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OFFICE OF THE CITY CLERK
OAKLAND

2012 NOV 30 AM
AGENDA REPORT

TO: DEANNA J. SANTANA
CITY ADMINISTRATOR

FROM: Fred Blackwell

SUBJECT: Funding for West Oakland Job Resource Center and Related Community Benefits Uses **DATE: November 15, 2012**

City Administrator
Approval

Deanna Santana

Date

11/30/12

COUNCIL DISTRICT: #3

RECOMMENDATION

Staff recommends that the City Council adopt:

A RESOLUTION APPROPRIATING AND ALLOCATING REVENUE GENERATED FROM THE OAKLAND ARMY BASE BILLBOARD FRANCHISE AND LEASE AGREEMENT TO THE WEST OAKLAND JOB RESOURCE CENTER AND OTHER COMMUNITY BENEFITS-RELATED USES INCLUDING STAFF

EXECUTIVE SUMMARY

The Office of Economic and Workforce Development is working to develop a West Oakland Job Resource Center to facilitate the training and placement of workers at the Oakland Army Base development project in order to meet the 50% local employment policy for construction and operations jobs. Over the course of the next 7-10 years, the project is expected to generate roughly 1,000 construction jobs and another 1,500-2000 operations jobs with at least half of those jobs targeted for Oakland residents. Staff estimates that over 1,000 job seekers will visit the Job Resource Center in its first year of operations, with slightly lower numbers in future years.

Staff plans to issue a Request for Proposals (RFP) for a non-profit operator for the West Oakland Job Resource Center in spring 2013. The costs to operate the Job Resource Center are estimated at roughly \$500,000 annually. In order to issue an RFP, the City must identify a source of funding for Job Resource Center operations. Additional resources will be needed to support the compliance monitoring and enforcement of the new Community Jobs Policies, as well as staff to support the Community Jobs Oversight Commission. These costs could add up to an additional \$400,000-500,000 annually.

Item: _____
CED Committee
December 11, 2012

Council has approved the development of up to five billboards along the I-80 and I-880 corridors as part of the Lease Development and Disposition Agreement for the Oakland Army Base Project. The billboards are expected to generate between \$500,000 and \$800,000 per year in revenue for the City beginning in 2013. Staff is proposing to allocate those funds for the operations of the West Oakland Job Resource Center and other related community benefits uses.

OUTCOME

City Council's approval of this resolution will create an ongoing funding mechanism for the operations of the West Oakland Job Resource Center and other related community benefits uses.

BACKGROUND/LEGISLATIVE HISTORY

West Oakland Job Resource Center

The main purpose of the West Oakland Job Resource Center (the Job Resource Center) is to facilitate the placement of workers in construction and operations jobs at the Oakland Army Base development project to enable contractors and employers to meet the 50% local employment policy. The redevelopment of the Oakland Army Base into a large-scale working waterfront project will be a multi-year, multi-phase project, which will generate both short-term construction employment leading to long-term careers in the building trades, as well as long-term employment in the Transportation, Distribution and Logistics sector.

Community Jobs Policies

In July 2012, the Oakland City Council approved a set of community benefit policies to ensure that there would be employment opportunities for Oakland residents during the construction and operations phases of the Oakland Army Base project. The Community Jobs Policies include:

- A 50% local hire requirement for construction and operations jobs. For operations jobs, a preference will be given first to West Oakland residents and secondly, to Enterprise Zone residents.
- For construction work, 20% of all construction hours will be worked by Apprentices. All new apprentices will be Oakland residents. One new apprentice is required for every 20,000 hours of construction work.
- For the operations jobs, 25% of permanent operations jobs will be reserved for disadvantaged workers, including but not limited to re-entry clients, TANF recipients, dislocated workers, long-term unemployed, unemployed veterans, and the disabled.

The City also entered into a Cooperation Agreement with community stakeholder organizations and labor, which states that the City will take the lead in the development and implementation of a West Oakland Jobs Center to support contractors and employers in meeting the project's 50% local hiring goals.

Estimated Employment

The construction of the Army Base project is expected to generate roughly 1,000 full-time annual equivalent construction jobs over the course of seven years, for both horizontal (publicly-funded infrastructure) construction as well as the vertical (privately funded) construction. The types of positions will range from entry-level apprentices and laborers to highly skilled and experienced journey workers. Employment opportunities for Oakland residents will be through the Project Labor Agreement and Community Jobs Policies, which give priority to Oakland resident journey-level workers and indentured apprentices, as well as through the 100% Oakland resident requirement for new apprenticeship positions.

The first phase of employment is expected to begin in April 2013 with a Materials Handling contract. Demand for construction workers for the horizontal construction is expected to peak in late 2017. The horizontal phase is expected to require roughly 650,000 hours of construction labor. The demand for workers will increase during the vertical construction, which will begin in phases starting in 2015.

Average wages for first period apprentices in the building trades range from \$18-\$25 per hour. Workers who complete apprenticeship programs and become journey workers can expect to earn anywhere from \$30 to upwards of \$60-70 per hour depending upon the craft and number of years experience. Union construction workers also receive health benefits and pensions.

At peak, the project is expected to generate employment in the Transportation, Distribution and Logistics industry, with jobs such as freight handlers, forklift operators, office assistants, and truck drivers. This industry offers many different career pathways. Entry-level positions will start at the Oakland Living Wage or higher, with many of the more specialized positions paying family sustaining wages.

The Job Resource Center is expected to draw a large number of job seekers. For 2013-2014, based on the level of community interest in the project, staff estimates that approximately 1,000 job seekers will visit the Resource Center. Many job-seekers will be referred to relevant job training, education and support services programs as needed, or will be referred to other job openings if none are available on the Army Base project at the time they are assessed and determined to be job ready. Job Resource Center staff will also be tracking indirect supplies, trucking, and service jobs created by the project, and working with those employers to fill job openings as needed with Resource Center clients.

The Operations phase will see large numbers of Oakland residents placed in the first few years as new companies open operations. Numbers are likely to stabilize after the first 2-3 years, with placements anticipated at 400 annually due to attrition, seasonal demand and growth.

ANALYSIS

For the long-term operations of the Job Resource Center, the City will issue a Request for Proposals in early spring 2013 to secure a non-profit operator for the Center. The operator will be responsible for the overall operations of the Jobs Center, including managing the facility. The operator will also need to coordinate services with the WIA-funded Neighborhood One-Stop Career Center, which will occupy a smaller subset of the 2nd Floor of the West Oakland Library. The Career Center will provide access to computers and job-searching tools, basic job skills workshops, one-on-one career counseling and case management, and access to funds for training and/or supportive services. The Oakland Workforce Investment Board (WIB) released a Request for Proposals (RFP) for workforce development service providers for 2013-2015. The selected operator of the WIA Neighborhood Career Center will partner with the operator of the Job Resource Center to provide seamless service and referrals to job seekers and employers.

The main functions of the Job Resource Center will be to support the contractors and other employers at the Base in meeting their 50% local hire and other community job policy goals. It will serve as a resource for employers and job seekers during the construction and operations phases of the Army Base project. It will provide employers with qualified local employees for construction and operations positions. The Center will also connect job seekers with existing job training, education and other support services and monitor placement and retention results.

Staff will get additional input from community stakeholders on the RFP before it is released in early spring 2013.

Scope of Services

The following summarizes the services to be provided by the Job Resource Center:

Outreach and Recruitment

The Job Resource Center operator will be responsible for developing marketing materials geared towards job seekers, employers, service providers and the general public to provide information about the Center's services. Job Resource Center staff will attend community meetings, visit job sites and training centers, and conduct other outreach activities to ensure that all stakeholders are aware of the Jobs Resource Center's services.

Registration and Technical Assistance for Employers

The Job Resource Center will provide orientation and technical support to employers to assist them in complying with the Community Jobs Policies. It will also gather information on the number and type of job openings, the timelines and procedures for

hiring workers, and the qualifications needed.

Intake and Orientation for Job Seekers

The Job Resource Center will conduct intake procedures for job-seekers including orientation and information regarding the jobs available at Oakland at the Oakland Army Base, training requirements for employment in Construction and Transportation Distribution and Logistics, and other Center services.

Assistance with Employment Preparation and Supportive Services

The Job Resource Center will assist with pre-employment training needs and supportive services. Working with various building trades, pre-apprentice and apprenticeship programs, community-based training organizations and community college programs, the Job Resource Center will help connect job seekers to both general and industry-specific training programs. In addition, the Job Resource Center will provide referrals to other supportive services through the WIA- funded Career Center, Alameda County Social Services or other non-profit agencies to ensure that job seekers have access to support such as childcare, education, transportation, health services etc.

Skill Assessment/Pre-Screening of Candidates

The Job Resource Center will develop a system to pre-screen job candidates for placements on the Oakland Army Base. Pre-screening will include reference checking, in-depth skill assessments, pre-interviews and possibly drug testing depending upon the availability of resources. The Job Resource Center will also assist with the determination of job candidates' residency status, "Disadvantaged" status and eligibility for hiring credits through the Enterprise Zone.

Job Placements

Notifications of job opportunities from Project employers will be sent to the Job Resource Center. The Center will refer pre-screened, qualified workers to employers on a timely basis. The Job Resource Center will be responsible for building relationships with Building Trades business representatives, contractors and business operators to develop and maintain an effective placement process.

Retention Services

The Job Resource Center will maintain contact with employers and employees placed through the Center throughout employment on the Project. It will assist with any job-site issues with employees placed through the Job Resource Center and serve as an ongoing resource for employees and job seekers.

Coordination of Services

The Job Resource Center will act as a convener of sector-related employers, unions, training programs, educational institutions and community based organization to align

jobs services and create career pathways in construction and logistics.

Tracking and Reporting for Compliance

All job seeker and employer information will be entered in the Center's database. Center staff will be responsible for tracking and analyzing data related to client visits, client demographics, clients' skill levels, job requests, job placements, and retention. The Center will also coordinate with the Division of Contracts and Compliance to reconcile placement data with certified payroll records and assist with reports for the Oversight Commission.

Performance

The Job Resource Center provider's performance will be evaluated by Workforce Development staff based on both quantitative (such as number clients served, number of job placements, training referrals, training completions and wage increases) and qualitative data (such as surveys of employers and job-seekers). Key questions for evaluation include:

- Are employers being provided with skilled workers in a timely fashion?
- Is the Resource Center responsive to employer needs related to recruitment, placement and retention of workers and/or compliance with the Community Jobs Policies?
- Is the Resource Center serving traditionally under-served populations?
- Do clients understand the job opportunities available at Oakland Army Base, the training requirements and the role of the Job Resource Center in assisting both contractors and job seekers?
- Are clients being connected to services they need in order to successfully access or maintain employment?
- Are workers seeing wage gains after placement?
- Are job seekers gaining skills for career advancement?
- Are data being tracked and shared in a clear and appropriate way?

Location

The Job Resource Center will be located on the second floor of the West Oakland Library. The upstairs is a large space, roughly 5,000 square feet, with multiple offices and classrooms. It is centrally located in West Oakland and is on the #26 bus line. It is across the street from DeFremery Park and DeFremery Recreation Center and close to the West Oakland Senior Center.

Partnerships

The City's RFP will strongly encourage partnerships with existing training organizations and service providers to avoid duplication of services and facilitate career pathways for job-seekers. There will be a need for a variety services from childcare and transportation for job seekers to technical assistance and financing for small contractors. The City is not able to fund many of these services; however through strategic partnerships with other non-profits and agencies, the Center could refer clients to or even host some of those services at the Center.

The respondent will be required to coordinate services with the WIA-funded One-Stop Neighborhood Center.

Qualifications

In order to secure an operator who can perform the duties above, the City will be looking for a non-profit organization or collaboration that can demonstrate the following:

- An understanding of the employment needs and hiring processes for the industries that are being served by the Center (including all stages of construction and warehousing, transportation and distribution employment).
- Familiarity with the existing workforce development system in Oakland and the East Bay including Oakland Unified School District, Joint Apprenticeship and Training Committees, Peralta Community Colleges, and job-training service providers, existing partnerships/relationships with social service organizations, job training programs, and labor organizations in Oakland and the East Bay.
- Experience working with jobseekers in Oakland, particularly re-entry and disadvantaged workers.
- Track record of successful job placements for similar populations and/or in the similar industries.
- Demonstrated financial, administrative and technological capacity to manage and staff the Job Resource Center.
- Effective use of innovative strategies and collaborations to deliver the services outlined in the Scope of Work.
- Ability to leverage resources from other public and private sources.

POLICY ALTERNATIVES

There are other alternatives for funding the West Oakland Job Resource Center, which have been described in previous Council reports.

Alternative #1	Allocation of a percentage of Anticipated Lease and/or Property Tax Revenue from the Oakland Army Base Project (ongoing revenue)
Pros	<ul style="list-style-type: none"> Provides the Job Resource Center with a sustainable source of revenue, which makes it attractive for private foundation “gap” funding.
Cons	<ul style="list-style-type: none"> There are substantial demands on the City’s General Purpose Fund. Leasing and Property Tax revenue are not likely to generate significant income until parts of the project are operational (2016 or 2017).
Reason for not recommending	<ul style="list-style-type: none"> There is a significant lag in the development of this revenue stream- it would not cover costs for the first 3-4 years.
Alternative #2	Assessment of a Development Fee equal to 50% of the Jobs/Housing Linkage Fee (\$2 million)
Pros	<ul style="list-style-type: none"> Good source of revenue for start-up purposes.
Cons	<ul style="list-style-type: none"> One time source of revenue. Decreases funds for affordable housing.
Reason for not recommending	<ul style="list-style-type: none"> This may be an alternative that staff recommends at a future time; however, it is not an ongoing source of revenue.
Alternative #3	Borrow or allocate up to 50% of the West Oakland Community Fund (\$2 million)
Pros	<ul style="list-style-type: none"> Good source of revenue for start-up purposes.
Cons	<ul style="list-style-type: none"> One time source of money that has many West Oakland stakeholders invested in other uses.
Reason for not recommending	<ul style="list-style-type: none"> This use is not included in the list of programs and services recommended by the West Oakland Community Advisory Group.

PUBLIC OUTREACH/INTEREST

The development of the Job Resource Center has involved numerous stakeholders. Upwards of 50 people participated in Army Base Jobs Working Group process. The Working Group consisted of representatives from the West Oakland Community Advisory Group, community coalitions such as Oakland WORKS and Revive Oakland! the Building and Construction Trades

Council of Alameda County, contractors, the Alameda Labor Council, the Construction Employers Association, City and Port staff, the Oakland WIB, and, at times, the Developers.

Meetings with representatives of the groups above were held over the summer to go over a draft scope of work for the Center, and City staff has been working closely with a small implementation team of consultants, representatives from the developer, the lead contractor and the building trades to further develop the plan for the Center. Additional stakeholder meetings will be held prior to the release of the Job Resource Center RFP in early spring 2013.

COORDINATION

In addition to community-based and labor groups, staff is coordinating the Job Resource Center development process with the developer and their lead contractor, the Division of Contracts and Compliance, as well as with Oakland Public Library staff.

COST SUMMARY/IMPLICATIONS

The West Oakland Job Resource Center is expected to cost \$500,000 to operate annually, with slightly higher costs for the years during which the Operations jobs are peaking. This estimate is based on delivery of the services outlined above, as well as operations costs such as materials, telecommunications and training. The staffing configuration will depend on the selected operator with an estimated five FTE needed to meet the needs of job seekers and employers, and to monitor and analyze data.

To adequately track the Center's progress and overall success in terms of reaching the policy goals set out in the Community Jobs Policies, additional resources will also need to be dedicated to the Division of Contracts and Compliance. The Division of Contracts and Compliance (DCC) in the City Administrator's Office will do the bulk of the monitoring and compliance. DCC will take the lead on tracking overall compliance with the Community Jobs Policies through their existing systems, including the LCPTracker and the weekly posting of certified payroll records. Contract and Compliance staff will also assist in preparation of reports for the Community Jobs Oversight Commission.

The Division of Contracts and Compliance recommends that a dedicated Compliance Officer, Field Technician and other support staff working under the Division of Contracts and Compliance will be needed for the Army Base project. The estimated cost of these staff positions ranges roughly between \$300,000 and \$450,000 annually, depending on the levels of compliance monitoring needed as the project reaches its peak.

Funds will also be needed to support the work of the Oversight Commission. Staff has estimated that support for the Planning Commission, based on a half-time FTE Administrative assignment and miscellaneous operating costs, is approximately \$90,000 annually.

The estimated annual cost to operate the Jobs Center and to support the related functions listed above is roughly \$900,000 to \$1,050,000 per year, not including inflation.

Staff is proposing to allocate the anticipated revenue generated by the Billboard Lease and Franchise Agreement with CCIG/ProLogis to the operations of the West Oakland Job Resource Center and other related community benefits uses. CCIG/Prologis have negotiated a deal with Foster Media for up to 5 billboards located along the I-80 and I-880 corridors on the former Oakland Army Base. A range of projected billboard revenue per fiscal year is listed below. These estimates are based on the development of four billboards with the City receiving 75% of 40% of the Gross revenue (as specified in the agreement). The estimates for 2013/14 also include up-front payments of \$50,000 per billboard by Foster Media. The low estimates are based on 70% occupancy and 75% of the current market rate. The upper estimate is based on an occupancy rate of 85% and 85% of the current market rate. The estimates are inflated by 3% per year.

Fiscal Year	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Revenue Estimate (low)	\$700,000	\$515,000	\$530,000	\$546,000	\$562,000	\$580,000
Revenue Estimate (high)	\$893,000	\$713,000	\$735,000	\$757,000	\$780,000	\$893,000

SUSTAINABLE OPPORTUNITIES

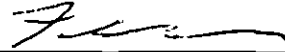
Economic: By enabling contractors and employers to meet the 50% local hiring goal, the Jobs Center will have a significant impact on the economic well-being of thousands of Oakland residents.

Environmental: This report does not directly address environmental sustainability.

Social Equity: The Job Resource Center will help to provide access to case management, training and employment for residents who have historically faced barriers to employment.

For questions regarding this report, please contact Elinor Buchen, Program Analyst II at 238-3474.

Respectfully submitted,



FRED BLACKWELL
Assistant City Administrator

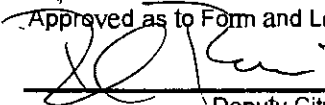
Reviewed by:
Al Auletta, Program Manager
Office of Neighborhood Investment

Prepared by:
Elinor Buchen, Program Analyst II
Office of Economic and Workforce Development

Attachment A: Workforce Investment Act (WIA) Funded Career Services

The Oakland Workforce Investment Board (WIB) released a Request for Proposals (RFP) for workforce development service providers for 2013-2015. The RFP included a West Oakland Neighborhood One-Stop Career Center to be located in the West Oakland Library. This Career Center will be funded through the Workforce Investment Act and will provide access to computers and job-searching tools, basic job skills workshops, one-on-one career counseling and case management, and access to funds for training and/or supportive services. The selected operator of the WIA Neighborhood Career Center will partner with the operator of the Job Resource Center to provide seamless service and referrals to job seekers and employers.

FILED
OFFICE OF THE CITY CLERK
OAKLAND
2012 NOV 30 AM 9:50

Approved as to Form and Legality

Deputy City Attorney

OAKLAND CITY COUNCIL

RESOLUTION No. _____ C.M.S.

**A RESOLUTION APPROPRIATING AND ALLOCATING REVENUE
GENERATED FROM THE OAKLAND ARMY BASE BILLBOARD
FRANCHISE AND LEASE AGREEMENT TO THE WEST OAKLAND
JOB RESOURCE CENTER AND OTHER OAKLAND ARMY BASE
COMMUNITY BENEFITS-RELATED USES INCLUDING STAFF**

WHEREAS, in July 2012, the City Council approved Ordinance No.13131 C.M.S. which authorized a Lease Development and Disposition Agreement (“LDDA”) for the Oakland Army Base Development Project; and

WHEREAS, the LDDA included a set of Community Jobs Policies, a Cooperation Agreement between the City and community groups, and a Billboard Franchise and Lease Agreement; and

WHEREAS, the Community Jobs Policies set targets for the employment of Oakland residents and disadvantaged workers on the both the construction and operations phases of the Oakland Army Base Development Project; and

WHEREAS, the Cooperation Agreement specified that the City will, with the assistance of community partners, take steps to establish a West Oakland Job Resource Center to assist job-seekers, employers and contractors in meeting the hiring targets of the Community Jobs Policies and an Community Jobs Oversight Commission to monitor compliance with the Community Jobs Policies; and

WHEREAS, the Billboard Franchise and Lease Agreement is an agreement between the City and Prologis CCIG Oakland Global, LLC, for the development of up to five billboards; and

WHEREAS, the Billboard Franchise and Lease Agreement provides for payments to the City, including an annual minimum payment per billboard per year and a percentage of revenue generated by the billboards; and

WHEREAS, it is estimated that the billboards will generate between \$650,000 to \$800,000 per year beginning in Fiscal Year 2013-14; and

WHEREAS, the West Oakland Job Resource Center must begin its work in advance of the commencement of construction work which is expected in late 2013; and

WHEREAS, additional resources will be needed for staff to support the Community Jobs Oversight Commission and conduct compliance monitoring and enforcement activities for the Community Jobs Policies; now, therefore, be it

RESOLVED: That funds generated from the Billboard Franchise and Lease Agreement are hereby appropriated and allocated to the West Oakland Job Resource Center and other related Oakland Army Base community benefits uses such as but not limited to staff supporting the Community Jobs Oversight Commission and conducting monitoring and enforcement activities for the Community Jobs Policies; and be it further

RESOLVED: That the funds when received shall be deposited into a new Fund or Project to be determined by the City Administrator or her designee for the benefit of the West Oakland Job Resource Center and related Oakland Army Base community benefits uses including staff; and be it further

RESOLVED: That the City Administrator and her designees are hereby authorized to take whatever action is necessary with respect to said funds consistent with this Resolution and its basic purposes.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 20____

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, BRUNNER, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, SCHAAF and PRESIDENT REID

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____
LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California