

**AGENDA
CITY OF UNION CITY
CITY COUNCIL/REDEVELOPMENT AGENCY MEETING**

**TUESDAY, OCTOBER 27, 2009
7:00 P.M.**

**COUNCIL CHAMBERS
34009 ALVARADO NILES ROAD**

A SPECIAL MEETING CLOSED SESSION PRECEDES THE REGULAR MEETING AT 6:00 P.M.

I. CALL TO ORDER

I.a Pledge of Allegiance

I.b Roll Call

Mayor Mark Green

Vice Mayor Carol Dutra-Vernaci

Councilmember Manny Fernandez

Councilmember Jim Navarro

Councilmember Richard Valle

II. UNFINISHED BUSINESS - None

III. PROCLAMATIONS AND PRESENTATIONS - None

IV. ORAL COMMUNICATIONS

Comments from the audience on non-agenda items will be accepted for a period of 30 minutes. Speakers are limited to three minutes each. Persons wishing to speak must complete a speaker card available at the rear of the Council Chamber or from the City Clerk. If the number of speakers exceeds the time allotment, cards will be shuffled and 10 speakers chosen at random. The remaining speakers may speak under Section XI of the agenda.

V. CONSENT CALENDAR

All matters listed on the Consent Calendar are considered routine in nature and will be enacted by one motion. If discussion is required on a specific item, it will be removed from the Consent Calendar and considered separately.

5.a Motion to Waive Further Reading of Proposed Ordinance (This permits reading the title only in lieu of reciting the entire text of any proposed Ordinance)

5.b Approve Minutes for the Regular Meeting of October 13, 2009

5.c Adopt a Resolution Supporting an Application by Eden Housing for Financing from the Green Retrofit Program for Multifamily Housing (GRP) Sponsored by the U.S. Department of Housing and Urban Development (HUD), and Consenting to Recordation

of Subordinate Liens in Favor of HUD on the Wisteria Place and Rosewood Apartments Properties located on Alvarado-Niles Road

- 5.d Adopt a Resolution of the City Council of the City of Union City to Authorize the City Manager to Take Action Upon Claims for all Refunds Exempt for the Tort Claims Act
- 5.e Adopt a Resolution Approving the Revised Memorandum of Understanding with the Management Employees Group (July 1, 2009 through June 30, 2010)
- 5.f Adopt a Resolution Approving a Revised Memorandum of Understanding with the Professional Employee Group (July 1, 2009 through June 30, 2010)
- 5.g Adopt a Resolution Approving the Revised memorandum of Understanding with the Union City Police Management Association (July 1, 2008 through June 30, 2011)

VI. PUBLIC HEARINGS

- 6.a Adopt an Ordinance Extending for 10 Months and 15 Days Ordinance No. 724-09, which Established a Moratorium on the Establishment of Drug Paraphernalia Establishments/Head Shops Pending the Review and Possible Amendment of Zoning Regulations Applicable to such Businesses, Pursuant to Government Code Section 65858
- 6.b Adopt a Resolution Approving a Joint Exercise of Powers Agreement relating to the California Municipal Finance Authority, and Approving the Issuance of Revenue Bonds by the Authority for the Purpose of Financing the Acquisition and Construction of a Multifamily Rental Housing Facility known as Station District Family Housing Phase 1

VII. CITY MANAGER REPORTS

- 7.a Community Emergency Response Team (CERT) reorganization proposal and update
- 7.b Update Regarding Masonic Homes Flatlands Project - Project Review Process
- 7.c Update Regarding Masonic Homes Flatlands Project - Fiscal Impact Analysis

VIII. REDEVELOPMENT AGENCY - None

IX. AUTHORITIES AND AGENCIES - None

X. CITY COMMISSION/COMMITTEE REPORTS - None

XI. SECOND ORAL COMMUNICATIONS

XII. SCHEDULED ORAL COMMUNICATION - None

XIII. ITEMS REFERRED BY COUNCIL

- 13.a Oral Reports by Mayor and Councilmembers on meetings of County or Regional Boards and Commissions



DATE: OCTOBER 27, 2009

TO: CITY COUNCIL

FROM: JOAN MALLOY, ECONOMIC AND COMMUNITY
DEVELOPMENT DIRECTOR

SUBJECT: UPDATE REGARDING MASONIC HOMES FLATLANDS
PROJECT – Fiscal Impact Analysis

The purpose of this update is to: (1) introduce the City Council to Bay Area Economics, the selected consultant for the fiscal impact analysis (FIA) for the proposed Masonic Homes Flatlands project; and (2) to receive comments from the City Council on the consultant's approach for preparing the FIA.

DISCUSSION

Proposed Project

The applicant and property owner, Masonic Homes of California, is proposing General Plan and Zoning Ordinance amendments for the development of a mixed-use project on the ±67.3 acre vacant project site that is located on the northeast side of Mission Boulevard, between May Road and O'Connell Lane. Specifically, the applicant is proposing to develop the flatland area with townhome and multi-family residential uses, a senior residential facility, commercial uses, a civic facility, an agriculture use, and possibly a private institutional use.

Hillside Area Plan

The ±67.3 acre project site is located within the flatlands area of the ±6,100 acre Hillside Area Plan. The Area Plan was required by Measure B, which was passed by the Union City voters in 1989 and was intended to accomplish sixteen goals, regarding (generally): limits for development; conservation of natural, cultural and historic resources; open space retention; and adequate funding for City services for development.

The Area Plan was adopted by the City Council in 1995 and sets forth fifty-three development policies to implement the sixteen goals of Measure B. The Area Plan is an appendix to the General Plan. In 1996, the Union City voters passed Measure II, which ensures that the policies of the Area Plan may not be changed without a local vote.

The applicant is proposing a development that differs from the Area Plan's policies. Therefore, any approval of the proposed General Plan and Zoning Ordinance amendments by the City Council would be contingent upon a voter-approved amendment that would remove the project site (i.e. flatland area) from the Hillside Area Plan boundaries.

Fiscal Impact Analysis - Overview

An FIA discloses estimated future short term and long term net fiscal impacts on City services, the General Fund and special revenue funds, with implementation of a development project. In general, an FIA includes two key categories of consideration to calculate net fiscal impact: costs and revenues. “Costs” are the possible negative fiscal impacts to the City’s funds and “revenues” include the possible positive fiscal impacts to the City’s funds. Both categories are further detailed below.

Fiscal Impact Analysis - Approach

At the City Council and Planning Commission joint workshops earlier this year, the Council, Commission and public indicated the need for the proposed project to “pay its own way” regarding its impact to City services. In addition, the Council also requested that the Hillside Area Plan policies be reviewed and considered as part of the FIA regarding fiscal impacts. Specifically, the pertinent Area Plan policies for fiscal responsibility are listed below and these policies also require development to “pay its own way”:

Policy 4 - Open space ownership and maintenance responsibility. Open space in the Hillside Area that remains after development shall be dedicated, donated or in some other manner conveyed to the East Bay Regional Park District [EBRPD] or, if necessary, to the City of Union City. EBRPD cooperation shall be sought in the design of the area's open space. Lands that come under City jurisdiction may be maintained through a special landscaping and lighting district, and there shall be no financial impacts of open space maintenance on existing residents or businesses of the City not including the Hillside Area. Open space maintenance through homeowners associations or individual landowners shall be discouraged.

Policy 14 - Level of police service provision. Police service in the Hillside Area shall be at full urban levels with patrols and response times similar to those for existing developed areas of Union City. A satellite police station shall be constructed, if warranted. All costs of establishing and maintaining this level of service shall be borne by Hillside Area development.

Policy 15 - Level of fire protection provision. Fire and paramedic service in the Hillside Area shall be at full urban levels, with response times similar to those for existing developed areas of Union City, and with the possible provision of fire stations in the area. The Fire Department shall also develop a program of wildfire control measures to limit risks of wildfire in the area, including grass mowing, greenbelts, fire-resistant construction materials, fire-retardant vegetation and special construction regulations. Adequate emergency water supply in the area shall also be provided through a redundant water system, lakes, reservoirs or other water systems. All costs of establishing and maintaining these levels of service shall be borne by Hillside Area development.

Policy 21 - Extent to which development will offset the costs of municipal facility construction. Development in the Hillside Area shall provide all municipal facilities that it requires, but shall not be required to pay for those portions of improvements that benefit development outside the Area.

Policy 22 - Extent to which development will offset the costs of municipal facility construction and operation. Development in the Hillside Area shall pay for all on-going municipal services that it requires through taxes, assessments, developers' in-kind contributions or other fees. As part of the Specific Plan process, a study shall be required to show that the costs of municipal services required by the development will be offset by the revenues that development generates for a period of time that is acceptable for economic analysis purposes. The study shall include secondary costs and revenues such as increased City road maintenance on existing City streets and sales taxes paid by new residents.

Policy 45 - Level of service to be maintained in Union City or the region with consideration of Hillside Area development. Hillside Area development shall include mitigation measures to contribute to the preservation and enhancement of existing roadway and intersection levels of service in Union City, Fremont and Hayward. Development shall pay for any off-site roadway improvements that are necessitated by the development, and shall also contribute to the construction of new transportation facilities that will provide improved access to the area.

The above listed policies address police services, fire and emergency services, and other municipal facilities' construction and on-going operation and maintenance (such as open space dedication, road maintenance, intersection levels of service, and new transportation facilities). As noted in the *Specific Considerations* discussion below, these categories will be considered in the FIA.

The Hillside Area Plan includes other policies related to level of public service provision. However, these policies do not directly pertain to fiscal impacts on the City budget and will not be evaluated in the FIA. These impacts (related to sewer and water provision, as well as public school development) will be addressed in the environmental impact report (EIR). Specifically, these two policies are as follows:

Policy 16 - Level of sewer and water service provision. Development in the Hillside Area shall rely on connection to the Union Sanitary District and the Alameda County Water District for sewer and water service. The area may also use well water and/or reclaimed water for irrigation of public landscaping to conserve treated drinking water.

Policy 17 - Level of public school development. Development in the Hillside Area shall include public schools to at least match the level of educational facilities currently provided in developed portions of Union City. The City shall take precautions to ensure that school facilities are provided in the area in a timely manner.

Fiscal Impact Analysis – Specific Considerations

Since an FIA can only estimate future costs and revenues and since the future is unpredictable, certain considerations must be made when calculating the costs and revenues to the City in order to provide the most accurate and credible findings. BAE will provide a range (low, medium, high) of anticipated costs and revenues. For this FIA the key considerations are as follows:

Costs

Police Services. To estimate costs to the City with implementation of the proposed project, the FIA will consider any change in: (a) law enforcement levels of service related to personnel; and (b) associated demands for equipment and facilities.

Fire and Emergency Services. The FIA will consider any change in: (a) fire and emergency response levels of service related to personnel and equipment; (b) fire inspection services; and (c) cost allocations between the proposed project and other future development.

Municipal Facilities. The FIA will consider any change in: (a) the need for City park land dedication vs. the in-lieu fee (Subdivision Ordinance); (b) development and on-going maintenance costs for any new park facilities; (c) maintenance costs for existing park facilities; (d) the addition or modification of traffic signals; and (e) the addition of new public streets within the project site.

Other City Departments. For the other City departments (such as Economic and Community Development, Leisure Services, City Manager, Administrative Services, etc.), the FIA will consider any change in: (a) existing staffing levels to accommodate future growth; and (b) an attributable incremental share of new full-time-equivalent (FTE) employee requirements to the proposed project.

Non-departmental Costs. The FIA will evaluate an incremental increase in general liability and workers' compensation insurance premiums.

Revenues

Property Taxes. To determine the increase in property taxes from implementation of the proposed project the FIA will consider: (a) certain sales prices of the for-sale residential units; (b) construction costs of commercial and apartment development; and (c) value of business personal property.

Sales Taxes. To determine the increase in sales taxes the FIA will consider: (a) spending/taxable sales in commercial space at the site; (b) percentage of new sales versus percentage of captured sales from existing Union City retailers; (c) typical spending per resident by retail category; (d) certain spending to occur on site; (e) resident spending to occur outside the City; and (f) construction period sales taxes.

Other Revenues. To determine other potential revenue sources that may increase from implementation of the proposed project the FIA will consider: (a) franchise fees; (b) vehicle license fees; (c) charges for current City services; (d) building and other City permits; (e) impact fees; (f) community facilities district fees; (g) capital facilities fees; (h) business license fees; (i) intergovernmental revenues; (j) property transfer taxes; and (k) City fines and penalties.

New Community Facility

As a separate task the FIA will evaluate the approximate cost to construct a new community facility as well as the costs of on-going operations and maintenance. The submitted site plan identifies a ±2.0 acre area (Parcel B1) located adjacent to Mission Boulevard, that has been set aside for the community facility. Based on feedback from the City Council, staff has identified two alternatives that will be evaluated in the FIA.

Alternative 1 - Aquatic Complex. Staff has researched existing aquatic complexes within the area, including facilities located within Pleasanton, San Ramon and Walnut Creek, to better understand the scale of what can be developed on the site. These regional facilities are typically four to five acres in size and accommodate two to three outdoors pools in addition to accessory structures (i.e. restrooms, changing areas) and parking. Based on the two acre parcel size, staff is evaluating what size and scale of aquatic facility could be constructed on the site.

Alternative 2 - Community Center. This alternative is for a community facility similar in size and scale to the Senior Center. This facility would serve the surrounding neighborhoods and include a multi-purpose room, program rooms and staff offices. The multi-purpose room would be sized to accommodate a variety of uses including recreational (i.e. basketball, volleyball, badminton, etc.) programmatic as well special events.

In addition, the FIA will evaluate up to three land use alternatives. Staff is striving to coordinate these alternatives with the required alternatives in the environmental impact report.

Finally, the FIA will also provide recommendations for the City to recoup costs if the proposed project would create a net negative fiscal impact to City services and funds. The Council has indicated that the City would consider a special assessment district for the project site if there are negative fiscal impacts.

FISCAL IMPACT

There is no direct fiscal impact associated with this update. Masonic Homes is funding the analysis.

RECOMMENDATION

Staff is seeking confirmation regarding the scope of the FIA including the two community facility alternatives. Any feedback or comments that the Council may have would be welcomed by staff.

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Approved by:
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