

NOTICE AND AGENDA
CITY OF UNION CITY
CITY COUNCIL/REDEVELOPMENT AGENCY

SPECIAL MEETING AND WORK SESSION

TUESDAY, JULY 19, 2011
7:00 PM

COUNCIL CHAMBERS
34009 Alvarado-Niles Road
Union City CA

A SPECIAL MEETING CLOSED SESSION PRECEDES THE SPECIAL MEETING AT 6:30 P.M.

I. CALL TO ORDER

- 1.a Pledge of Allegiance
- 1.b Roll Call

II. PUBLIC COMMENT – *Comments limited to items on the Special Meeting Agenda*

III. CITY COUNCIL WORK SESSION REGARDING ECONOMIC DEVELOPMENT

- Regional Planning for Economic Development
- Union City Local Economy Summary
- Economic Development Advisory Team (EDAT) Progress
- Redevelopment and Implementation of ABx1 26 and ABx1 27, and Introduction of an Ordinance of the City Council of the City of Union City, California, Determining it will Comply With the Voluntary Alternative Redevelopment Program Pursuant to Part 1.9 of Division 24 of the California Health and Safety Code in Order to Permit the Continued Existence and Operation of the Community Redevelopment Agency of the City of Union City

IV. ADJOURNMENT

Dated: July 15, 2011

_____/s/ Mark Green_____
Mary Green
Mayor



DATE: JULY 19, 2011

TO: CITY COUNCIL

**FROM: JOAN MALLOY, ECONOMIC & COMMUNITY
DEVELOPMENT DIRECTOR**

SUBJECT: ECONOMIC DEVELOPMENT STUDY SESSION

A strong economic and fiscal base is critical to developing and maintaining prosperity. As with most cities in the Bay Area, Union City has felt the pressure of the economic downturn that has resulted in dropping property and sales taxes, high unemployment, and diminished developer fees. In response to these challenges, the City Council has begun to focus efforts to help bolster Union City's economic growth. To further the Council's discussion, the economic development study session will provide an overview of current economic conditions at both a regional and local level; activities of the Economic Development Advisory Team (EDAT) and preliminary recommendations; and the role that the Redevelopment Agency has had in economic development and the Agency's current status with the State's recent legislative action to eliminate the agencies across the State.

BACKGROUND

At the March 5, 2011 City Council retreat, the Council requested an economic development study session to review and discuss the economic development efforts within the City. At a regularly scheduled meeting on April 12, 2011, at the Council's request, staff briefed the Council on the activities of the EDAT and shared with Council the agendas and minutes that documented the committee's efforts to date. From this Council discussion, the Council requested quarterly updates on the EDAT's activities. A presentation was also made to the Council on May 24, 2011 regarding staff's efforts in developing a sub-regional marketing group - known as the Northern Silicon Valley Partnership - that includes Fremont, Newark, Hayward, Union City and the East Bay Economic Development Alliance. Additionally, at the June 2, 2011 Planning Commission/City Council joint study session, there was significant discussion regarding land use, neighborhood design and economic development.

The Planning Commission/City Council joint study session concluded with the Council requesting that staff begin a review of economic development efforts, and a review of land use (specifically, the Old Alvarado area), to determine what additional tools the City could provide to encourage economic development. The Council also suggested the formation of a sub-committee that would include members of City Council, Planning Commission, staff, and the Chamber of Commerce. The sub-committee would focus on meeting with business people from

different business sectors (such as technology/industry, retail, office) to hear how to open new opportunities for economic development.

DISCUSSION

The purpose of the economic development study session is to provide a baseline of information regarding economic development in the City so there is a comprehensive understanding of economic development efforts. Staff has invited the East Bay Economic Development Alliance (East Bay EDA) to provide an overview of the regional economic perspective with regards to jobs and business. Staff will also be providing a local perspective on major revenues (property and sales tax), jobs, industrial and commercial space availability, the current policy framework, and opportunity sites. The EDAT will provide an overview of the Strengths, Weaknesses, Opportunities, and Threats analysis that is underway by the group. Lastly, staff will provide an overview of the Redevelopment Agency's efforts that have contributed to a revenue stream for the City and what may be next for the Redevelopment Agency.

East Bay Economic Development Alliance

The East Bay Economic Development Alliance (East Bay EDA) is a public/private partnership serving the San Francisco East Bay (Alameda and Contra Costa Counties) whose mission is to establish the East Bay as a world-recognized location to grow and attract businesses, attract capital and create quality jobs. Union City is a participating member of the East Bay EDA and very active in the organizations various programs.

Scott Peterson, Deputy Director, will be providing an overview of the East Bay regional planning for economic development that includes the employment concentration by industry and wages, commute patterns and statistics, driving industries and summarize East Bay goods movement / gross domestic product.

Local Economy

Union City's economic success is reliant on the region's continued prosperity. Located strategically in the East Bay, Union City is midway between Oakland and San Jose and also within easy driving distance of the Peninsula. Historically, Union City has served as a bedroom community and warehouse center. Over the past 15 years, Union City has benefitted from growth fueled by Silicon Valley and has developed a stronger economic base, which in turn provides more services for the community. These economic benefits have been expressed by the construction of homes targeted towards higher-income earners; the development of Union Landing as a sub-regional center with big box stores, hotels and restaurants; and the attraction of technology and life science businesses seeking to take advantage of lower land and building costs and an educated workforce.

Union City also faces challenges in order to continue its economic growth. Apparent challenges include a limited amount of vacant land and an abundance of warehouse space that does not meet the needs of job intensive business sectors. Within Alameda County, Union City has the third

lowest government revenues per capita. The City is also the third lowest in the County in sales tax revenues. Additionally, we have sales tax leakage in certain sectors of retail.

Positive economic considerations show that our business-to-business sales are a significant contributor to our local sales tax; and there are some sectors of retail where we exceed our local demand. Sales tax revenue is expected to climb as Measure AA begins to show additional proceeds. Lastly, our inventory of available commercial space in all sectors (industrial, retail and office) is fairly low (see attached Space Availability and Vacancy Analysis), thus showing stability within our industrial community.

At the study session, staff will review the City's primary revenue streams with regards to sales tax and property taxes, review the community's jobs profile, and review opportunity sites. Staff will also review current economic development policies (see attached Economic Development Element, General Plan).

Economic Development Advisory Team (EDAT)

The Economic Development Advisory Team (EDAT) has been working on a Strength, Weakness, Opportunities and Threat (SWOT) analysis (see attached SWOT report). The purpose of a SWOT analysis is to gather, analyze, and evaluate information and identify strategic options facing Union City at a given time. A SWOT analysis is an effective way to identify strengths and weaknesses, and examine the opportunities and threats the community may face. Carrying out an analysis using the SWOT framework helps the group focus economic development efforts into areas where Union City is strong and where the greatest opportunities lie. This knowledge is then used to develop a plan to guide future activities and actions.

The EDAT will be presenting to the City Council the three top strengths, weaknesses, opportunities and threats. The EDAT will work towards developing strategies to address each element of the SWOT through an action plan, and will also be presenting some preliminary recommendations for the Council's consideration.

Redevelopment Agency

The Redevelopment Agency has been a key tool for economic development. Direct Agency project support has resulted in the redevelopment of over 150 acres of blighted lands that now contribute over \$5.5 million annually in property tax revenues. The Agency also supports the economic development staff, economic development programs, and the Chamber of Commerce. Additionally, the Agency provides support to several staff members and programs that have a direct community benefit, include police officers, the fire service contract, youth and family counselors, staffing for Centro de Servicios, and support to ARC of Alameda County. Community facilities have also been constructed with Agency funds, including the Alvarado Resource Center/Substation and Guy Emanuele School.

Now, with legislation (ABx1 26 and ABx1 27) in place to dismantle the Agency, several projects are threatened, including the Station District development and the East-West Connector. If the Agency is abolished, it must be dissolved by October 1, 2011. An oversight board made up of

appointees from the City, Alameda County and the State would oversee the liquidation of assets (land and unobligated funds). Further, the local board that oversees Union City's Agency dissolution would be replaced with a County-wide board in 2016.

If the City wishes to continue the Agency, Union City will be required to pay \$7.6 million in FY 11/12 and \$1.8 million/annually thereafter. At this time the Agency does not have the funds to make the payments. Staff is investigating if the payments may be lowered because of the current lack of cash flow. As the Council has been briefed, the California Redevelopment Association; John Shirey, Executive Director of the California Redevelopment Association; and Union City will file a complaint with the Supreme Court and seek an injunction by August 15.

At the study session, staff will brief the Council on the latest developments with regards to strategies that may be used to retain the Agency assets. An Introduction of Ordinance has been attached for the Council's consideration that pledges to pay the State fees as required under ABx1 27. Adoption of the Ordinance would allow the Agency to enter into contracts to protect Agency assets. Additionally, the Ordinance would allow the Agency to forego the preparation of a comprehensive list of all Agency obligations (contracts, pass-throughs, debt service, etc) that would otherwise need to be adopted by August 31. Without the Ordinance in place, the complicated process to dismantle the Agency would need to begin immediately with several benchmarks and deadlines through the end of the year.

Economic Development Strategies and Next Steps

Staff has begun to implement several strategies in an effort to increase revenues and grow the local economy. As the Council is aware, two positions have been budgeted: one will target revenue enhancement through the collection of fees and licenses that are due to the City, and the other position will focus on affirming a positive community image through social media, marketing and press releases.

Economic Development staff has taken immediate steps to increase outreach to our national chain retailers to stay abreast of their corporate plans. Staff will continue to work closely with property owners and business executives in a variety of capacities to address their needs – from future planning to daily operations. Lastly, staff will work with the EDAT to develop an action plan using the SWOT as a foundation. The action plan will be reported back to the Council in the coming months.

Staff is planning on holding focused, economic development discussions with various industry sector representatives. While such discussions could be held at future economic development study sessions, staff believes that a more effective discussion may be accomplished with a smaller working group consisting of Council representatives, Planning Commission representatives, staff and the Chamber. These discussions would be reported back to Council.

FISCAL IMPACT

There are no fiscal impacts as a result of this study session.

RECOMMENDATION

Staff recommends that the City Council receive the staff report and presentation. The Council should discuss the topics presented at the study session and provide comments and direction to staff to further the City's economic development efforts. The Council may wish to provide specific direction to staff regarding the formation of a sub-committee to meet with industry representatives, as well as provide feedback to the EDAT on their efforts and direction.

Staff also recommends that the Council introduce the attached Ordinance to pay the State fees as required by ABx1 27. A second reading will be held at the July 26, 2011 meeting and the Ordinance will become effective 30 days thereafter.

Attachments: 1) Economic Development Element, General Plan
 2) SWOT Analysis, Working Draft Report
 3) Vacancy Data, by CoStar
 4) An Ordinance of the City Council of the City of Union City,
 California, Determining it will Comply with the Voluntary
 Alternative Redevelopment Program Pursuant to Part 1.9 of Division
 24 of the California Health and Safety Code in Order to Permit the
 Continued Existence and Operation of the Community
 Redevelopment Agency of the City of Union City

Prepared by:

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Submitted by:

Joan Malloy,
Economic & Community Development Director

Approved by:

Larry Cheeves,
City Manager

ECONOMIC DEVELOPMENT ELEMENT

INTRODUCTION

A strong economic and fiscal base is critical to developing and maintaining Union City's prosperity. Union City has many locational advantages that make it a draw for business, including its potential as a transportation nexus; its location along the Nimitz Freeway (Interstate 880) and at the gateway of the Silicon Valley; and its proximity to Stanford, U.C. Berkeley, and Palo Alto venture capitalists.

This strategic location at the edge of Silicon Valley creates an opportunity for Union City to attract light industrial establishments which will create more job opportunities for local residents, reduce the need to commute, and diversify the local economy away from being a bedroom community and warehouse center. But, Union City has a limited supply of vacant land and lacks some of the amenities that are important to attract the desired economic base. It is important to note that Union City has made great strides over the last several years to add amenities to the community that are important to economic development, such as the construction of upscale housing, the expansion of restaurants and the construction of a new hotel. These amenities coupled with the city's diverse population and strong commitment to the local school system provide the community qualities needed to attract high-tech and corporate jobs.

Union City's economic development challenge is to balance its goal to expand its position within Silicon Valley with its need to create a stronger sense of community identity. The Economic Development Element addresses this balance by identifying a set of economic development goals, policies, and implementation programs that focus primarily on six business districts: Station District (encompassing Decoto Industrial Park, BART station, and the El Mercado, and Market Place shopping centers), the Central Technology Center (i.e., Central Bay Industrial Park), Alvarado Technology Center, Union Landing, the International Market Place (i.e., Four Corners), and the Mission Boulevard entryway corridor.

Other retail centers, business parks, and commercial corridors not specifically identified in the economic development goals, policies, and implementation steps are also important parts of the City's economy and future. But, the Economic Development Element suggests that private sector investment decisions and the City's normal zoning and permitting procedures will guide changes in these areas, and that City efforts to diversify its economy will focus primarily on the six key business districts.



A sign in Union City showing the old and new economy businesses

A. CITYWIDE

Goal ED-A.1	To expand Union City's base of high quality jobs and retail shopping opportunities.
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Policies

ED-A.1.1 The City shall actively seek to attract small entrepreneurial start-up research and development firms.

ED-A.1.2 The City shall promote development of a business incubator facility to accommodate entrepreneurial start-up research and development firms.

ED-A.1.3 The City shall support the establishment of pedestrian-oriented neighborhood commercial and personal services in order to enhance Union City's attractiveness to the research and development workforce.



Home at Ponderosa Cove under construction

ED-A.1.4 The City shall continue to encourage the development of upscale housing to help make the community attractive to Silicon Valley engineers and executives.

ED-A.1.5 The City shall actively seek to attract light industrial companies to Union City.

ED-A.1.6 The City shall seek to attract light industrial manufacturing uses to vacant parcels or redevelopment sites along Union City Boulevard (between Smith Street and the Hayward border), Central Technology Park, Alvarado Technology Park, and Station District.

ED-A.1.7 The City shall encourage the conversion of existing warehouse space into light manufacturing and research and development space.

ED-A.1.8 The City should use business incentives (including redevelopment tax increment revenues) to encourage light industry establishments to locate on appropriate sites in Union City.

ED-A.1.9 The City shall actively seek to attract sales tax-generating uses to its technology centers and industrial/business parks.

ED-A.1.10 The City shall encourage more job-intensive industries to locate in the community. The City shall seek high quality and higher paying jobs.

ED-A.1.11 The City shall promote the development of communication infrastructure that benefit businesses and residences.

- ED-A.1.12 The City should discourage the encroachment of new housing immediately adjacent to light manufacturing firms and vacant lands earmarked for light manufacturing unless it can be integrally planned to function as a mixed-use unit.
- ED-A.1.13 The City shall support the expansion of specialty retail, specialty food stores, and restaurants to meet the preferences of Union City's ethnic consumers.
- ED-A.1.14 The City shall promote intensification and redevelopment of existing community shopping centers such as El Mercado, Union Square Market Place, and International Market Place (Four Corners) in lieu of creating new shopping centers to meet the growing demand for retail shopping opportunities for both the east and west sides of Union City.
- ED-A.1.15 The City shall use redevelopment tax increment revenues to finance facade and urban design improvements at neighborhood commercial centers, including improvements to signage, lighting, circulation, parking, and other consumer amenities.
- ED-A.1.16 The City, in collaboration with the Chamber of Commerce, local businesses and other representatives, shall, through the development and implementation of an Economic Development Strategic Marketing Plan, implement effective business retention and business attraction programs designed to preserve and enhance Union City's economic base. The Economic Development Strategic Marketing Plan shall reflect the goals and policies of the General Plan.
- ED-A.1.17 The City shall support the establishment of child care centers near high density commercial and light industrial districts in order to enhance Union City's attractiveness as a business destination.
- ED-A.1.18 The City shall support the development of home businesses, provided the businesses do not adversely impact the surrounding residential neighborhood.
- ED-A.1.19 The City shall actively attract a range of business types in order to minimize the need for residents to go to other cities for good and services.
- ED-A.1.20 The City shall consider parcel consolidation as a technique for providing sites for revenue-enhancing uses, especially along the northern Union City Boulevard corridor.
- ED-A.1.21 The City shall advocate, through the League of California Cities, changes in State laws that allow for balanced revenues from all types of land use.

Implementation Programs

ED-A.1 The City Manager shall establish an Economic Development Action Team (EDAT) consisting of City staff, Chamber of Commerce and other representatives. The EDAT shall develop and implement an Economic Development Strategic Marketing Plan, which will include business attraction and retention strategies.

Responsibility:

- 9 City Manager's Office
- 9 Community Development Department

Time Frame:

- 9 FY 02-03

ED-A.2 The City shall ensure the availability of resources required to develop and distribute high quality marketing materials for use by staff, Chamber of Commerce, commercial real estate brokers and local businesses to attract new businesses to Union City, in accordance with the Economic Development Strategic Marketing Plan.

Responsibility:

- 9 City Manager's Office
- 9 Community Development Department

Time Frame:

- 9 FY 02-03

ED-A.3 The City shall ensure the availability of resources required to actively maintain and improve the City's Internet web page to include key development opportunity sites and buildings available in Union City, in accordance with the Economic Development Strategic Marketing Plan; the use of Geographic Information System (GIS) technology shall be evaluated and if feasible, incorporated into the City's Economic Development web page.

Responsibility:

- 9 City Manger's Office
- 9 Community Development Department
- 9 Administrative Services Department (Management Information Systems)

Time Frame:

- 9 FY 02-03

B. STATION DISTRICT

The greater Station District is the community's greatest opportunity for redevelopment of underutilized and vacant lands around the BART station. The District consists of three subareas that are delineated by rail tracks. The most northeasterly area is the interior of the existing Decoto Industrial Park and is bounded by the former Southern Pacific tracks to the southwest and single-family residences to the northeast.

This area is envisioned to support research and development campus (designated RDC). Many of the existing businesses have 30-year "longevity" agreements with the City Council. These agreements were developed based upon recommendations in the DIPSAs Specific Plan.

Several of the properties, however, are undeveloped or underutilized parcels. Twenty-four acres of vacant land are located directly adjacent to the former Southern Pacific rail line (also the current Capital Corridor/Amtrak line). Several other parcels in the area are underutilized. The Air Liquide operation located on a seven-acre site on Decoto Road at 7th Street is considering relocating and the site appears prime for private redevelopment.

The central area of the Station District is bounded by the former Southern Pacific rail line to the northeast and Union Pacific/BART tracks to the southwest. This area includes the PG&E site and the PSSC site. PG&E is interested in redeveloping their lands with more intensive uses. The PSSC property is proposed to redevelop with residential and research and development/light industrial/office uses. Any development on the PSSC property will be a negotiated between the City, property owners, and the appointed Federal court representative.

The lands on the southwest side of the BART station are known as the BART property (the BART parking lot) and the Litke property (the bowling alley and the auto repairs businesses), which total approximately 20 acres. Litke is interested in redeveloping his property with a multi-family residential project. BART is interested in intensifying development on their site and is willing to explore joint development opportunities.

The BART station, located at the center of the Station District, is targeted for expansion into a major regional transit hub. The site currently serves BART, AC Transit, Dumbarton Express, and Union City Transit. The proposed development of an intermodal facility includes passenger rail service and improved bus transfer facilities. Essentially, this area will become a transit hub that connects the East Bay to Silicon Valley and the Peninsula, which will, in turn, stimulate more intensive residential, employment, and commercial development in the surrounding neighborhood.

The new intermodal facility centered on the BART station will create market conditions that attract new residents and knowledge-intensive firms that want to be located within walking distance of regional transit, eating and drinking establishments, fitness centers, and other support services important to the "new economy."

In total, there are approximately 200 acres of lands in the greater Station District area. Approximately 150 acres are ripe for development or redevelopment over the twenty year life of the General Plan, including the vacant 24 acres in the Decoto Industrial Park, the PG&E, Air Liquide, PSSC, BART, and Litke properties.

Goal	To transform the Station District into a unique place that takes advantage of transit-oriented development opportunities.
ED-B.1	

Policies

- ED-B.1.1 The City shall encourage higher intensity development by allowing additional employment, commercial, and residential space to be developed and redeveloped within walking distance of the intermodal facility.
- ED-B.1.2 The City shall support creation of expandable structured parking near the intermodal facility in order to promote more intensive use of the station.
- ED-B.1.3 The City shall improve pedestrian and bicycle access (e.g., constructing a pedestrian overpass or underpass) to the intermodal facility and improve the traffic management and urban design of the properties surrounding the intermodal facility)
- ED-B.1.4 The City shall seek businesses that take advantage of public transit.

Goal	To take a proactive planned approach to the development and redevelopment of the Station District.
ED-B.2	

Policies

- ED-B.2.1 The City shall take a leadership role in guiding the development and redevelopment of the Station District, including the Decoto Industrial Park, the intermodal facility, and adjacent commercial and residential properties.
- ED-B.2.2 The City shall take a leadership role in transforming the Decoto Industrial Park into a light industrial business park in the area bounded by 7th Street, the Southern Pacific railroad tracks, Decoto Road and the proposed SR 84 right-of-way. The development of new housing immediately adjacent to the light industrial business park should be discouraged without the preparation of a design plan that takes into account appropriate buffering between such uses.

Goal	To attract business tenants and developers to invest and implement the City's economic development objectives.
ED-B.3	

Policies

- ED-B.3.1 The City shall identify and select developers willing to invest and implement the agreed upon vision presented in the General Plan and Economic Development Strategy.
- ED-B.3.2 The City shall invest its resources in a public/private partnership with developers to attract business to the Station District.

- ED-B.3.3 The City shall use business incentives (including redevelopment tax increment revenues) to achieve City objectives within the Station District.
- ED-B.3.4 The City shall identify Federal, State, local and other public funding sources to make required infrastructure and circulation improvements within the Station District.

Implementation Programs

- ED-B.1 The City shall use redevelopment tax increment revenues to improve pedestrian access to and from the intermodal facility. Other borrowing sources, such as municipal bonds, should be considered if tax increment revenues are insufficient. The following types of improvements should be funded:
- a. Construction of a pedestrian connection with access to both sides of the BART tracks; and
 - b. Improved lighting, sidewalks, and pedestrian access ways to and from the intermodal facility.

Responsibility:

- 9 Community Redevelopment Agency
- 9 Community Development Department

Time Frame:

- 9 Ongoing

- ED-B.2 The City shall identify and aggressively seek external sources of public funding to finance infrastructure and circulation improvements including additional parking within the Station District.

Responsibility:

- 9 Community Redevelopment Agency
- 9 Community Development Department

Time Frame:

- 9 Ongoing

- ED-B.3 When appropriate, the City shall issue developer requests for proposals to implement General Plan objectives for the Station District. Appropriate tax increment revenues shall be used to help ensure that implementation is financially feasible.

Responsibility:

- 9 Community Redevelopment Agency
- 9 Community Development Department

Time Frame:

- 9 As needed

C. CENTRAL TECHNOLOGY CENTER AND ALVARADO TECHNOLOGY CENTER

The Central Technology Center, otherwise known as the Central Bay Industrial Park, covers 320 acres which are mostly built out and occupied by a mix of light industrial, food processing, warehouse, and high technology firms. The Central Technology Center is the busiest and most employment-intensive business park in Union City. A few small sites are available for infill development. Tenant turnover creates opportunities for property upgrades and building reuse.

The Alvarado Technology Center, located in the northwest part of Union City, is the second largest business park. Most of the current uses at this site consist of light industrial and warehousing. Most of the nearly 214-acre area is built out, with only 16 acres that are considered vacant or underutilized. Similar to the Central Technology Center, this area represents one of the City’s best opportunities for conversion to employment-intensive uses such as research and development.

One of Union City's long-term economic development challenges is to manage the transformation of these areas into true technology centers with expanded buyer and supplier linkages to Silicon Valley firms. Firms that supply San Mateo and Santa Clara County technology companies are primary targets to attract to Union City. The transformation of these areas into true technology centers requires retrofitting entire business centers, not just individual buildings. The development of a range of support services such as cafes, restaurants, and health clubs should enhance the success of the Central Technology Center and Alvarado Technology Center.



Crossroads Technology Park at Whipple Road and Union City Boulevard

Goal	To actively attract new business establishments to the Central
ED-C.1	Technology Center and the Alvarado Technology Center with a focus on Silicon Valley firms seeking lower land costs.

Policies

ED-C.1.1 The City shall seek to attract firms to the Central Technology Center and the Alvarado Technology Center and not rely solely on the efforts of private real estate brokers. Instead, the City should adopt a proactive effort to market vacant parcels and available buildings to the types of firms that meet local economic development objectives.

ED-C.1.2 The City shall develop and maintain a database of warehouse and light industrial buildings available for reuse and redevelopment.

ED-C.1.3 The City should encourage additional business support services to be developed within the Central Technology Center and the Alvarado Technology Center such as food-oriented retail services, childcare services, and health clubs. Business support services should be clustered strategically within the technology centers.



New industrial space in Central Bay Technology Center

Goal	To support the conversion of warehouses to light industrial, research and development, or other higher-intensity employment uses.
ED-C.2	

Policies

ED-C.2.1 The City shall promote the conversion of warehouse buildings into more employment-intensive light industrial and research and development facilities.

ED-C.2.2 The City shall work with property owners and businesses to devise solutions to parking problems caused by warehouse conversion into more employment-intensive uses. Allowance for offsite parking, shared parking, and increased transit services should be considered.

ED-C.2.3 The City shall establish express transit connections from the Central Technology Park and the Alvarado Technology Center to the intermodal facility.

Goal	To develop a business incubator facility that can accommodate technology industry start-ups and better link Union City to Silicon Valley.
ED-C.3	

Policies

ED-C.3.1 The City shall prepare a business incubator feasibility study.

ED-C.3.2 The City shall identify a site within the Central Technology Center where an existing facility could be purchased and retrofitted, or where a build-to-suit incubator could be constructed.

Implementation Programs

ED-C.1 The City shall review and make appropriate zoning and permit requirement changes as they apply to the Central Technology Center and Alvarado Technology Center regarding the development of flex space along with additional business support services. This includes the allowance of building conversion for additional support services such as food oriented retail, health, childcare, and others.

Responsibility:

9 Community Development Department

Time Frame:

9 FY 02-03

ED-C.2 The City shall study the feasibility of warehouse conversion. A warehouse-building owner within the Central Technology Center or Alvarado Technology Center could be identified to offer his/her facility for a study prototype, and the City should study the feasibility of converting the facility to light industrial or other employment-intensive uses. The results should be marketed to potential investors.

Responsibility:

9 Community Development Department

9 Economic Development Coordinator

Time Frame:

9 FY 02-03

ED-C.3 The City shall continue to collect data on available industrial properties. The data shall be supplemented by an inventory of warehouse buildings that could be made available and potentially converted or demolished to make way for higher intensity employment uses.

Responsibility:

9 Economic Development Department

Time Frame:

9 FY 02-03

ED-C.4 The City shall study and recommend solutions for parking problems caused by warehouse conversion to more employment-intensive uses. Allowance for off-site parking, shared parking, and increased transit services should be considered.

Responsibility:

9 Community Development Department

9 Economic Development Coordinator

Time Frame:

9 FY 02-03

ED-C.5 The City shall prepare a business incubator study. The study should include the identification of possible sites, tenant prospects, a management plan, and financial feasibility analysis. The study should also explore potential collaborations with the neighboring cities of Hayward, Fremont, and Newark since the facility will likely need public subsidies. The study should also identify potential private sector investment partners who can help develop and manage the incubator facility.

Responsibility:

9 Economic Development Department

Time Frame:

9 FY 02-03

ED-C.6 The City shall make it the responsibility of the City’s economic development coordinator to attract new business and ensure the full build-out of the Central Technology Center and Alvarado Technology Center.

Responsibility:

9 Economic Development Department

Time Frame:

9 Ongoing

D. UNION LANDING

The development of Union Landing adjacent to Interstate 880 puts Union City on the regional retail map. Currently (February 2001), the 104-acre site has yet to be fully built out with approximately 75 percent that has been developed. The existing commercial uses are anchored by a 25-screen Century Theater complex, a 150,000 square foot Wal-Mart store, and a 66,000 square foot Albertson's supermarket. The properties with direct access to the I-880 freeway will soon accommodate a new Lowes and Best Buy, which will transform Union Landing into a power center with multiple anchor tenants. The economic development challenge for this area involves managing the full build-out and ensuring that the area remains competitive as a regional retail destination.



Century 25 Theater in Union Landing

Goal	To ensure the full build out of Union Landing to include a mix of
ED-D.1	businesses.

Policies

ED-D.1.1 The City shall continue to attract business to Union Landing's available properties.

ED-D.1.2 The City may include some non-retail business in the mix for Union Landing. For example, a multiple-story office building may fit well with existing retailers, and provide retailers with an additional pool of daytime retail shoppers.

Goal	To ensure that Union Landing remains a retail destination that is
ED-D.2	competitive in the regional market place.

Policies

ED-D.2.1 The City shall use available resources to increase developer fees and tax increment revenues to finance infrastructure, urban design, parking, traffic management, and pedestrian flow improvements to Union Landing. Ongoing investment in the facilities and infrastructure will be needed to ensure that the area adapts to changing market conditions and remains attractive as a regional retail destination.

ED-D.2.2 The City shall target sub-regional commercial uses as opposed to community retail uses in Union Landing.

ED-D.2.3 The City shall actively seek to attract sales tax-generating uses to Union Landing.

ED-D.2.4 The City shall establish express transit connections from Union Landing to the intermodal facility.

Implementation Programs

ED-D.1 The City shall make it the responsibility of the City's economic development coordinator to attract new business and ensure the full build-out of Union Landing.

Responsibility:

9 Economic Development Department

Time Frame:

9 Ongoing

ED-D.2 The City shall continue to negotiate with property owners and tenants for parking, urban design, and circulation improvements to ensure that Union Landing changes over time in order to remain competitive.

Responsibility:

9 Community Development Department

9 Public Works Department

Time Frame:

9 Ongoing

E. INTERNATIONAL MARKET PLACE

Located at the intersection of Alvarado Boulevard and Dyer Street are four community and neighborhood shopping centers commonly known as the Four Corners. The area is anchored by the International Market, Rite Aid, Fremont Bank, three service stations, two free-standing fast food restaurants, and about a dozen Asian restaurants and specialty stores.

The economic development goal for this area is to transform Four Corners into the International Market Place, which will take advantage of Union City's ethnic diversity. A successful transformation of this area will require a substantial amount of new private and public investment.

Goal ED-E.1	To expand private investment to develop additional retail space at the International Market Place.
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Policies

- ED-E.1.1 The City shall promote more intensive development of the four neighborhood shopping centers to transform them into the International Market Place.
- ED-E.1.2 The City shall seek existing property owners and/or a private developer as a partner to redevelop the area and build additional retail space.
- ED-E.1.3 The City shall initiate an effort to improve the urban design and signage that will connect the four neighborhood shopping centers as the International Market Place.
- ED-E.1.4 The City shall improve the off-site infrastructure and circulation systems providing access to and from the International Market Place.
- ED-E.1.5 The City shall consider using Redevelopment Agency funds, when necessary, in order to stimulate private investment.

Goal ED-E.2	To attract international food and other new retailers to the International Market Place so that consumers from throughout the region will shop in the area.
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Policies

- ED-E.2.1 The City shall promote and guide the development and redevelopment of the International Market Place.
- ED-E.2.2 The City shall make it the responsibility of the City's economic development coordinator to attract ethnic-oriented anchor stores and other



International Market at Four Corners

complementary tenants to the International Market Place.

ED-E.2.3 The City shall ensure that parking and zoning regulations guiding the redevelopment of the International Market Place will enhance a developer's ability to create additional retail space.

ED-E.2.4 The City shall establish express transit connections from the International Market Place to the intermodal facility.

Implementation Programs

ED-E.1 The City shall issue a request for proposal for a developer to reconfigure and add retail space to the International Market Place.

Responsibility:

9 Community Development Department

9 City Manager's Office

Time Frame:

9 FY 02-03

ED-E.2 The City shall study ways to develop more intensively the International Market Place. The study should address ways to mitigate problems associated with more intensive development.

Responsibility:

9 Community Development Department

9 City Manager's Office

Time Frame:

9 FY 02-03

ED-E.3 The City shall study ways to improve transit connections to the intermodal facility from within Union City and the region.

Responsibility:

9 Community Development Department

9 Union City Transit

9 Public Works Department

Time Frame:

9 FY 02-03

ED-E.4 The City shall strive to attract ethnic-oriented anchor stores and other complementary tenants to the International Market Place.

Responsibility:

9 Economic Development Coordinator

Time Frame:

9 Ongoing

F. MISSION BOULEVARD

The area along Mission Boulevard between Decoto Road and the Hayward city boundary is a key entryway corridor for Union City. The corridor is characterized by poorly maintained, underutilized commercial buildings, a trailer park, and scattered housing sites. It is the City's intention to transform this corridor so that it becomes a visibly distinctive gateway into Union City from Hayward.

Goal	To upgrade the appearance and economic vitality of Mission Boulevard
ED-F.1	between the Hayward boundary and Decoto Road.

Policies

- ED-F.1.1 If necessary, the City shall use eminent domain powers to implement an upgrade of this area.
- ED-F.1.2 The City should ensure completion of the Redevelopment Plan update process that is currently underway.

Implementation Programs

- ED-F.1 The City shall prepare an implementation plan that would prioritize and set a schedule for the public improvements identified in the Redevelopment Plan. The implementation plan would also identify any public/private partnerships that are key to the revitalization effort.

Responsibility:

- 9 Community Development Department
- 9 Community Redevelopment Agency

Time Frame:

- 9 FY 02-03

WORKING DRAFT

**City of Union City
Economic Development**

**Economic Development Advisory Team
SWOT Analysis Report#**

June 22, 2011

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SUMMARY

STRENGTHS, WEAKNESSES, OPPORTUNITIES, THREATS (SWOT) ANALYSIS BRIEFING

The *SWOT* analysis is a simple framework for generating strategic action plans. It is a systematic process that helps facilitate the development of business strategies by appraising internal and external determinants, including, but not limited to an organization, corporation, department and/or competitors.

The *SWOT* analysis framework involves analyzing the strengths and weaknesses of a particular organizations internal factors, and the opportunities and threats of its external factors. Through this analysis strengths and weaknesses within an organization can be matched with the opportunities and threats operating in the external environment so that an effective strategy can be formulated. Therefore, an organization can derive an effective strategy by taking advantage of its opportunities by using its strengths and neutralizing its threats by minimizing the impact of its weaknesses. Moreover, a *SWOT* analysis can be applied to a variety of situations in order to identify new strategies and appraise situation feasibility.

Finally, the internal and external analysis can produce a large amount of information, much of which may not be highly relevant. The *SWOT* analysis can serve as an interpretative filter to reduce the information to a manageable quantity of key issues.

The *SWOT* analysis classifies the internal aspects as strengths or weaknesses and the external factors as opportunities or threats.

Strengths can serve as a foundation for building a competitive advantage, and weaknesses may hinder it. By understanding these four aspects, we can better leverage strengths, correct weaknesses, capitalize on opportunities, and deter potential threats.

SWOT PROFILE

<p>STRENGTHS</p> <ol style="list-style-type: none">1. Location2. Anchor Businesses3. Fast Track Review4. Diversity5. Cost of Doing Business6. Lead Referral / Network7. Business Community Relationship8. New branding process9. Exclusive programs10. Regional influence and coordination	<p>WEAKNESSES</p> <ol style="list-style-type: none">1. Why Union City?2. Perception as “Warehouse /Industrial City.3. Lack of Incentives4. No Identifiable Downtown5. Lack of commercial / manufacturing / office / lab space.6. No institutions7. Perception of high crime city.
<p>OPPORTUNITIES</p> <ol style="list-style-type: none">1. Industrial redevelopment2. Leverage resources3. Competitive edge4. Intermodal Station District5. Redevelopment land	<p>THREATS</p> <ol style="list-style-type: none">1. Land needing redevelopment not in the RDA areas.2. Loss of industrial lands to residential / housing3. Market trends4. Growing population, budget constraints and demand for city services.5. Fremont, Hayward, Newark sites

STRENGTHS

1. Location
Adjacent to I- 880, BART and centrally located to all major universities, airports, port, and in close proximity to other freeway connections 680, 580, 84, Dumbarton Bridge, San Mateo bridge.
2. Anchor Businesses
Staff leverages anchor businesses such as Abaxis, Finelite, Axygen and Southern Wine & Spirits to attract and retain businesses.
3. Fast Track Review
Staff works in conjunction and simultaneously with established businesses and new business applications through the review process.
4. Diversity
Union City is home to a diverse population with a balanced workforce, high income levels and degreed educational backgrounds.
5. Cost of Doing Business
Lease rates are approximately 10-15% lower than the major metropolitan cities such as Oakland, San Jose and San Francisco. In some cases the lease rates are 3-5% lower than the surrounding cities – Fremont, Newark and Hayward.
6. Lead Referral / Network
Union City has a strong contact base that refers start-up technology businesses to Union City as a location to start business.
7. Business Community Relationship/ Support
Staff has a solid partnership/relationship with all the major employers in Union City. Major employers also support economic development goals and programs.
8. New branding process
Economic development has recently created a branding image to attract and retain the industries that bring quality employment and business.
9. Exclusive programs
Staff has implemented successful programs that are exclusive to Union City that serve a wide range of business industries.
10. Regional influence / coordination / partnerships
Both staff and Union City's elected officials participate in regional organizations/associations and government agencies that help and support economic development efforts.

WEAKNESSES

1. Why Union City?
Need to develop a definable, clear and concise competitive edge that sets Union City positively apart from other locations to locate a business.
2. Perception as “Warehouse /Industrial City.
There is a general perception that Union City is a warehouse and industrial city due to its history and past developments of warehousing.
3. Lack of Incentives
Union City does not have definable retention/attraction incentive programs that include tax rebates, fee discounts, etc.
4. No Identifiable Downtown
There is no “real” downtown area that brings both Union City residents and people from around the Bay Area.
5. Lack of commercial / manufacturing / office / lab space
The majority of space in Union City is warehousing. There is a lack of commercial, manufacturing, and class A office space and clean room / lab facilities to attract quality employment and businesses.
6. No institutions
There are no public or private educational institutions that might attract professional’s student, and a more educated workforce.
7. Perception of high crime city
Historically Union City has had a reputation for having higher than average crime due to gang activities.

OPPORTUNITIES

1. Industrial redevelopment
Union City has ample space to allow the redevelopment and conversion of older warehouses into manufacturing facilities.
2. Business resources
There are several regional resources such as educational institutions, research facilities, other government agencies (FDA, County, etc.) that Union City can leverage for the purpose of economic development efforts.
3. Competitive edge
Because a competitive edge has not been developed, economic development has an opportunity to clearly define the City's competitive edge.
4. Intermodal Station District
The development of the Intermodal Station District is a golden opportunity for the City to create a downtown, develop quality facilities, bring in higher end retail, and quality housing- all adjacent to a hub of transportation.
5. Redevelopment Agency lands
The Redevelopment Agency has good opportunities for the development of land adjacent to BART and industrial park. In close proximity (walking distance) is privately owned land also available for development (R&D campus, lab, manufacturing, class A office).

THREATS

1. Land needing redevelopment not in the RDA areas
There is a lot of warehousing space that needs redeveloping to accommodate higher-end industries, but these sites are not located in the RDA areas where incentives may be more easily provided. This makes it very challenging to market these sites to the desired industries because older warehouse buildings are competing against existing facilities that have amenities, or vacant, “Greenfield” sites that can accommodate “build to suit” developments.
2. Loss of industrial lands into residential / housing uses
Historically, industrial lands in Union City have been converted to residential uses, thus reducing the industrial space and land that could be available to accommodate and to attract new businesses.
3. Market trends
In general the market has gone through a major recession and is moving very slow in coming out of the current slump.
4. Growing population coupled with budget constraints and demand for city services
Union City’s population is growing and jobs increasing. This places more demands on City services (such as, streets, utilities, fire services, and police services, etc.), which are constrained by current budget constraints.
5. Fremont, Hayward, Newark
Fremont, Hayward, Newark (surrounding cities) has a lot of space inventory that is in direct competition to Union City.

Project Plan “Strengths”

Strengths	Goals and Project Plan: Strengths	Strategies	Role	Cost	Priority
Location	Use marketing techniques to promote Union City’s proximity to major academic institutions, investing organizations, and major metropolitan cities such as Oakland, SF, SJ- with a supplemental piece that outlines the cost of doing business in Union City in caparison to these areas	Northern Silicon Valley Partnership (NSVP), marketing materials, tradeshow, regional association events	Staff	\$	
Anchor businesses	Implement business case studies – to be used (Abaxis, Axygen and Synterys) to be used as a marketing tool and testimonial that demonstrates Union City as a business friendly city to maintain and locate a business.	Currently have testimonials from Abaxis and Finelite. Next steps include meetings with Abaxis, Axygen and Synterys to develop case studies.	Staff	\$	
Fast Track Review	Continue the fast track permitting process. Economic Development staff acts as the liaison and one point of contact for businesses to ensure clear communication and facilitate the process on behalf of businesses.	Staff has been marketing the fast track to the more complex submissions and works closely with most major businesses in Union City with expansions. Next step would be to promote and emphasize the fast track review to prospects.	Staff	\$	
Diversity	Market Union City’s diversity as a strength in the global workforce.	Continue to promote the “residential and workforce” profiles as outlined in the newly developed marketing piece.	Staff	\$	
Cost of Doing Business	Market that the city has a lower cost of doing business by 10-20% in comparison to the major metropolitan cities with a cost comparison chart.	Market and educate business prospects and current UC businesses about the costs savings by being in UC and locating to UC	Staff	\$	
Lead referral / network	Leverage current business relationships to attract / refer new businesses to Union City.	Create a plan and/or schedule a roundtable discussion with Union City’s top 10 CEO’s about how we can partner with them to attract new business and obtain referrals on a more consistent basis. Also, partnering with the major VC and Angel investment firms whom staff has a strong partnership through the venue of the business roundtables.	Staff	\$	

Strengths	Goals and Project Plan: Strengths	Strategies	Role	Cost	Priority
Business community relationship / support	Implement focus / business roundtable discussions to get business community input on types of businesses to attract that compliment and support current Union City businesses.	Staff has held 3 focus roundtables with Union City businesses in the manufacturing industry and life science industry. Next steps could be to schedule targeted focus group discussions with leaders of UC in specific industries.	Staff	\$	
Branding of Union City (economic development)	Update marketing strategies to be in line with new branding image of Union City.	Currently staff has implemented new marketing materials, logo, and image, website to strengthen the image of Union City and to accurately represent the industries in Union City. The implementation of Salesforce as a tracking software, will provide staff with the ability to easily set strategies, goals and measure results.	Staff	\$\$	
Exclusive programs	Create a marketing plan to promote current programs and work with EDAT to brainstorm potential new programs.	Economic Development is implemented 4 exclusive programs: investor (VC) roundtable, venture mentoring program, technology symposium and business certification program. The certification program has an element that educates how to obtain corporate and government contracts.	Staff	\$	
Regional influence and coordination			Council		

**Project Plan
“Weaknesses”**

Current Weaknesses	Goals and Project Plan: Weaknesses	Strategies	Role	Cost	Priority
Why Union City? Perception as “warehouse / industrial” City	Implement steps to position “Why Union City”. Use marketing techniques to address issue	Work with new communications officer and media resources to create a media strategy.	Staff	\$	
Lack of incentives	Promote the Intermodal station district and old Alvarado district as downtown opportunities.	Evaluate potential incentives for business retention and attraction	Council	\$\$\$	
No identifiable downtown	Identify top available space for potential development and redevelopment of prime sites, market outside of alameda and contra Costa county	Work with EDAT to implement a targeted marketing strategy to developers, brokers and larger corporations of the development opportunities at the Intermodal Station District	Staff	\$\$\$	
Lack of commercial / manufacturing/office/lab space	TBD		Staff	\$\$	
No institutions	Update discussion with community colleges and private universities extension programs and identify potential organizations to market	Work with internal staff and EDAT to generate a list of universities that have the potential to expand into Union City	Staff	\$	
Perception of high crime city	Marketing, messaging and work with UCPD	Staff has addressed crime issues with current UC businesses in partnership with the COPPS Unit. The UCPD has a good partnership with larger employers in UC. Next step- work with the UCPD / COPPS unit to plan out how to address the negative news and replace/report more of the positive news.	Staff	\$	
Lack of quality image	Marketing, messaging, using anchor businesses and technology businesses to leverage attraction		Staff	\$	

Weaknesses	Goals and Project Plan: Weaknesses	Strategies	Role	Cost	Priority
Lack of social media/technology	Implement social media outlets: facbook, twitter, linked-in.	Staff has developed and implemented a new economic development website. Next steps would be to work with new communications officer to implement facebook, twitter and linked-in specifically for economic development and the business community.	Staff	\$\$	

**Project Plan
“Opportunities”**

Opportunities	Goals and Project Plan: Opportunities	Strategies	Role	Cost	Priority
Industrial redevelopment					
Business resources	Leverage and promote economic development resources to assist businesses for retention and expansion purposes.	Take inventory of current business resources and prioritize and rank the top 10 that are of most value to the business community.	Staff	\$	
Competitive edge	Union City definitely has a competitive edge, however, a clearly define message for economic development’s “competitive edge” message has not been fine- tuned.	Work out a clear and definable competitive edge to better promote and market the city.	Staff	\$	
Intermodal Station District	Create an action and schedule to market the development opportunities at the intermodal station district to developers, corporate real estate investors, and large corporations.	Work with the EDAT to define an action plan, schedule and targeted list to market the development opportunities.	Staff	\$	
Redevelopment Land					

Project Plan “Threats”

Threats	Goals and Project Plan: Threats	Strategies	Role	Cost	Priority
Land needing redevelopment which is not located in the RDA areas			Council	\$\$\$	
Loss of industrial lands to residential / housing			Council	\$\$\$	
Market trends	Use market trends to our advantage by researching emerging industries and industries doing well, tracing investment dollars, and expanding businesses and target those industries/sectors.	Conduct market research and develop a list of targeted industries and sectors to market Union City sites and maintain site visits to stay abreast of current UC businesses trends, growth, expansion and needs.	Staff	\$	
Growing population, budget constraints and demand for city services			Council	\$\$	
Fremont, Hayward, Newark	Leverage Union City assets that those cities do not have- positioning, use broker community	Currently staff is working in collaboration with the other three adjacent cities (NSVP). Union City is leveraging the awareness and location of Fremont to promote Union City’s location and primary sites. Next steps would be to use the strategy “Why Union City” and defining the “competitive edge” to stand out among our neighboring cities.	Staff	\$	

**City of Union City
Space Availability and Vacancy Analysis**

OFFICE - GRAND TOTALS

Buildings	Existing Rentable Building Area	Direct SF Vacant	Vacant Rate %	Direct w/Sublet SF Vacant	Vacant % w/Sublet	Total SF Available	Direct SF Available	Sublet SF Available	Max SF Contig	Average Rate
43	536,395	36,954	6.90%	38,354	7.20%	32,398	30,998	1,400	6,899	\$1.46/SF

RETAIL - GRAND TOTALS

Buildings	Existing Rentable Building Area	Direct SF Vacant	Vacant Rate %	Direct w/Sublet SF Vacant	Vacant % w/Sublet	Total SF Available	Direct SF Available	Sublet SF Available	Max SF Contig	Average Rate
140	2,080,438	76,844	3.70%	76,844	3.70%	106,131	106,131	0	25,000	\$2.22/SF

INDUSTRIAL - GRAND TOTALS

Buildings	Existing Rentable Building Area	Direct SF Vacant	Vacant Rate %	Direct w/Sublet SF Vacant	Vacant % w/Sublet	Total SF Available	Direct SF Available	Sublet SF Available	Max SF Contig	Average Rate
242	14,910,890	1,020,055	6.80%	1,020,055	6.80%	1,789,099	1,777,591	11,508	185,500	\$0.39/sf

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ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF UNION CITY, CALIFORNIA, DETERMINING IT WILL COMPLY WITH THE VOLUNTARY ALTERNATIVE REDEVELOPMENT PROGRAM PURSUANT TO PART 1.9 OF DIVISION 24 OF THE CALIFORNIA HEALTH AND SAFETY CODE IN ORDER TO PERMIT THE CONTINUED EXISTENCE AND OPERATION OF THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF UNION CITY

WHEREAS, the City Council of the City of Union City (“City”) approved and adopted the Redevelopment Plan for the Union City Community Redevelopment Project (“Redevelopment Plan”) covering certain properties within the City (the “Project Area”);

WHEREAS, the Community Redevelopment Agency of the City of Union City (“Agency”) is engaged in activities to execute and implement the Redevelopment Plan pursuant to the provisions of the California Community Redevelopment Law (Health and Safety Code § 33000, *et seq.*) (“CRL”);

WHEREAS, since adoption of the Redevelopment Plan, the Agency has undertaken redevelopment projects in the Project Area to eliminate blight, to improve public facilities and infrastructure, to renovate and construct affordable housing, and to enter into partnerships with private industries to create jobs and expand the local economy;

WHEREAS, over the next few years, the Agency hopes to implement a variety of redevelopment projects and programs to continue to eliminate and prevent blight, stimulate and expand the Project Area’s economic growth, create and develop local job opportunities and alleviate deficiencies in public infrastructure, to name a few;

WHEREAS, as part of the 2011-12 State budget bill, the California Legislature has recently enacted and the Governor has signed, companion bills AB x1 26 and AB x1 27, requiring that each redevelopment agency be dissolved unless the community that created it enacts an ordinance committing it to making certain payments;

WHEREAS, specifically, AB x1 26 prohibits agencies from taking numerous actions, effective immediately and purportedly retroactively, and additionally provides that agencies are deemed to be dissolved as of October 1, 2011;

WHEREAS, AB x1 27 provides that a community may participate in an “Alternative Voluntary Redevelopment Program,” in order to enable a redevelopment agency within that community to remain in existence and carry out the provisions of the CRL, by enacting an ordinance agreeing to comply with Part 1.9 of Division 24 of the Health and Safety Code;

WHEREAS, the Alternative Voluntary Redevelopment Program requires that the community agree by ordinance to remit specified annual amounts to the county auditor-controller;

WHEREAS, under the threat of dissolution pursuant to AB x1 26, and upon the contingencies and reservations set forth herein, the City shall make the Fiscal Year 2011-2012 community remittance, currently estimated to be Seven Million, Six-Hundred Thousand Dollars (\$7,600,000), as well as the subsequent annual community remittances as set forth in the CRL;

WHEREAS, the City reserves the right to appeal the California Director of Finance's determination of the Fiscal Year 2011-12 community remittance, as provided in Health and Safety Code Section 34194;

WHEREAS, the City understands and believes that an action challenging the constitutionality of AB x1 26 and AB x1 27 will be filed on behalf of cities, counties and redevelopment agencies;

WHEREAS, while the City currently intends to make these community remittances, they shall be made under protest and without prejudice to the City's right to recover such amounts and interest thereon, to the extent there is a final determination that AB x1 26 and AB x1 27 are unconstitutional;

WHEREAS, the City reserves the right, regardless of any community remittance made pursuant to this Ordinance, to challenge the legality of AB x1 26 and AB x1 27;

WHEREAS, to the extent a court of competent jurisdiction enjoins, restrains, or grants a stay on the effectiveness of the Alternative Voluntary Redevelopment Program's payment obligation of AB x1 26 and AB x1 27, the City shall not be obligated to make any community remittance for the duration of such injunction, restraint, or stay; and

WHEREAS, all other legal prerequisites to the adoption of this Ordinance have occurred.

NOW, THEREFORE, the City Council of the City of Union City does ordain as follows:

SECTION 1. RECITALS. The Recitals set forth above are true and correct and incorporated herein by reference.

SECTION 2. PARTICIPATION IN THE ALTERNATIVE VOLUNTARY REDEVELOPMENT PROGRAM. In accordance with Health and Safety Code Section 34193, and based on the Recitals set forth above, the City Council hereby determines that the City shall comply with the provisions of Part 1.9 of Division 24 of the Health and Safety Code,

as enacted by AB x1 27.

SECTION 3. PAYMENT UNDER PROTEST. Except as set forth in Section 4, below, the City Council hereby determines that the City shall make the community remittances set forth in Health and Safety Code section 34194 *et seq.*

SECTION 4. EFFECT OF STAY OR DETERMINATION OF INVALIDITY. The City shall not make any community remittance in the event a court of competent jurisdiction either grants a stay on the enforcement of AB x1 26 and AB x1 27 or determines that AB x1 26 and AB x1 27 are unconstitutional and therefore invalid, and all appeals therefrom are exhausted or unsuccessful, or the time for filing an appeal therefrom has lapsed. Any community remittance shall be made under protest and without prejudice to the City's right to recover such amount and interest thereon in the event that there is a final determination that AB x1 26 and AB x1 27 are unconstitutional. If there is a final determination that AB x1 26 and AB x1 27 are invalid, this Ordinance shall be deemed to be null and void and of no further force or effect.

SECTION 5. IMPLEMENTATION. The City Council hereby authorizes and directs the City Manager to take all actions and execute all documents necessary to implement this Ordinance, including but not limited to notifying the Alameda County Auditor-Controller, the Controller of the State of California, and the California Department of Finance of the adoption of this Ordinance and the City's agreement to comply with the provisions of Part 1.9 of Division 24 of the Health and Safety Code, as set forth in AB x1 27.

SECTION 6. ADDITIONAL UNDERSTANDINGS AND INTENT. It is the understanding and intent of the City Council that, once the Agency is again authorized to enter into agreements under the CRL, the City will enter into an agreement with the Agency as authorized pursuant to Section 34194.2, whereby the Agency will transfer annual portions of its tax increment to the City in amounts not to exceed the annual community remittance payments to enable the City, directly or indirectly, to make the annual remittance payments. The City Council does not intend, by enactment of this Ordinance, to pledge any of its general fund revenues or assets to make the remittance payments.

SECTION 7. CEQA. The City Council finds, under Title 14 of the California Code of Regulations, Section 15378(b)(4), that this Ordinance is exempt from the requirements of the California Environmental Quality Act ("CEQA") in that it is not a "project," but instead consists of the creation and continuation of a governmental funding mechanism for potential future projects and programs, and does not commit funds to any specific project or program. The City Council, therefore, directs that a Notice of Exemption be filed with the County Clerk of the County of Alameda in accordance with CEQA Guidelines.

SECTION 8. SEVERABILITY. If any provision of this Ordinance or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Ordinance which can be given effect without the invalid

provision or application, and to this end the provisions of this Ordinance are severable. The City Council hereby declares that it would have adopted this Ordinance irrespective of the invalidity of any particular portion thereof.

SECTION 9. CERTIFICATION; PUBLICATION. The City Clerk shall certify to the adoption of this Ordinance and cause it, or a summary of it, to be published once within 15 days of adoption in a newspaper of general circulation printed and published within the City of Union City, and shall post a certified copy of this Ordinance, including the vote for and against the same, in the Office of the City Clerk in accordance with Government Code § 36933.

SECTION 10. EFFECTIVE DATE. This Ordinance shall become effective thirty (30) days from its adoption.

The foregoing ordinance was introduced at a regular meeting of the City Council on the ___ of _____, 2011, and adopted by the following vote on _____, 2011:

AYES: COUNCILMEMBERS:
NOES: COUNCILMEMBERS:
ABSENT: COUNCILMEMBERS:
ABSTAIN: COUNCILMEMBERS

APPROVED:

Mark Green, Mayor

ATTEST:

Renee Elliot, City Clerk