditional use permit); PD (Planned Development); SPR (site plan review); TUP (temporary use permit)

Housing and CDBG

- Staff assisted the nonprofit housing developer Eden Housing, Inc., with a nomination application for **Estabrook Place**, a 51 unit affordable senior housing development completed last summer, for the 2011 California Redevelopment Association Awards of Excellence. Eden Housing is applying under “Residential – New Construction” category. Winners will be announced at the Annual CRA Conference next April in Los Angeles.
- CDBG Public Service Grantee Profile: **SOS Meals on Wheels**. For the past 45 years, the non-profit organization SOS Meals on Wheels has been delivering hot, nutritious, and balanced meals directly to homebound seniors in San Leandro, Castro Valley, Hayward, and San Lorenzo through its Meal Delivery Service Program. Meals on Wheels staff and a cadre of volunteers prepare, package, and deliver meals from its on-site kitchen to homebound seniors 60 years of age and older. Clients receive delivered meals Monday through Friday. A variety of ethnic foods are also provided as the program recognizes the multicultural blend of the east bay area. Additionally, Meals on Wheels drivers provide daily check-ins on the health and safety of these homebound elders and assist them with small tasks. The “hot meal” and “home delivery” system of care allows seniors to live more independently and to remain in their own homes. The City has awarded CDBG funds to Meals on Wheels since FY 2008-09, provided meals to 140 homebound San Leandro seniors in FY 2010-11. (Citywide)

Economic Trends

- Business Development staff recently received the following summary of employment and payroll-by-industry sector in San Leandro. The data is for December 2010, the most recent period for which data is available. The sectors are classified based on the North American Industrial Classification System (NAICS). As shown in the summary table, retail trade is the city's largest sector in terms of number of businesses and employment. Retail, however, is only the fourth highest sector in terms of payroll, trailing manufacturing, construction, and wholesale trade, respectively. (Citywide)

City of San Leandro, Employment by NAICS Sector, December, 2010

Industry	# of Businesses	Employment	Quarterly Payroll	% of Total Emp.	% of Total Payroll	Annualized Payroll per Job
Utilities	1	*	*	*	*	*
Arts, Entertainment, and Recreation	16	205	\$ 1,007,384	1%	0%	\$ 19,656
Educational Services	16	274	2,638,729	1%	1%	38,522
Information	25	401	6,144,289	1%	1%	61,290
Real Estate and Rental and Leasing	117	786	8,376,334	2%	2%	42,628
Management of Companies and Enterprises	30	824	22,361,181	2%	5%	108,549
Finance and Insurance	81	1,020	17,462,831	3%	4%	68,482
Other Services	169	1,021	9,350,797	3%	2%	36,634
Prof., Scientific, and Technical Services	134	1,214	26,436,469	3%	6%	87,105
Government	28	1,703	33,646,647	5%	7%	79,029
Administrative and Support and Waste Mgmt	82	1,750	24,023,573	5%	5%	54,911
Transportation and Warehousing	74	2,098	24,133,107	6%	5%	46,012
Accommodation and Food Services	174	2,290	9,729,648	7%	2%	16,995
Wholesale Trade	239	3,200	55,904,126	9%	12%	69,880
Construction	211	3,220	68,461,814	9%	14%	85,046
Health Care and Social Assistance	234	4,060	43,616,621	12%	9%	42,972
Manufacturing	193	5,136	73,923,309	15%	16%	57,573
Retail Trade	295	5,799	45,705,821	17%	10%	31,527
Not Classified	79	*	*	*	*	*
Total, All Industries	2,198	35,067	\$ 473,510,415			\$ 54,012

* Suppressed due to confidentiality requirements.

- According to reports by Cornish and Carey Commercial, for the third quarter of 2011 San Leandro continues to have a lower vacancy rate for industrial space than the rest of the region. This represents a slight decrease in vacancy over the previous quarter, and the net absorption during the quarter was positive 6,800 square feet. A summary of the report is shown below. (Citywide)

Vacancy Rates, Q 3 2011

	San Leandro			I-880 Corridor		
	Inventory (SF)	Vacancy	Avg. Asking Rate (NNN)	Inventory (SF)	Vacancy	Avg. Asking Rate (NNN)
Industrial	11,167,769	4.41%	\$0.34	58,770,139	5.95%	\$0.43
Warehouse	11,145,789	11.66%	\$0.26	69,072,245	10.80%	\$0.31
R&D	315,807	25.52%	\$0.70	28,061,964	22.22%	\$0.84
Total, All Types	22,629,365	13.86%	\$0.43	155,904,348	12.99%	\$0.53

Source: Cornish and Carey Commercial