



## CITY OF EMERYVILLE

Incorporated 1896

1333 PARK AVENUE

EMERYVILLE, CALIFORNIA 94608-3517

TEL: (510) 596-4300 FAX: (510) 596-4389

Andrew Allen  
 Ken Bukowski  
 Bob Canter  
 Major Castleberry II  
 Kevin Christopher  
 Phillip Clark  
 John Gooding  
 Krisna Hanks  
 Greg Harper  
 Steven Keller  
 Deborah Knuckey  
 Kris Owens  
 Bill Reuter  
 Geoff Sears  
 Mary Lou Thiercof  
 Lauren Westreich  
 Councilmember Nora Davis

**Regular Meeting of the Economic  
 Development Advisory Committee**  
 Special Meeting of the Emeryville City Council  
 Emeryville Civic Center, 1333 Park Avenue  
 City Council Chambers, Emeryville, CA 94608

**Wednesday, August 7 2013**

**12:00 noon**

### **AGENDA**

- I. Call to Order and Roll Call (12:00)
- II. Approval of Minutes of July 3, 2013 (12:05)
- III. Public Comment (12:10)
- IV. Action Items
  - a. Ambassador Program – (12:10-12:25) *attachment*
- V. Information Items
  - a. City Permitting Update – (12:25 – 12:50)
  - b. North Hollis Industrial Zone – Industrial Revolution 2.0 (12:50 – 1:00) - *attachment*
- VI. Staff Comments (1:00 to 1:05)
- VII. Committee Member Comments (1:10 to 1:15)
- VIII. Adjournment (1:15)

Advisory Committee are not official actions of the City Council but must be ratified at a regular City Council. All writings that are public records and relate to an agenda item below which are distributed to a majority of the Emeryville Economic Development Committee (including writings distributed to a majority of the Emeryville Economic Development Committee less than 72 hours prior to the meeting noticed below) will be available at the Information Counter, 1333 Park Avenue, Emeryville, California during normal business hours (9am to 5pm, Monday through Friday, excluding legal holidays).

In compliance with the Americans with Disabilities Act, a person requiring an accommodation, auxiliary aid, or service to participate in this Committee meeting should contact the City Clerk's Office or the City's ADA Coordinator (510) 450-7800 as far in advance as possible, but no later than 72 hours before the scheduled event. The best effort to fulfill the request will be made. Assistive listening devices are available for anyone with hearing difficulty from the Advisory Committee Secretary prior to the meeting, and must be returned to the Committee Secretary at the end of the meeting.

All Advisory Committee meetings are noticed as Special City Council meetings so that any or all of the City Council may attend and participate in the Advisory Committee' deliberations. However, actions taken by

**FURTHER INFORMATION** may be obtained by contacting Helen Bean, Committee Secretary, Director of Economic Development and Housing, Economic Development and Housing Department, at (510) 596-4355. The next regular meeting will be September 4, 2013.

**DATED:** July 29, 2013  
**Posting Date:** July 29, 2013  
**Post Until:** August 7, 2013

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 KAREN HEMPHILL, CITY CLERK



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### **Emeryville Economic Development Committee**

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Bob Canter  
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Phillip Clark  
John Gooding  
Krisna Hanks  
Greg Harper  
Steven Keller  
Deborah Knuckey  
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### **Action Minutes**

#### **Emeryville Economic Development Advisory Committee**

#### **Regular Meeting**

#### **Special Meeting of the Emeryville City Council**

Emeryville Civic Center, 1333 Park Avenue  
City Council Chambers, Emeryville, CA 94608  
Wednesday, July 3, 2013, 12:00 Noon

#### **I. Call to Order and Roll Call:**

The meeting was called to order at 12 noon

Members Present: Andrew Allen Ken Bukowski, Bob Canter, , John Gooding, Krisna Hanks, Deborah Knuckey, Kris Owens, Geoff Sears, Lauren Westreich, Councilmember Nora Davis

Members Absent:

Members Excused Major Castleberry II, Phillip Clark, Greg Harper, Steven Keller, Mary Lou Thiercof

Staff Present: Sabrina Landreth, Helen Bean

Citizens Present: Philip Tang, Betsy Cooley,

Others Present: Kathy Pavlofsky, Steven Newhouse

**II. Approval of Minutes**

Gooding moved and Reuter seconded a motion to approve the minutes. Minutes were approved without exception.

**III. Public Comment** - There was no public comment.

**IV. City Manager Sabrina Landreth introduced herself to the Committee**

**V. Action Items**

**a. Taxi Cab Stands**

Bean reviewed the staff report forwarding a request from the Transportation Committee to identify needed locations for taxi cab stands. Locations requested for taxi stands were: Watergate Towers on the Peninsula; along 59th Street near Amyris; along Hollis/53rd/Horton near Novartis; San Pablo Avenue near the Oaks Card Club; the Bay Street Shopping area; the East Bay Bridge Shopping area; Powell Street Plaza; and more stands at AMTRAK. A representative of the taxi drivers spoke about the benefits of taxi cab stands to restaurants and hotels. Follow up questions from the Committee focused on the availability in Emeryville of other alternate modes of transportation such as zip car and "Side Car" and whether the City would give on-street parking to competitors of taxi cabs. Sears moved and Allen seconded a motion stating that the Economic Development Advisory Committee strongly supported shared last-mile transit options and encouraged the City to support such options, to the fullest extent possible, through dedication of its resources such as making space available on public streets. The motion was passed without exception.

**VI. Information Items**

**a. Update on State Economic Development Proposals**

Bean reviewed the status of the Governor's Economic Development Proposal, which essentially phases out the Enterprise Zone as of January 1, 2014. Canter provided a summary of the proposal prepared by Bay Bio, which provided more detail on the program (attached). Once the bill is signed by the Governor, the Chamber of Commerce will sponsor a workshop for Emeryville businesses on the new program.

**b. AC Transit F Line**

AC Transit staff, Steven Newhouse, provided an overview of the impact on Emeryville of AC Transit's Comprehensive Operations Analysis, which proposes to remove the F line from service. At the meeting, Newhouse told the Committee that service is planned to be enhanced in Emeryville by improving service on the 26, 57, 49 lines and with the addition of one more line. The F

line is proposed for elimination because it has low ridership. The loss of the F line would be compensated for by breaking the 49 into two lines so that a connection would be maintained between UC Berkeley and Emeryville's Public Market. The C and J line would continue to provide trans bay service from Emeryville. Newhouse also said that the changes affecting Emeryville are in Phase 3 of the Plan, which will be implemented a couple of years from now. AC Transit will also actively work with the affected cities in making the final decision to implement the recommendations. AC Transit's presentation to the Committee is attached

Bukowski moved and Allen seconded a motion that staff should forward this information to the Transportation Committee. The motion was passed without exception.

**c. Berkeley Emeryville Bio-Science**

Bean reviewed the current status of the Berkeley Emeryville Bio-Science marketing and branding effort. Members requested that staff bring back a proposal to initiate a two-year pilot marketing campaign that would leverage private dollars with an initial City contribution to fund an advertising, branding and public relations program promoting the bio-science cluster in the two cities.

**d. Economic Development Strategy – stories of innovative businesses**

Members committed to bring stories of innovative businesses to the August meeting. These stories will be used as part of a public relations campaign promoting Emeryville as an innovative business location.

**VII. Staff Comments**

- a) Staff circulated an economic development fact sheet to Committee members (attached).

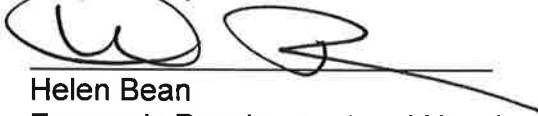
**VIII. Committee Member Comments**

- a) Health Care Reform Act - Assembly Member Nancy Skinner will be holding a Town Hall meeting regarding the Health Care Reform Act on July 10<sup>th</sup> and the Chamber of Commerce will be holding a seminar on the subject in August.

**IX. Next Meeting Date – August 7, 2013 – 12:00 PM**

**X. Adjournment – The meeting was adjourned at 1:20 p.m.**

Prepared by:

A handwritten signature in black ink, consisting of a stylized 'H' and 'B' followed by a long horizontal line extending to the right.

Helen Bean  
Economic Development and Housing Department

Approved by Committee:

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### **Sales and Use Tax Exemption:**

- Beginning January 1, 2014, exempts the state's portion of the sales and use tax for manufacturing and biotechnology equipment, including equipment used for research and development
- The credit applies for 6.5 years for companies located in defined geographic areas of the state (typically within the historic enterprise zones), and for 4.5 years for those outside of them
- An annual cap of \$200 million per business, per year exists for the credit
- The exemption sunsets on July 1, 2021

### **Hiring Credit:**

- Beginning July 1, 2014, implements a hiring credit under the personal income tax and corporation tax codes for new hires who perform at least 50 percent of their work within defined geographic areas of the state
- Credit is for 35% of wages between 1.5 times and 3.5 times the minimum wage
- Generally excludes retail, food, and casinos (unless they are small businesses)
- Reserved for 'hard to hire' employees, as defined by the state, and small businesses
- Companies must demonstrate net new hires to qualify for the credit

### **California Competes Tax Credit:**

- Creates a fund within the Governor's Office of Business and Economic Development ("GoBiz") to attract job creation in the state
- Total monies allocated to the fund cannot exceed \$30 million in FY 2013-14, \$150 million in FY 2014-15, and \$200 million in FY 2015-16, with 25 percent of the funds earmarked for small businesses
- Funding for the California Competes Tax Credit is contingent upon the amount of credits claimed by the sales and use tax exemption and hiring credit, with the total for all three not to exceed \$750 million in any fiscal year

**AC Transit Proposed Service Adjustments**  
**Summary of Economic Development Committee Presentation**  
**Steven Newhouse – AC Transit**

AC Transit appreciates the committee's interest in our service network. AC Transit wants to underscore two major points:

(1) The Comprehensive Operations Analysis (COA) recommendations are simply a first draft in a lengthy planning process. The recommendations for Emeryville are Phase III of a plan that may take several years to complete. There will be many opportunities for public and stakeholder participation, should a specific area plan be further developed.

(2) The proposed changes represent a service investment of nearly \$30 million/year to improve connections to, from, and within Emeryville, Berkeley, North Oakland, and Albany (sum of Phase III). Of that \$30 million/year investment, \$18 million/year directly improves service to, from, and within Emeryville, itself (Sum of Lines 26, 57, 13, 49, 49-Ashby). The service improvements take the form of improved frequencies on existing lines and new lines connecting Emeryville to the East Bay.

Overall, our goal with the COA is to create a more frequent, efficient, effective, and legible transit network that allows and encourages our citizens to be car-free. We understand that these recommendations will require close coordination with the City of Emeryville to get bus stops, layovers, and access to city streets. We look forward to working closely with this committee and city staff in the future, if and when these plans move forward for further development.

AC Transit understands that this committee has two primary concerns with the COA recommendations, especially the recommendations for Line F. First is the connection between Emeryville and Berkeley. Second is the connection between Emeryville and San Francisco.

With regard to the connection to Berkeley, the changes proposed include new direct access between Downtown Berkeley/south-side of campus and Emeryville. We have proposed to split Line 49 into two stronger east-west routes that will double the frequency of the existing service. We are proposing that these routes operate along Bancroft/Durant/Dwight/7th and Ashby/7th and terminate in or around Public Market, Amtrak, or other major destination in Emeryville. These lines would still provide a one-seat ride between Downtown Berkeley/Campus and Emeryville and would do so in a reasonably direct fashion. (I forgot to mention this at the meeting, but the new proposed "Line 13" will create a third east-west route between Rockridge BART and Emeryville via Alcatraz/Stanford/Powell)

With regard to the connection between Emeryville and SF, we recognize that this will be a bit more challenging. Transbay service is inherent inefficient because the trips are generally concentrated in the peak commute hours and in one direction. Emeryville is currently served by Lines F, J, C (in one direction), and Z (in the reverse commute direction). These buses are far below capacity, even during the peak commute period. We want to maintain the connection between Emeryville and SF, but we are looking for solutions that maximize the utility of each vehicle. We have proposed to maintain Lines J and Z. If more service is necessary, then, again, this plan is in draft form and we can discuss the costs and benefits of adding more transbay service.



## Emeryville - Economic Development Facts Update 7/1/2013

### BUSINESS

Total employment 21,305  
 Source: MuniServices - CAFR 6/30/2012  
 Principal employers: Pixar, Novartis, AC Transit, Oaks Card Club, LeapFrog, IKEA, AAA of Northern California, Amyris, Clif Bar  
 Source: MuniServices - CAFR 6/30/2012  
 Emeryville is home to more than 25 headquarter companies  
 Source: Chamber of Commerce, Emeryville Finance  
 Largest property tax payers Pixar, Novartis, Bay Street, Wareham, BRE, LBA, Hines  
 Source: MuniServices - CAFR 6/30/2012

### BUSINESS CONTRIBUTION TO CITY REVENUES

Percent of City's revenues that come from business 85.53%  
 Source: MuniServices - CAFR 6/30/2012  
 Business Revenues:  
 Property Tax \$3,246,672 (65.04% of total property tax)  
 Sales and Use Tax \$6,893,600  
 Business License Tax \$4,284,400  
 Card Room \$2,300,000  
 Transient occ tax \$4,100,000  
 Utility Tax/ Fees/Permits \$2,141,500 (utility users tax and fees estimated at 50%)

Total Business Revenue \$22,966,172  
 Projected General Fund Revenue \$26,852,842 (2012-13)

### LAND USE

Total Commercial building area sf 14,969,508 in 582 buildings  
 Source: Costar 2011  
 Total Multifamily building area sf 4,674,356 in 137 buildings  
 Source: Costar 2011  
 Retail: 1.4 million square feet of retail space with less than 1.5% vacancy  
 Source: Terranomics 4Q 2012  
 Hotel: 929 rooms - 80% occupancy  
 Source: Chamber of Commerce, 2013  
 Office (Class A and B): 3.9 million square feet of office spa 10.48% vacancy  
 Source: Cornish and Carey - 1Q 2013  
 Bio-Tech: 970,000 square feet 14.55% vacancy  
 Source: Cornish and Carey - 4Q 2012

### POPULATION

Total Population 10,269  
 Source: California Department of Finance 2012  
 Percent of People 25 Years and Over Who Have Completed a Bachelor's Degree or Higher 69.40%  
 Source: American Community Survey - 2005-2009  
 Average Income of Population \$57,355  
 Source: American Community Survey - 2005-2009  
 Unemployment rate Fiscal Year 2011-12 6.10%  
 Source: MuniServices - CAFR 6/30/2012  
 Percent Homeowners 36.10%  
 Source: US Census 2010

# City of Emeryville Ambassador Program

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## *Goal:*

Enhance and enrich business community outreach and improve understanding and communication between City staff and officials and business located in and looking to locate in Emeryville. The goal of the program is to help keep business in Emeryville, understand the business and value of companies in Emeryville, and help ensure the City is responsive and open to business needs and concerns.

## *Activities:*

Ambassadors shall meet with interested companies on an as needed basis, with a goal of 6-12 meetings per year and focus on the following:

### **City takeaway:**

- What the company does
- What they like about being in Emeryville
- What are the goals for the company in the next 1, 3, 5 years
- What can be improved or changed to help them grow

### **Company takeaway:**

- What the city can do to help
- Business in Emeryville is of great value
- The City and staff want to help

## *Ambassadors:*

Each Ambassador meeting with a company shall consist of a minimum of 2 Ambassadors. Ambassador teams will be composed of members from the following groups:

- City Council Members
- City and Chamber Staff
- Chamber of Commerce Board of Directors

## *Prioritizing Business Visits*

Visits will be scheduled on a first-come first-serve basis. The Department of Economic Development shall coordinate the meetings with the assistance of the Chamber of Commerce.

### *Follow-Up*

City staff will keep a record of the meetings and prepare a brief summary of issues raised and follow-up actions taken. This record will be attached to the City Council Progress Report and shared with the Economic Development Advisory Committee.

### *Outreach*

The Ambassador Program will be promoted through the following:

- A letter from the Mayor announcing the program and its goals would be sent to Emeryville businesses
- Chamber of Commerce outreach to members
- City web-site
- Information provided to realtors

From the **San Francisco Business Times**

:<http://www.bizjournals.com/sanfrancisco/print-edition/2013/07/19/industrial-revolution-20-takes-form.html>

SUBSCRIBER CONTENT: Jul 19, 2013, 3:00am PDT Updated: Jul 19, 2013, 5:10am PDT

## Industrial revolution 2.0 takes form at GE

**With just the wave of a hand, General Electric's new display techniques can bring Big Data into decision-making in boardrooms, power plants, oil rigs and operating rooms**



[Patrick Hoge](#)

Reporter- *San Francisco Business Times*

[Email](#) | [Google+](#) | [Twitter](#) | [LinkedIn](#)

Inside General Electric's new global software center in San Ramon, [Habib Abi-Rached](#) waves his arms like an orchestra conductor in front of a bank of computer monitors showing an aerial view of a city.

As Abi-Rached's arms move, so do graphic representations of various data sets: Everything from tree growth patterns over the previous decade to historical locations of downed electric lines — the sort of information that could in combination help a power utility prepare for a big storm.

Moments later, he is wirelessly rotating a 3-D image of a spinal cord, as a scrub-wearing surgeon might want to do in an operating room.

Using such innovative display techniques, scientists at GE's rapidly growing Bishop Ranch center are trying to reimagine how people can interact with Big Data. And they intend to put GE in the center of it.

"We are building a data science center of excellence," said [Bill Ruh](#), a former Cisco Systems executive tapped by GE to take charge of the center.

GE has hired 500 people — 165 of them with advanced degrees, including many Ph.Ds — in less than two years to work at its new software center. Their mission is to pioneer the "Industrial Internet," a confluence of computing, machine data and communications

technologies that GE says will lead to global productivity gains not seen since the 19th-century Industrial Revolution.

Hiring continues at a rapid clip. Ruh predicts headcount will double again in less than two years to about 1,000. GE announced its global software center initiative in late 2011 and said it would spend \$1 billion over three years.

Most of those hired to date are high-level engineers, statisticians and mathematicians with expertise in software, statistics and analytics, and 90 percent are new hires for GE. The majority came from other tech companies or academia because they believe the work is important, Ruh said.

Abi-Rached, who wrote his doctoral thesis on gesture control of computers at the **University of Washington**, is such a person.

"I'm doing the extension of my research at GE, rather than developing a video game," he said. "I've been using this technology in things that are making the world run. I use it for aviation, transportation, health care, energy."

Abi-Rached's 15 person R&D lab is led by Arnie Lund, former principal lead of user experience at Microsoft and a celebrated figure in his field.

"We really can take advantage of this evolution of natural interfaces and create a kind of multimodal world where the technology really supports people and isn't in the way. How could I say no to that?" Lund said.

Lund's lab in turn is part of a 45-person (but quickly growing) user experience division that is charged with creating standard practices and tools for General Electric software. GE already has 13,000 software and analytics engineers working across multiple industries in 22 countries, but their efforts in the past have notably lacked cohesiveness, said Greg Petroff, who manages GE's new design and experience division.

"GE is an enormous company with almost no user experience talent. They didn't really have any two years ago when I joined," said Petroff, who previously was vice president of product at **SAP AG**, the world's largest business applications software company. Data scientists and user experience technologists are in particularly high demand in the Bay Area right now, but Petroff says being able to show people what he's working on is a major help in recruiting.

"GE works at a scale like no other company," and a person's work can have tangible, global impact, said Petroff. "For a lot of people in the design community, that's a missing aspect of their work."

Already, the strategic changes Petroff's team have instituted have helped dramatically speed up production times on some 100 software application projects, the products that GE is actually selling.

It took only three months for a GE team in San Ramon to build a cloud-based program that can model an entire power plant, from meter to grid, in order to guide operations and

schedule maintenance over a 20-year span. Similarly, GE's software center was able to build a similar program for modeling oil well operations in just 70 days.

"All of the software looks and feels exactly the same," said Jim Schmid, leader of the software application development teams focused on creating products and services for power and water, oil and gas and energy management. The team collectively represented a third of GE's \$153 billion in revenue last year. "These are very important things in helping me in the development shop crank stuff out quickly," Schmid said.

Recent advances in mathematics and computational technology, of course, are also critical. "We couldn't have done this three years ago," he said.

The new power plant model simultaneously runs 175,000 different scenarios, crunching a 15-year repository of data from 1,500 turbines, each of which has sensors that report many times per second with thermodynamic and vibration data.

GE is developing similar applications for aviation, health care, mining, oil and gas and transportation, which along with power production collectively represent more than 30 percent of the global economy.

GE wants to take all the machine data and make it useful in real time, integrating it with operational systems, corporate systems such as financial records and external data sources — Google maps, for example — to bring Big Data into decision-making in boardrooms and in the field.

The entire ecosystem must work constantly — even in transit — across different types of web and on-premise technology platforms and devices. Changes must be possible on the fly without disruptions.

Such an ecosystem will require cooperation among a wide variety of technology companies, GE says, which is one reason why the company recently invested \$105 million in April into Pivotal, a San Mateo Big Data spinout from EMC and VMware. GE also has big partnerships with Amazon and Accenture, among others.

This month, for example, GE also participated in a \$30.6 million investment in Ayasdi, a Palo Alto data discovery company that emerged from research at Stanford, the **Defense Advanced Research Projects Agency** and the **National Science Foundation**.

"This is not one company that's going to do this," Ruh said. "We're really stepping up to build that ecosystem."

Patrick Hoge covers technology for the San Francisco Business Times.