



MINUTES
CITY COUNCIL
CITY OF SOUTH SAN FRANCISCO

REGULAR MEETING
MUNICIPAL SERVICES BUILDING
COUNCIL CHAMBERS
33 ARROYO DRIVE
SOUTH SAN FRANCISCO, CA

WEDNESDAY, MARCH 22, 2017
7:00 p.m.

CALL TO ORDER

Time: 7:01 p.m.

ROLL CALL

Present: Councilmembers Addiego, Garbarino and
Matsumoto, Vice Mayor Normandy and Mayor Gupta.

Absent: None

PLEDGE OF ALLEGIANCE

Led by Mayor Gupta

AGENDA REVIEW

None.

The Councilmembers introduced their student counterparts. The students introduced themselves.

Mayor Gupta requested the audience be respectful while conducting City business.

The Department Heads and counterparts introduced themselves.

Councilmember Matsumoto encouraged the students to apply for the South San Francisco Chamber of Commerce scholarship opportunity.

PRESENTATIONS

1. Recognizing the recipients of the Rotary Club of South San Francisco's "Service Above Self" awards. (Sheri Boles, Community Programs Manager)

Community Programs Manager Boles recognized the Rotary Club of South San Francisco's "Service Above Self" award recipients. She introduced the City's five honorees: Tom Carney, Fire Department; Roxanne Cole, Records Supervisor of the Police Department; Ines Mendez Office Specialist in the Community Development Department; Marie Patea, Administrative Assistant of the Parks and Recreation Department; and Ana Talmoa, Library.

Mayor Gupta congratulated the five recipients and thanked them for their service.

2. PG&E California Waste Water Optimization Program presentation of project findings and program incentive. (Kathy Lavezzo, Senior Account Executive)

Andrea Schumer, PG&E, introduced herself to the Council and discussed completion of the project at the water quality control plant, retrofitting to a new turbo-blower. She discussed the energy savings and acknowledged City staff that worked on the project. She congratulated the City's staff on its continued focus to reduce energy City-wide. She presented a \$44,844 incentive check from PG&E.

3. Proclamation designating March as American Red Cross Month 2017. (Mayor Gupta)

Mayor Gupta read the proclamation and presented it to Winston Butts from the American Red Cross.

4. Presentation of county policies on immigration. (Jeff Azzopardi, Police Chief and Sheriff Carlos Bolanos)

Police Chief Azzopardi discussed the recent study session on immigration policies and introduced Sheriff Carlos Bolanos. Sheriff Bolanos explained how the Sheriff's Department dealt with immigration status. He discussed the importance of retaining the trust of the community in order to keep the community safe. He stated the Sheriff's Department would cooperate with the Immigration Department when someone was in custody, for the purpose of public safety.

Councilmember Addiego thanked Sheriff Bolanos for attending the meeting and discussed the prior meeting when the residents shared their fears. He expressed concern about families being torn apart. Sheriff Bolanos discussed the recent immigration forum in Redwood City. He explained the offenses triggering ICE involvement. He stated ICE had been notified 38 times with 8 pick ups.

Councilmember Garbarino thanked Sheriff Bolanos for not voluntarily providing immigration status.

Councilmember Matsumoto asked if the City could protect the residents from ICE sweeps. Sheriff Bolanos stated it was best to not have the Police Department interfere with Federal process. He stated alleged raids were determined to have not happened, although the fear was real.

Vice Mayor Normandy thanked Sheriff Bolanos for attending the meeting.

Mayor Gupta expressed appreciation to Sheriff Bolanos. He reiterated that the South San Francisco Police Department was working to retain calm and security. He stated the City would not go out of its way to assist ICE but would not interfere.

5. Presentation on the Kishiwada Marathon. (Steve Mann, Sister Cities Marathon Runner)

Captain Steve Mann, South San Francisco Fire Department, discussed his participation in the Kishiwada, Japan Marathon. He presented photographs of his Sister City visit and presented a gift to Mayor Gupta from the Mayor of Kishiwada.

Mayor Gupta thanked Captain Mann for representing the City.

PUBLIC COMMENTS

James Ruigomez, San Mateo County Build and Trade Union, had the affiliates stand. He thanked the City for its continued support of the residents and families. He expressed appreciation for the City holding developers accountable. He thanked the City for creating middle class jobs.

Alvaro Bettucchi was not present.

COUNCIL COMMENTS/REQUESTS

Councilmember Matsumoto requested adjourning in memory of Mary Patricia Formosa and Jay Young Sim. She requested the Mayor welcome new commercial businesses and the schedule for tree planting for 2017.

Councilmember Garbarino requested a monthly breakdown of Council expenditures.

Councilmember Addiego requested adjourning in memory of Dante Shaundry.

Mayor Gupta requested consideration of a traffic signal at the intersection at Chestnut and Commercial.

PUBLIC HEARING

6. A report regarding a Public Hearing for the City's Housing, Community, and Economic Development Needs for the 2017-2018 One Year Action Plan; and a resolution approving the formation of a Revolving Loan Fund. (Julie Barnard, Economic Development Coordinator)
 - 6a. Resolution approving the formation of a Revolving Loan Fund for the Community Development Block Grant.

Economic Development Coordinator Greenwood presented the item to Council. He discussed the two requested actions on the CDBG program including conducting the public hearing and approving a revolving loan fund. He thanked the CDBG Subcommittee, Vice Mayor Normandy and Councilmember Garbarino.

Mayor Gupta opened the public hearing at 7:56 p.m.

Ann Marguart, Executive Director of Project Sentinel, thanked the Council for its continued support and presented examples of the assistance provided. She presented flyers on the upcoming Fair Housing Symposium and brochures on tenant/landlord program.

In response to Councilmember Matsumoto, Ms. Marguart stated most clients came from municipal service referrals, other non-profit agencies and advertisements.

Carilee Pang Chen, Rebuilding Together Peninsula, thanked the Council for its continued support and discussed the services provided through the minor home repair program. She discussed projects in the City and presented a thank you note from a homeowner.

Laura Fanucchi, Associate Executive Director HIP Housing, discussed housing resources and support and announced the launch of Home Match SF and Home Share SLO. She thanked the Council for its continued support.

Melissa Lukin, Executive Director of CORA, discussed the services provided to survivors of domestic abuse. She thanked the Council for its ongoing support.

Trevor Yan, Legal Aid Society of San Mateo County, informed the Council of the recent work of the Legal Aid Society and thanked the City for the CDBG funding. He presented copies of the eviction report.

Lisa Heath, Center for Independence for Individuals with Disabilities, Housing Modification Program, discussed their mission and assistance to low income residents. She thanked the Council for its continued support.

Amanda LeBlanc, Program Director of Rape Trauma Services, thanked the Council for its continued support of sexual abuse survivors. She discussed a specific example of a youth utilizing the services in South San Francisco.

Diane Papan, John's Closet, stated they provided clothes to needy kids. She thanked the Council for its past support and requested continued support.

Sophia Daniel, StarVista Transitional Housing Placement Program, discussed the services provided to house former foster youth. She introduced DeVonte Young. Mr. Young expressed his appreciation for the program.

Julia Parmer, Safe Harbor Shelter, thanked the Council for its continued funding support. She stated Safe Harbor provided services to 153 South San Francisco residents. She shared a story of a resident assisted by the program.

Mayor Gupta closed the public hearing at 8:21 p.m.

Vice Mayor Normandy, CDBG Subcommittee, discussed the work of the organizations and funding.

Councilmember Garbarino discussed the League of California Cities consideration of CDBG funding and expressed concern regarding Federal actions. He stated the City would wait to determine final available funds. He thanked the organizations for the services.

Mayor Gupta thanked the agencies and discussed the importance of the services provided. In response to Mayor Gupta, Economic Development Coordinator Greenwood explained the purpose of the revolving loan fund as an administrative best practice. Mayor Gupta questioned whether the process was acceptable to HUD. Economic Development Coordinator Greenwood stated the program was non-controversial and a commonly used best practice.

Councilmember Matsumoto asked the meaning of last mile financing for Parks and Recreation projects. Economic Development Coordinator Greenwood explained gap

financing to complete ADA improvements.

Vice Mayor Normandy discussed the projects included for use of CDBG funds.

Motion - Councilmember Garbarino / Second - Vice Mayor Normandy: that this Resolution, RES 24-2017, be approved. Approved by roll call vote:

Yes: 5 – Councilmember Addiego, Councilmember Garbarino, Councilmember Matsumoto, Vice Mayor Normandy and Councilmember Addiego

Enactment No: RES 24-2017

ADMINISTRATIVE BUSINESS

7. Report regarding an ordinance approving a Third Amendment to the Development Agreement between El Camino and Spruce LLC and the City of South San Francisco to modify the phasing of the Project construction and related standards, laws and procedures governing the project for a previously entitled Mixed-Use Project at 180 El Camino Real Avenue. (Billy Gross, Senior Planner)
 - 7a. Ordinance adopting a Third Amendment to a Development Agreement between El Camino and Spruce LLC and the City of South San Francisco to modify the phasing of the project construction and related standards, laws and procedures governing the project for a previously entitled Mixed-Use Project at 180 El Camino Real Avenue.

Senior Planner Gross presented a PowerPoint outlining the project agreement timeline and proposed third amendment to the Development Agreement. He introduced Michael Nimon, Vice President, Economic and Planning Systems.

Mr. Nimon discussed the peer review indicating both costs and revenues had changed. He confirmed that the project was facing feasibility challenges, including a \$60 million gap. He explained that elimination of the prevailing wage requirement could reduce the gap by one third.

Senior Planner Gross presented the proposed project milestones. He discussed the Planning Commission's review and recommendation on the project. He recommended the Council hold a public hearing and consider the ordinance adopting a third amendment.

Bill Mitchell, applicant, presented a PowerPoint outlining the history of the project, bid process, and economic unfeasibility of the project. He discussed the requests including in the Third Amendment. He explained the proposed reduction in office space, elimination of the prevailing wage requirement for the apartment component and extension of time. He presented reasons why the Council should approve the request and requested the Council's support. He introduced the team members present at the meeting.

Councilmember Addiego asked the total build cost. Mr. Mitchell stated the total project was anticipated at \$240 million and \$30-40 million to remodel. Councilmember Addiego expressed frustration with the process. He stated he would like to understand the commitment of the property owner.

Mayor Gupta opened public hearing at 8:54 p.m.

James Ruigomez, representing San Mateo County Build and Trade Union, asked the 150 members in attendance to rise. He indicated opposition to the third amendment. He stated it was time to develop the gateway project. He urged the Council to hold the developer accountable to hire local contractors and pay prevailing wages.

Edward Evans, Carpenters Local 217, discussed the purpose of organizations and unions. He urged the Council to vote no on the proposed third amendment. He questioned why other developers were able to utilize unionized work force and pay prevailing wages yet the proposed development was unable to complete the project.

Mark Burri, lifelong San Mateo County resident, on behalf of San Mateo Plumbers and Pipe Fitters and their employers, urged the Council to require payment of prevailing wages. He discussed the impact of not paying prevailing wages.

Moises Villeda, Field Representative for the Northern California Carpenters Regional Council, representing 33,000 members, with 1500 members in San Mateo County. He urged the Council to support local carpenters and require payment of prevailing wages.

Mayor Gupta closed the public hearing at 9:07 p.m.

Councilmember Matsumoto stated the initial project came about in 2004. She discussed the proposed decrease in commercial development. She questioned the number of residential units proposed. She expressed frustration with the amendments, delays and unfulfilled promises. She stated she was prepared to direct staff to initiate the process to terminate the development agreement.

Motion - Councilmember Matsumoto / Second - Councilmember Garbarino: to direct staff to initiate default proceedings.

Vice Mayor Normandy stated she met with Mr. Mitchell. She read the email from him indicating the project was not financially feasible. She stated her student counterpart indicated she would vote to keep prevailing wage.

Councilmember Garbarino stated the contractor should have known what he could afford. He stated he had provided financier information who Mr. Mitchell had not contacted. He stated he would not support the third amendment. He stated exempting prevailing wage would set an unwanted precedent.

Councilmember Addiego stated the City had changed the process to include housing which was unfair to the developer. He stated the City needed to make amends with the developer and he asked the soft cost of the City. City Manager Futrell stated the City did not make money from permit fees. Councilmember Addiego stated an injustice was done before City Manager Futrell's watch and he was asking what could be done. Economic Development Coordinator Greenwood discussed the permit fees controlled by the City. He stated he would provide an estimate of the fees.

Mayor Gupta stated he was a Planning Commissioner when the project started. He discussed prior consideration of the project and efforts to work with the builder and developer. He stated he was not confident that the project would happen. He stated the property owner

owned that land that was valued at many millions of dollars, which was used to calculate the return on investment. He acknowledged the letters sent to him regarding the project and need to retain prevailing wage. He indicated he would not support the third amendment.

In response to Councilmember Addiego, Senior Planner Gross stated the fee estimates at the time of the development agreement were \$2.4 million. Councilmember Addiego questioned the need to add a half a percent on return on investment. Mr. Mitchell explained the combined half percent increase plus the return on the apartments. He discussed construction estimates and prevailing wage.

Motion - Councilmember Garbarino / Second - Councilmember Matsumoto: to call the question.
Approved by roll call vote:

Yes: 5 – Councilmember Addiego, Councilmember Garbarino, Councilmember Matsumoto, Vice Mayor Normandy and Councilmember Addiego

City Attorney Rosenberg explained that the motion was to direct staff to initiate default proceedings, that Council would still need to hold a hearing and the developer had the opportunity to make it right. He stated the developer had 30-days to cure after notice of default.

The question was called on the original motion. Approved by roll call vote:

Yes: 5 – Councilmember Addiego, Councilmember Garbarino, Councilmember Matsumoto, Vice Mayor Normandy and Mayor Gupta

RECESS

Mayor Gupta called a recess at 9:35 p.m. The meeting reconvened at 9:45 p.m. with all Councilmember present.

ADMINISTRATIVE BUSINESS

8. Report regarding a Motion to conceptually approve the five-year sewer rate plan and directing staff to prepare sewer rate plan notices in accordance with Proposition 218. (Justin Lovell, Public Works Administrator)

Public Works Administrator Lovell presented a PowerPoint outlining the five-year sewer rate plan, recommending a series of increases, and the goal to retain the sewer fund in solid financial footing while maintaining the system and treatment plant. He discussed the plan to improve wet weather flow and plant improvements. He requested the Council authorize staff to proceed with Proposition 218 proceedings.

In response to Councilmember Matsumoto, Public Works Administrator Lovell stated the rate increase related to the entire sewer system. Councilmember Matsumoto stated the City was proposing a 46.5% increase and asked what other cities were doing. Public Works Administrator Lovell discussed rates and proposed increases in surrounding cities.

In response to Mayor Gupta, City Manager Futrell stated the Sea Level Rise Study Administrative Draft showed the entire water quality control plant underwater and suggested it prudent to start planning and design for the future.

In response to Mayor Gupta, Public Works Administrator Lovell explained the larger spike in rate increases based on required improvements. Mayor Gupta suggested equal rate increases.

Councilmember Matsumoto discussed Water Quality Control Board regulations and cost increases.

Councilmember Addiego commended staff for keeping the City in compliance and retaining the infrastructure.

Mayor Gupta stated he was fully supportive of water quality regulations.

Motion - Councilmember Garbarino / Second - Councilmember Matsumoto: that this Staff Report be approved. Approved by roll call vote:

Yes: 5 – Councilmember Addiego, Councilmember Garbarino, Councilmember Matsumoto, Vice Mayor Normandy and Councilmember Addiego

PUBLIC COMMENTS (Continued)

Alvaro Bettucchi discussed the popularity of soccer and teams in the Peninsula. He discussed use of the South San Francisco High School Field for soccer practices and suggested inclusion of fields behind Orange Avenue Park. He discussed the need for reflectors and traffic delineators on Spruce, Orange Avenue and Chestnut. He commended the City and Council on the improvements on Airport Boulevard and Sister City Boulevard. He thanked the Councilmembers for their service.

ADMINISTRATIVE BUSINESS (Continued)

9. Report regarding a resolution awarding a construction contract to Certified Heating & Air Conditioning of Fresno, California for the HVAC Improvements Project at the Main Library and Magnolia Senior Center in an amount not to exceed \$143,650 and authorizing a total construction budget of \$193,928. (Sam Bautista, Principal Engineer)
 - 9a. Resolution awarding the construction contract to Certified Heating & Air Conditioning of Fresno, California for the HVAC Improvements at the Main Library and Magnolia Senior Center in an amount not to exceed \$143,650 and authorizing a total construction budget of \$193,928.

Public Works Administrator Lovell presented the staff report summarizing the proposed project, bids, and he recommended awarding the contract to Certified Heating & Air Conditioning of Fresno, California.

Motion - Councilmember Addiego / Second - Councilmember Matsumoto: that this Resolution, RES 25-2017, be approved. Approved by roll call vote:

Yes: 5 – Councilmember Addiego, Councilmember Garbarino, Councilmember Matsumoto, Vice Mayor Normandy and Councilmember Addiego

CONSENT CALENDAR

10. Motion to approve the Minutes from the meeting of January 25, 2017.

11. Motion confirming payment registers for March 22, 2017. (Richard Lee, Director of Finance)
12. Report regarding a resolution authorizing the acceptance of \$7,500 in grant funding from the United States Department of Homeland Security Port Security Grant Program to upgrade marine communications on the Fire Department's rescue boat and amend the Fire Department's Fiscal Year 2016-2017 Operating Budget. (Gerald Kohlmann, Fire Chief)
 - 12a. Resolution RES No. 26-2017 authorizing acceptance of \$7,500 in grant funding from the United States Department of Homeland Security Port Security Grant Program to upgrade marine communications on the Fire Department's rescue boat and amend the Fire Department's Fiscal Year 2016-17 Operating Budget.
13. Report regarding a motion to accept the Fire Station 64 Roof Girder Replacement Project with a total construction cost of \$149,545. (Sam Bautista, Principal Engineer)
14. Report regarding a motion to accept the construction improvements of Willow Gardens Playgrounds Replacement Project with a total construction cost of \$145,706, as complete in accordance with plans and specifications. (Sam Bautista, Principal Engineer)
15. Report regarding two resolutions authorizing: (1) an application for financial assistance from the State Water Resources Board for the Water Quality Control Plant Wet Weather and Digester Improvement Project; and (2) submittal of a Letter of Interest for the Water Infrastructure Financing Information Act of 2014 program funds for financing of the Water Quality Control Plant Wet Weather and Digester Improvement Project. (Justin Lovell, Public Works Administrator)
 - 15a. Resolution RES No. 27-2017 of the City Council of the City of South San Francisco authorizing an application for financial assistance from the State Water Resources Control Board for improvements to the Water Quality Control Plant and authorizing the City Manager to negotiate, execute, and implement a financial assistance agreement with the State Water Resources Control Board on behalf of the City of South San Francisco.
 - 15b. Resolution RES No. 28-2017 authorizing the submittal of a Letter of Interest for the Water Infrastructure Finance and Innovation Act of 2014 program funds for the Water Quality Control Plant Wet Weather and Digester Improvements Project.

The Deputy City Clerk duly read the Consent Calendar, after which Council voted and engaged in discussion of specific items as follows:

Items 11 and 12 were pulled by the Council.

Item 11: Councilmember Matsumoto questioned the Successor Agency revenue bond series. Director of Finance Lee explained that it was a debt service payment.

Councilmember Matsumoto requested a correction on page 1 of 27, \$675 for the Chamber Installation Awards Dinner, which she did not attend. Councilmember Addiego stated he had purchased a table on his own, therefore, should not be charged. Councilmember Matsumoto asked about the payment to Union Bank for Calwater wastewater revenue bonds. Director of Finance Lee stated it was a debt service payment. Councilmember Matsumoto requested clarification on the Public Works charge related to cleaning of digesters on pages 26 and 27. Director of Finance Lee

stated she was correct that there were charged for cleaning and charges for the design project.

Vice Mayor Normandy referenced page 1 of 27 and stated it was necessary to ensure the City was paying organizations correctly, such as the San Francisco Police Association. She suggested the Council receive quarterly reports on their accounts. She questioned the City Manager Rotary Club charges on page 2 of 27. Director of Finance Lee clarified the charges were appropriately allocated to City Manager Futrell. Vice Mayor Normandy asked about staff refreshments at Dave and Busters. Director of Parks and Recreation Ranals explained that high school volunteers had received refreshments at a Child Care Division event. Vice Mayor Normandy asked about the cash advance of \$500 for senior services on page 27 of 27. Director of Parks and Recreation Ranals explained that the cash advance was used to pay for music and a statement of expense was submitted. Vice Mayor Normandy inquired about the Cap Conference/South San Francisco Chamber Dinner charges on page 18 of 27. Police Chief Azzopardi stated he would look into the charge.

Councilmember Addiego referenced the warrant on page 19 of 27, \$41,677 for biochemical disposal and suggested consideration of other options such as BioForceTech.

Item 12: Councilmember Matsumoto suggested investigating sheer services.

Motion - Vice Mayor Normandy / Second - Councilmember Garbarino: that the Consent Calendar be approved. Approved by roll call vote:

Yes: 5 – Councilmember Addiego, Councilmember Garbarino, Councilmember Matsumoto, Vice Mayor Normandy and Councilmember Addiego

ITEMS FROM COUNCIL – COMMITTEE REPORTS AND ANNOUNCEMENTS

Councilmember Addiego announced the E-waste event on March 25, 2017, 9:00 a.m. to 4:00 p.m. Communications Director Leslie Arroyo discussed the garbage/paper event and E-waste event. Director of Parks and Recreation Ranals discussed the Brentwood Park dedication events.

Vice Mayor Normandy announced the San Mateo County Council of Cities Dinner on March 31, 2017, at which City Manager Futrell would be the moderator.

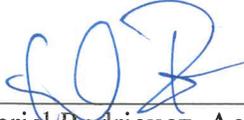
Mayor Gupta discussed the recent Street Light Subcommittee and Environmental Subcommittee meetings. City Manager Futrell stated both the LED Study Session and NPDES contract with Caltrans would be presented to Council for its consideration.

Councilmember Matsumoto asked if South San Francisco Police and Fire would be recognized at the Lyons event. Fire Chief Kohlmann stated three members would be recognized. Police Chief Azzopardi stated two people would be recognized.

ADJOURNMENT

Being no further business, Mayor Gupta adjourned the meeting at 10:32 p.m. in memory of the Paul Formosa Family, Dante Shaundry, and Jay Young Sim.

Submitted by:



Gabriel Rodriguez, Acting City Clerk
City of South San Francisco

Approved by:

Pradeep Gupta, Mayor
City of South San Francisco