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Staff Report for a Resolution Approving \$250,000 to Fund Economic Development and Arts Initiatives to Enhance the Business Climate in the Fiscal Year 2014-15 Budget

SUMMARY AND RECOMMENDATIONS

Since the FY 2014-15 Budget adoption in June 2013, numerous economic development and arts initiatives and opportunities have arisen to enhance the City's business environment. Additionally, the new Arts Commission would benefit from the creation of a framework to operate within once a funding source becomes available. Staff recommends the City Council adopt a resolution approving funding for the following six initiatives, totaling \$250,000 in one-time costs

General Plan Economic Development Element	\$20,000
Community Workforce Agreement Outreach & Implementation	100,000
Arts Master Plan	50,000
Utility Box Art Wraps	25,000
Decorative Street Banners	35,000
LINKS Enhanced Service Start-up Costs	<u>20,000</u>
Total	\$250,000

BACKGROUND & ANALYSIS

Information regarding the six initiatives recommended for funding follows.

Economic Development Element of the General Plan

A standalone Economic Development Element (ED Element) of the General Plan is recommended in order to enhance the General Plan Update currently underway. The existing 2002 General Plan handles economic development initiatives and their influence on land use issues as part of the Land Use Element by including a sub-chapter on business and industry. State planning law does not mandate the ED Element. The creation of a new distinct chapter on economic matters related to land

use sends a message that economic development is a strong focus of the City and establishes a comprehensive vision of economic development for the future.

The ED Element will incorporate more recent activities and planning documents such as Lit San Leandro, the 2013 City Economic Development Strategy and Work Plan, and the Next Generation Workplace District Study and provide policy recommendations relating to issues such as business image, economic diversification, retail mix, marketing and business assistance. The ED Element is not the creation of a new strategy, but a comprehensive incorporation of the City's economic development efforts into an important planning document.

The cost to add the ED Element will not exceed \$20,000. The budget will cover the costs for the General Plan consultants -- Placeworks, Barry Miller, and Strategic Economics -- to compile and analyze data to prepare the new ED Element. In addition, the scope of the ED Element will enable the consultant team to expand outreach activities, including focus and individual stakeholder group meetings with the City's diverse business community. Stakeholder groups include the Chamber of Commerce, Downtown Community Benefit District, Downtown Business Association, Minority (Asian, African-American and Hispanic) Business Councils, and Industrial Roundtable/Founder's Circle. Staff recommends the addition of the ED Element due to the consistent public feedback received during the General Plan Update planning process over the last several months from residents, members of the Planning Commission and business organizations.

Community Workforce Agreement Outreach and Implementation

At a Work Session on February 10, 2015, the City Council directed staff to proceed with the negotiation of a Community Workforce Agreement (CWA). A CWA is a contract between a public agency and the building trade unions that governs the role of the unions in the execution of public construction projects. The CWA is presently being reviewed by the City Council Finance Committee and is expected to be brought before the City Council for adoption before the end of the fiscal year. As discussed at the Work Session, successful implementation of a CWA will require extensive outreach, modification to the City's existing bidding processes for construction contracts, and ongoing oversight to monitor the impacts of the program, resolve disputes, and ensure that contractors maintain compliance.

An appropriation of \$100,000 is requested in the current fiscal year for startup outreach and implementation of the CWA. This cost is comprised of two items; \$40,000 for outreach and education and \$60,000 for administrative costs related to implementation and oversight. The outreach efforts are needed to ensure that both contractors and workers are aware of the new program and have the information needed to bid and work on City projects. Particularly for non-union and minority contractors, it will be critical to understand the new rules for hiring workers and paying benefits. Additionally, the CWA will include guidelines and requirements for hiring local San Leandro residents and adding San Leandro residents to existing union apprenticeship programs. The outreach budget will be used to prepare and disseminate materials that explain the CWA, including translation into foreign languages.

The remaining \$60,000 for implementation is based on the estimated staff costs incurred by the City of Berkeley for implementation of a similar CWA. Implementation activities are expected to include:

- Advising bidders of the requirements of the CWA and responding to contractor & trade queries throughout each project;
- Coordinating Pre-Job meetings with trades and contractors for each project and participating in Pre-Construction meetings;

- Staffing the Joint Administrative Committee meetings of City, union, and contractor representatives;
- Preparing, analyzing and/or reviewing monthly workforce utilization reports;
- Coordinating referrals to apprenticeships with workforce development programs;
- Responding to Public Records Act requests and building a database; and
- Coordinating and participating on a grievance committee as needed.

Arts Master Plan

The City's first Arts Commission was created by the City Council in 2014 in recognition of the growing importance of art and culture in the City. The Commission, consisting of nine members, began meeting in November with the mission of developing and promoting public art to enrich the City. The newly created Commission requested funding for the development of an Arts Master Plan. A Master Plan will identify strategies and priorities for the future development of art and will strategize plans for engagement and implementation. The Master Plan will create a framework from which the Arts Commission will operate and evaluate the role of art in current plans and future development. The Master Plan will create a structure to identify projects and priorities once a source of funding is identified.

\$50,000 in funding is requested for the development of an Arts Master Plan facilitated by the City's Recreation and Human Services Department.

Utility Box Art Wraps

Beginning in 2014, the City of San Leandro successfully partnered with Streets Alive on a demonstration project to develop artistic enhancements for seven groups of utility boxes in the City. The selected locations, mostly clustered downtown, were chosen based on visibility. Over the past several months, each of the boxes were wrapped with artwork that have added creativity and color to boxes that were previously dull, gray, eyesores. The project receives positive attention from both residents and the press.

To facilitate the installation of additional art wraps, staff began outreach aimed at identifying businesses willing to sponsor boxes to fund additional art wrap installations at a cost of approximately \$2,500 per box. Although some sponsorships are expected in the upcoming year, additional funding is requested to significantly expand the reach of the program. In addition to Downtown San Leandro, staff believes that art wraps could make a positive impact in neighborhood-oriented retail districts and the industrial area. An appropriation of \$25,000 would be sufficient to install wraps at 7-10 additional locations, more than doubling the scope of the original project. Based on the results of the first round of installations, staff believes that the art wraps are a cost-effective tool for expanding public art in the City.

Decorative Street Banners

The City implemented a decorative banner program on street poles in numerous areas throughout the City in the mid-1990s. These areas include: Bancroft Avenue (near Dutton), the Civic Center kiosk, Davis Street, San Leandro Boulevard, Wicks (near the Marina Community Center) and at the shoreline. The budget for the first eight years of the program, which included designs for each area, averaged approximately \$50,000 and included installation of holiday banners in December.

As a result of budget constraints, funding for the banner program has not been available since 2003 with the exception of the Downtown San Leandro banners that were installed in 2010 as part of the

marketing and branding of Downtown San Leandro. These banners were funded by the former Redevelopment Agency.

In 2012, Ghirardelli funded new banners celebrating their 160th Anniversary that were installed in select locations on East 14th Street and San Leandro Boulevard. These banners remain along with the remaining old banners which are showing significant wear and tear. At this time no replacement banners exist. Staff recommends \$35,000 in funding to design, print and install banners at two locations with existing hardware.

Davis Street (43 poles)	\$10,000
East 14 th Street (121 poles)	<u>25,000</u>
Total cost	\$35,000

Staff will work with the community, including businesses, to develop banner designs.

San Leandro LINKS - Enhanced Service Start Up Costs

The free San Leandro LINKS shuttle service provides a critical connection between the Downtown San Leandro BART station, the City's industrial area, and the retail uses on Marina Boulevard, enabling workers to access places of employment without needing to drive. Earlier this year, LINKS was expanded to cover two distinct shuttle routes. These changes mean that riders enjoy more frequent service, shorter ride times, and access to more locations in the City. Although implementation of a new service requires a period of adjustment, the process was generally successful and ridership numbers are up.

Roughly 50% of the cost of the LINKS program is funded by a Business Improvement District (BID), with the remainder coming primarily from grants. A new BID was approved by the participating businesses in 2014 and the current rates reflect the increased operational cost of the enhanced service. The BID rates, however, do not cover the one-time startup costs associated with implementing the new service. Although the 2015-17 City budgets include a recommended \$75,000 annual contribution to support LINKS, the City's contribution for FY2014-15 is only \$50,000.

A one-time \$20,000 appropriation is recommended to provide support for the costs that have been necessary to ensure a smooth rollout of the new services. These costs include design and production of new maps, brochures, and a website (approximately \$7,000), wraps and signage for the two new shuttles that were added to the service routes (\$7,000), purchase and installation of bike racks (\$3,000), and design, production and installation of new signage for all of the shuttle stops (\$3,000).

Fiscal Impacts

These General Fund programs will cost \$250,000 in one-time funds. The following accounts will be increased in the FY 2014-15 Budget to be funded from the Economic Uncertainty Reserve:

\$ 20,000	GP Economic Development Element	010-41-001-5120 (CD, Planning)
\$100,000	Community Workforce Agreement	010-14-012-5120 (CM Contingency)
\$ 50,000	Arts Master Plan	010-61-013-5120 (Rec, Com Promo)
\$ 60,000	Utility Box Art & Decorative Street Banners	010-41-003-5890 (CD, Business Dev)
\$ 20,000	LINKS	170-36-127 (LINKS)

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