



MINUTES **SPECIAL MEETING**

CITY COUNCIL CITY OF SOUTH SAN FRANCISCO

Meeting held at:
ROTARY TERRACE
310 MILLER AVENUE
SOUTH SAN FRANCISCO, CA

WEDNESDAY, OCTOBER 2, 2019
6:00 P.M.

CALL TO ORDER

6:00 p.m.

ROLL CALL

Present: Councilmembers Addiego, Nagales, and Nicolas,
Vice Mayor Garbarino.
Mayor Matsumoto (arrived at 6:04 p.m.).

AGENDA REVIEW

No changes.

INFORMATION SESSION:

1. Report Regarding a Study Session on a Summer Jobs for Youth Pilot Program (Leah Lockhart, Human Resources Director)

Human Resources Director Lockhart presented the report and provided an overview of the Summer Jobs for Youth Pilot Program and introduced staff from the County of San Mateo. She indicated that the Community Collaboration for Children's Success (CCCS), a multi-agency collaborative facilitated by San Mateo County Health, provided the City with a five-year Neighborhood Action Plan outlining recommendations for improving outcomes for children and youth. South San Francisco was identified by CCCS as one of four San Mateo County neighborhoods with high youth need, based on indicators such as the geographic concentration of youth in high-intensity County systems such as Juvenile Probation and Behavioral Health and Recovery Services. Between May and December, 2018, CCCS met with a broad group of community members and stakeholders to identify key issues that presented barriers to youth success. Among the top issues identified for South San Francisco youth were a lack of opportunities to build knowledge and skills necessary to obtain living wage, and lack of connection with supportive adults - often due to parents or caregivers working multiple jobs.

To address the needs identified by the Neighborhood Action Plan, City staff explored the possibility of implementing youth summer jobs program. Some of the specific recommended strategies outlined in the Neighborhood Action Plan include expanding summer enrichment strategies for lower-income youth and expanding living wage job opportunities for both at-risk parents and youth. Like many communities in Silicon Valley, South San Francisco has experienced strong job growth in recent years, particularly in the technology sector. However, an "opportunity divide" persists among many youth in the community who have little or no exposure or access to

these types of careers. To assist in bridging that gap, a summer jobs program would allow youth to work and earn a wage over the summer while receiving work-readiness and professional development training. In addition, participants would receive mentorship and develop connections with career professionals among participating area employers.

Strategies for South San Francisco include expanding affordable (or free) after school, weekend, and summer enrichment opportunities for lower-income children and youth and expanding living wage job opportunities for identified at-risk parents/caregivers and youth. Summer Jobs for Youth benefits will allow youth with little or no work experience an opportunity to: Strengthen connections to the work world and learn about careers; develop supportive relationships with working adults; learn and practice skills needed to succeed in a work environment; and earn wages over the summer.

Several model programs exist in major metropolitan areas throughout the country, including the New York City Summer Youth Employment Program, City of Memphis MPLOY program, and the Los Angeles County Summer Youth Job Program. These successful programs allow youth to earn wages, build meaningful connections with professional adults, and explore career possibilities. Typically, the program is structured as City or County-sponsored employment opportunity, wherein youth are hired and paid directly by the agency, then matched with area employers for summer work experience. Participants earn at least minimum wage, either partially or fully subsidized by the sponsoring agency, with the understanding that the employer will participate in a meaningful way by providing mentorship and opportunities for skill development. These programs also provide an orientation and ongoing training sessions for youth to develop critical professional and work-readiness skills. Development topics typically include practical skills as such as career planning, resume writing and interviewing, and financial literacy, as well as “soft skills” such as time management, leadership, and communication. Among programs that have been rigorously studied, measurable outcomes have included a reduction in violent or high-risk behavior, improvements in school attendance and academic performance, and reduced probability of incarceration.

A pilot program in South San Francisco would be modeled on some of the successful programs, on a smaller scale relative to the size of our community. Staff conducted outreach with the Silicon Valley Talent Partnership (SVTP), the South San Francisco Unified School District, and local employers to assess support and explore potential partnerships to create a pilot summer jobs program. A conceptual framework for a program was developed, which would be further refined and implemented by the City in collaboration with the Silicon Valley Talent Partnership. The pilot program would include approximately 20 youth participants, who would apply for the program either directly through the City or with the assistance of the school district and/or other community organizations. Area employers would participate by providing a seven-week work opportunity for participants (approximately 25 hours per week). Employers would pay a flat contribution of \$1,500 per participant, which would cover approximately 50% of the wages for youth participants. The remaining 50% of wages would be covered by the City, and the City would directly employ the participants. The City would conduct an orientation for employers, as well as an orientation for participants, and facilitate a process for matching participants with employers. The program would also include weekly skill development seminars hosted by the City for participants to continue to build their work readiness and integrate their learnings from their work experience. Seminars could be led by a combination of City staff and volunteers, and may include partnerships with community organizations involved in youth development. While participation criteria would need to be further refined, at a minimum, participation would be limited to students living in South San Francisco who are enrolled in school, and who are able to commit to the entire length of the program.

Human Resources Director Lockhart indicated that there is no immediate fiscal impact. However, should Council direct staff to move forward with a pilot program, the estimated cost would be \$200,000 annually, of which it is anticipated that \$100,000 may be reimbursed each year by Measure K district funds.

Floor Koudijs, Executive Director of the Silicon Valley Talent Partnership, provided an overview of their participation in the program. The team would define the measures of success and tracking mechanism for the creation of an actionable report for possible implementation.

Vice Mayor Garbarino inquired about the age group of participants. Human Resources Director Lockhart indicated that the age group would be between 16 to 18 year old high school students. She indicated that the program's goal is to grow from 20 to 200 youth allowing everyone an opportunity to participate. Vice Mayor Garbarino expressed his support of the program and indicated the future benefits the program would bring to employers of the City.

Councilmember Nicolas inquired about the target employers and suggested that staff work with Biotech companies to learn from the robust internship programs currently offered.

Councilmember Addiego expressed his desire to have a robust citywide program, not exclusive to Biotech to offer opportunities for the youth of the community. He shared his concern with future funding, but is supportive of the program and supports expanding the 18 year old age group to allow older participants.

Councilmember Addiego excused left the meeting at 6:40 p.m. to attend the San Francisco Airport Community Roundtable meeting.

Councilmember Nagales expressed his support of the program and shared his experience participating in the Jobs for Youth. He inquired about minimum wage, learner category and the assessment of the program's success. Human Resources Director Lockhart indicated that the youth would fall under the learner classification at \$15 an hour minimum wage. She indicated that the team would work diligently to ensure the program meets the participant's needs and employer's expectations.

Mayor Matsumoto expressed her support of the program and indicated her desire for the youth to participate in a meaningful program where participants gain additional skills beyond scanning documents and answering phones. She would like to setup a criteria where projects are defined before the youth are appointed to their respective employers. She indicated that mentorship is an important component of the program in order for the program to be successful.

2. Report regarding the formation of an Industrial Area Community Facilities District (IA-CFD). (Mike Futrell, City Manager)

City Manager Futrell presented the report and indicated that currently, over 81% of employees working East of Highway 101 in South San Francisco drive alone to work. Traffic modeling shows significant traffic delays today along major routes in the East of Highway 101 area. Limited bicycle and pedestrian routes make it difficult for workers desiring to use these modes of transportation instead of driving. There is no public bus service East of Highway 101, and while the City is

served by Caltrain, BART, and the WETA Ferry, there are limited last mile connections making it difficult for commuters to take public transportation to work.

Existing conditions support 28,000 employees East of Highway 101, albeit with the difficulties in traffic and transit noted above. The industrial areas of South San Francisco are transforming into denser, taller office and/or research labs, bringing thousands of new employees to the area. The City retained transportation engineering firm, Fehr & Peers to study transportation challenges and identify solutions in the East of the Highway 101 area. Based on expected growth, estimates are that there will be 55,000 workers in the area by 2040. Estimates from San Mateo County Transit Authority staff estimate 77,000 workers by 2040, which includes some areas in the Lindenville industrial area. City planning staff estimates 90,000 workers by 2040.

Given the future growth, Fehr & Peers has modeled what traffic will look like in the future, and it is far worse than current conditions unless significant improvements are made to the transportation system and commute options are enhanced or added to facilitate mode shift. Much of the Highway 101 area in South San Francisco, and almost the entirety of the area East of Highway 101, effectively ceases to operate for vehicles, if no action is taken to improve all modes of transportation and transit.

In coordination with the transportation engineering firm Fehr & Peers, the City identified and analyzed the traffic patterns in the East of Highway 101 area, modeled future growth, and developed a plan known as Mobility 20/20 with solutions to improve transportation and transit. Mobility 20/20 takes a multipronged approach in its solutions by utilizing transit and infrastructure improvements while maintaining a realistic perspective that there will still be single occupancy vehicles commuting into and out of the City. Taken collectively, this multipronged approach will help improve the traffic challenges in the industrial area to a level that can sustain the anticipated growth.

Mobility 2020 identifies major capital and operating investments for the Industrial Area, which would improve the transportation system; however, the plan requires an investment of approximately \$356 million for construction, and an annual operating revenue stream of approximately \$7 million annually for operation and maintenance. There are insufficient local, regional, state, or federal funds available to cover the cost of the needed improvements and programs, requiring that City staff look to other solutions for funding. The proposed Five Point Solutions in Mobility 2020 enable the Industrial Area's transportation system to keep pace with growing demand. These improvements and programs will help expand the area's peak period street capacity by approximately 20-30 percent and support a quadrupling of transit and bicycle ridership. Specifically, these improvements will enable area and citywide benefits in traffic and transit as well as active transportation benefits.

The most significant challenge in Mobility 20/20 is how to pay for the identified transportation projects. A Community Facilities District (CFD) is being explored as a means to fund the needed transportation and transit improvements. To that end, City staff have energetically engaged with the business community in the industrial area to explore forming a coalition of like-minded landowners willing to pool resources through a CFD to solve transportation problems in the industrial area.

John Gard with Fehr & Peers provided an overview of the project and identified locations on state transportation improvement program (STIP) and the CFD formation process.

City staff, in conjunction with many companies in the Industrial Area, have explored the establishment of a MelloRoos Community Facilities District (CFD) as a means to raise needed funding. Essentially, upon formation of a CFD, businesses in the Industrial Area would pay a special tax of a specified amount, with those funds going towards improving transportation in the Industrial Area. The City Council received two presentations on the Industrial Area Community Facilities District on February 27, 2019 and March 20, 2019. At the March 20, 2019 meeting, Council provided staff direction to continue outreach efforts to all 348 property owners in the industrial area.

New roadway capacity and reduced solo driving is necessary to maintain an efficient and effective transportation network in the Industrial Area given future growth. This requires new street connections, stronger Transportation Demand Management (TDM) programs, transit service expansions, and walking/bicycling investments. The Mobility 2020 study focuses on five major projects within the Industrial Area to enhance access and provide viable options to travel to and from work while reducing delay. Combined, these projects are intended to increase roadway throughput capacity by approximately 20-30 percent and support a reduction in “drive alone” trips to 60 percent of all commute trips.

The five recommended initiatives include:

1. Utah Avenue Interchange with US-101

- a. Description: Extends Utah Avenue from South Airport Boulevard to San Mateo Avenue with a new southbound onramp and off-ramp.
- b. Cost Estimate - \$100M
- c. Mobility Improvement: Provides a new east-west crossing of US-101 and a more direct path to the US-101 southbound onramp, alleviating a bottleneck at South Airport Boulevard/Produce Avenue intersection. Enables traffic to bypass East Grand Avenue and helps maximize underutilized capacity of Utah Avenue.
- d. Status: This project is on the State Transportation Improvement Program (STIP) and is currently in design utilizing a \$3.8 million grant from the Metropolitan Transportation Commission (MTC). This Caltrans supported project will finish design in early 2020, and then move into the environmental phase, costing an additional \$4 million and lasting approximately 24 months. If placed on the fast track, this project could start construction in 2023 and open in 2025, pending funding. This project is also on the list of projects associated with the recently passed Transit District Measure W sales tax measure. Being on the STIP and the Measure W list, this project is eligible for funding from multiple sources.

2. I-380 Connector to Haskins Way/Littlefield Avenue

- a. Description: Connects I-380/North Access Road directly to the E101 Area via either Haskins Way or Littlefield Avenue
- b. Cost Estimate - \$130M
- c. Mobility Improvement: Provides direct connection to I-380, US-101, and I-280 via presently underutilized freeway stub. Enables traffic to travel I-280 to I-380, then directly into the E101 Area, bypassing US-101 completely.
- d. Status: This project is in the South San Francisco FY18-19 CIP project for conceptual design. This project is also on the list of projects associated with the recently passed Transit District Measure W sales tax measure.

3. Grand Avenue/US-101 Northbound Off-ramp Flyover

- a. Description: Realigns northbound US-101 off-ramp to Grand Avenue by routing traffic above the new Caltrain Station. The diagram shows the current and proposed road alignment. Below is a rendering of the eastern Caltrain Plaza with the Off-Ramp Flyover in place.
- b. Cost Estimate - \$35M
- c. Mobility Improvement: Removes barrier to accessing Caltrain station and supports more efficient connection to Grand Avenue for eastbound and westbound off-ramp traffic.
- d. Status: This project is in conceptual design.

4. Street Operations, Safety, and Active Transportation Improvements

- a. Description: Modernizes street infrastructure to provide more efficient intersection operations, on-street bus stops, bicycle and pedestrian improvements, and new trail connections, creating safer links to Caltrain, Ferry Terminal and BART.

Summary of project areas and cost estimates.

- a. Cost Estimate - \$91M
- b. Mobility Improvement: Supports improved circulation within E101 Area and enhanced connections to transit, Bay Trail, and Centennial Trail.
- c. Status: In planning.

5. Increase in Commuter Shuttles

- a. Description: The City is well served by transit – two nearby BART stations, Caltrain Station and Ferry Terminal – but cannot effectively use these assets due to the severe lack of “last mile” commuter shuttles. Increasing the number of shuttles, and operation and maintenance of same, is required to reduce the number of employees driving to work.
- b. Cost Estimate - Purchase shuttles, plus \$6 million per year for operation and maintenance.
- c. Mobility Improvement: Maximizes ridership to promote a mode shift to transit.
- d. Status: In design

Biotechnology hub provides over 20,000 direct jobs and provides a world-class environment for collaboration and partnerships leading to life saving drugs and treatments. The City continues to foster healthy business relationships. In the spirit of that collaboration, the City embarked on a listening tour to meet with all 348 property owners in the Industrial Area to listen and learn, and to engage businesses in devising a shared solution to transportation challenges. The conversations with the property owners included sharing with them the CFD concepts presented to the City Council at the study sessions earlier this year.

In order to meet with all 348 property owners, the City retained the services of TBWB Strategies, which added its expertise in outreach to the work being conducted by City staff. This outreach work included multiple mailers to landowners, both at business street addresses, mailing addresses as listed on the County Assessor rolls, and P.O. Box addresses. The mailers included a survey designed to provide a means for property owners to provide the City with their views about these issues. The letter was helpful both in soliciting feedback from concerned property owners and in identifying incorrect mailing addresses from the County Assessor rolls. The City received close to 50 survey responses, many of which helped the outreach team get in contact with otherwise difficult to reach property owners. For those hard to reach landowners who could not be reached by mail, City staff walked door-to-door in areas distributing information about Mobility 20/20. Two Town Halls were also held, on June 11 and September 26, 2019, providing information and soliciting feedback from property owners within the proposed CFD boundaries. Both town halls were well attended—over 140 people came to listen and share their views.

Most significantly, City staff contacted over 200 property owners and tenants from all sectors of the business community biotech, industrial and warehouse, retail, and hotels – to learn each business’s transportation needs and how each business fits into the varied tapestry of industry in South San Francisco. Through these meetings, and the many other outreach channels, an understanding was gained which shaped the approaches to improving transportation in South San Francisco. Overall, 79% of business were successfully contacted.

There is overall agreement that traffic is difficult; that the industrial area will continue to grow, resulting in traffic getting worse; and that the City is right to proactively study and present solutions to improve traffic in the future. How each sector of the business community responded to possible funding scenarios, however, varied depending upon the nature of the industry.

The biotechnology community is in favor of the Mobility 20/20 plan and a CFD to fund the needed improvements. The retail industry, dominated by two Costco stores, likewise has voiced support for Mobility 20/20 and a CFD. Costco suffered last year due to the closure of the South Airport Bridge, driving home the need for alternative traffic solutions. Hotels in South San Francisco depend on the patronage of corporate customers and therefore are invested in the success of the businesses East of Highway 101. In general, the hotel industry is supportive of the transportation improvements outlined in the Mobility 20/20 plan, and the CFD. Warehouse and industrial businesses have been the most vocal in helping shape a proposal to improve transportation.

City Manager Futrell indicated that the City Attorney’s office provided each hotel General Manager a legal opinion that hotels may pass the cost of the CFD through to hotel guests as a line item onto a hotel guest folio, similar to the mechanism for collecting Transit Occupancy Tax (TOT).

The process of establishing a CFD requires at least four City Council meetings:

Meeting Number One: Adoption of two resolutions: a Resolution of Intention (ROI) setting forth the City’s intention to establish the CFD, designating the name of the CFD, identifying the services and facilities to be funded by the CFD, stating the City’s intention to levy a special tax annually on property within the CFD to pay for these services and facilities, and approving the Rate and Method of Apportionment of Special Tax (RMA) for the CFD, which details how the special tax will be levied on properties within the CFD and sets the maximum special tax rates that can be levied within the CFD. The ROI also sets the date for the required public hearing (30 to 60 days later) on the matters set forth in the ROI. The second resolution, a Resolution of Intention to Incur Indebtedness, sets forth the Council’s intention to issue bonds supported by the special taxes. This resolution also sets a public hearing for the same date.

Meeting Number Two: Hold the noticed public hearings at a City Council meeting. Following the public hearings, the City Council is presented with two resolutions: a resolution forming the CFD, and a resolution calling the special tax election (90 to 180 days later) by the landowner voters within the CFD. Between meeting number two and meeting number three, ballots will be distributed to owners of property within the CFD. The materials distributed will include information about the proposed uses of the special tax revenue, the proposed tax rates, the requirements for approval of the CFD, and the method and deadline for returning ballots.

Meeting Number Three: Opening and counting of ballots. If the CFD gains the required number of votes for passage, the City Council will adopt a Resolution Confirming Results of Special Election, and introduce an ordinance ordering the levy of special taxes within the CFD.

Meeting Number Four: Hold a second reading to adopt the special tax ordinance ordering the levy of special taxes within the CFD. After formation of the CFD, a special tax is levied annually on taxable properties that are located within the boundaries of the CFD.

Based on the currently proposed rates, staff estimates that, during the first Fiscal Year in which the Special Taxes would be levied, the CFD would generate approximately \$17.8 million in Special Tax revenue. Of this \$17.8 million in projected Special Tax revenue, \$7 million would be set aside annually to fund public services, while the remaining \$10.8 million would be used to pay for debt service on CFD bonds. The current estimated bonding capacity for the CFD ranges from \$156 million to \$180 million, depending on a range of possible interest rates. The assessment would not start until 2021.

PUBLIC COMMENTS – comments are limited to items on the Special Meeting Agenda.

Randy Dilena, addressed Council to express his concern with the proposed per square foot charge as a solution to traffic and congestion. He indicated that the area has grown and prospered throughout the years without improvement to the road and traffic conditions. He expressed his support of addressing the traffic impact without charging existing business owners with a more proportionate contribution similar to Singapore and London.

Chris Lalli, addressed Council to express Amgen's concern with current situation with traffic congestion and pedestrian and bicyclist safety on Oyster Point. He shared with Council Amgen's efforts to address the traffic congestion and projected impact with expanded commuter options for staff.

Don Raphael, addressed the Council to express his concern with property values due to the economic downturn. He indicated that an additional tax to properties of the area would discourage future buyers. He inquired about the City's use of funds attributed to the rapid development of local growth.

Lauren Bennett, addressed the Council to share Genentech's support of permitting landholders to consider adoption of a CFD. She provided an overview of Genentech's shared transportation service model focused on accelerating access to public transportation.

Jack Stangaein, addressed Council to express his concern of a possible financial impact to his business due to a CFD. He indicated that property values assessed by square foot tax, will affect property values annually. Small businesses will suffer the impact of the tax imposed program. He stated his opposition of a CFD and asked Council to consider alternative measures to address the traffic impact.

Georgette Guerra, addressed the Council to express her concern with the proposed CFD and expressed her opposition. The area has undergone massive development without road improvements.

Lilly Kazeminia, address the Council on behalf of Prologis and tenants of east of 101 to express concerns about the impact of traffic and the inequity of a CFD. She requested that a solution be for everyone to participate with equitable contributions.

Chris Brey, addressed the Council to express Cytokinetics support of a CFD with a revision to the cost per square foot for all businesses in the east of 101 area. Cytokinetics applauds the City's effort to seek solutions to traffic congestion. He requested that Council consider the fiscal impact companies may face with a \$1 per square feet tax assessment and how their decision may impact the biotech companies. Mr. Brey thanked City Manager Futrell and his staff for their hard work.

Sue Poletti, addressed the Council to express her concern and opposition to a CFD. She indicated that they only received one notice and have four properties in the area, inquiring as to the process of notification. She requested a list of property owners and noticing process, clarification on tax rate i.e., fixed or adjustable. In addition, she expressed her concerns with the composition of a CFD and how that would affect the City as a whole. She reiterated her opposition to the proposed CFD and encouraged Council to seek alternative solutions.

Mary Sales, addressed Council to express her concern with the City's outreach efforts and indicated that she did not receive notification of the meeting and was informed by the real estate agent, her business is located on San Mateo Avenue (west of 101), the business is defined to be on the 101 corridor. She shared her concerns with the proposed access point and the traffic impacts. The tax is not equitable to all businesses in the area. She expressed her support of having all residents contribute to the cost of traffic improvements and not just business owners.

Recess: 7:43 p.m.
Meeting resumed: 7:53 p.m.

Marcia Moriarty, addressed Council to inquire about the needs of a CFD given the projected increase of employees and expressed her opposition of imposing a tax to current business owners. She read into the record an excerpt of the proposed CFD and inquired about the tax rate and future increases. Suggested that a tax be accessed to employers that are contributing to the traffic increase due to increase of their employees.

Mayor Matsumoto informed speakers that staff will respond to the questions presented at the meeting.

Paul Poletti, addressed the Council to express his opposition of the proposed CFD and indicated that he and his family have been long time residents and investors of the City. He requested that Council consider alternative solutions that would be fair and equitable to all businesses in the east of 101 area.

Nancy Andrew, addressed the Council to express her opposition of a CFD and the fee structure proposal. She indicated that the fee structure was inequitable and unfair to long time established businesses of the area along with the proposed voting method given the inequitable representation. She encouraged Council to find a fair alternative approach to address the east of 101 traffic congestion.

Council comments

Councilmember Nagales thanked the community for their participation and provided an overview of the current and projected traffic impacts of the area. He expressed his concern with funding, the proposed access points (roads and bridges) and the unintended consequences resulting in an increase to vehicle traffic. He requested that staff evaluate alternate modes of transportation and additional points of entry. He encouraged the consultants to continue to outreach to local businesses to ensure everyone that may be impacted is involved in the process.

Vice Mayor Garbarino thanked the community for attending the meetings to express their concerns about the proposed CFD. He inquired about the hotel user fee and the traffic count for the non-biotech businesses that contribute to traffic. City Manager Futrell indicated that there are no specific counts for the entire East of 101 area, he will review the questions and concerns with staff. He encouraged residents and businesses to contact his office at (650) 877-8502 to schedule a time to meet and discuss concerns.

Councilmember Nicolas thanked attendees and expressed her concern with the lack of participants and her desire to see a collaborative effort where all stakeholders are in it together and work towards finding a solution or a middle ground. She explained the challenges of finding community partners to solve the problem and indicated that the problem can't be resolved immediately. She encouraged the community to be open minded to address the east of 101 traffic impact.

Mayor Matsumoto indicated that the City is doing its best to mitigate the current and projected traffic issues at East of 101 to keep revenue for the City.

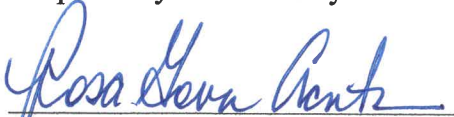
City Manager Futrell thanked attendees and indicated that the City has received the community's concerns and suggestions. He will continue to work with Council to review the unparalleled economic success and the traffic issues in the east of 101 area.

Staff will explore alternative finances for the CFD (Mello-Roos) and present alternative solutions for Council's consideration.

ADJOURNMENT

Being no further business, Mayor Matsumoto adjourned the meeting at 8:32 p.m.

Respectfully submitted by:



Rosa Govea Acosta, CMC, CPMC
City Clerk

Approved by:

Karyl Matsumoto
Mayor

Approved: ____ / ____ / ____