



# Agenda Report

December 9, 2019

**TO:** Honorable Mayor and City Council  
**FROM:** Department of Finance  
**SUBJECT: UPDATE ON 10 WEST WALNUT PUBLIC ART AND LOCAL HIRE INITIATIVE; MENTORING/APPRENTICESHIPS**

**RECOMMENDATION:**

The following report is for information only. No City Council action is required.

**BACKGROUND:**

On April 27, 2015, a Development Agreement was executed between the City of Pasadena and PPF OFF 10 West Walnut (PPF), Lincoln Properties, a Delaware limited partnership for the 10 West Walnut project. The Developer is converting the 22.67 acre property located between Fair Oaks Avenue and Pasadena Avenue, Walnut Street and Union Street to a mixed-use office campus and residential community. Construction of the Project is proceeding apace.

Recently, Councilmember Kennedy requested an update on progress related to the Public Art and Local Hire components of the Development Agreement and Conditions of Approval. This report along with the attached Annual Local Hire Report prepared by the Developer's team is intended to respond to that request.

**Public Art**

The Public Art component of the Development Agreement and Conditions of Approval include several requirements involving the development of new public art, the preservation of existing art on the site, and installation of interpretive signage recognizing the cultural and community significance of the area.

Specifically, in addition to satisfying the City's Public Art requirements set forth in Section 17.61.100 of the Municipal Code, the Developer is required to provide and maintain in good condition and repair artwork in an area on the project site that is clearly visible to the general public from City Hall and shall further the policies of the 2014 Public Art Master Plan and designed in the spirit of the Bennett Plan providing a visual terminus for Holly Street, with a visual connection to City Hall along the Holly Street

axial. The cost of construction and installation of the artwork, exclusive of art consultant fees, design, or other fees (the total of which shall not exceed \$80,000), shall be \$500,000 (exclusive of the amount required for public art as specified in Section 17.61.100 of the PMC).

On November 28, 2018 the Developer paid the City the required \$500,000. The funds were deposited into the City's Cultural Trust Fund while the Developer and City staff continue to work on site selection and design.

The Developer is also responsible to preserve existing on-site sculptures designed by George Rickey; however, they may be removed during construction and may be relocated with the approval of the Arts and Culture Commission. To accommodate construction of the Project, the sculptures were in fact removed and on January 11, 2017, Cultural Affairs staff presented a report to the Arts & Culture Commission documenting the temporary removal. The Developer is expected to return at a future date with a proposal for relocation of the sculptures.

Finally, as it relates to public art, Condition Number 20 of the City's Conditions of Approval includes a requirement that the Developer provide an on-site acknowledgement of the site's former African American community. In meetings on April 5, 2018, June 21, 2018, and April 3, 2019, Cultural Affairs staff made recommendations to the development team for possible information resources relating to the history of the site and community. Also discussed were potential sites for interpretive signage. Recently, the Developer proposed a new approach for a consolidated interpretive design project and staff is continuing to engage with them on it to further develop the concepts.

#### **Local Hire Initiative; Mentoring/Apprenticeships**

The Development Agreement also includes provisions dealing with Local Hiring/Sourcing and Apprenticeships. Specifically, the Developer agreed to:

- Implement a local hire initiative that will give priority consideration to local workers and businesses, with a goal of directing 20% of building construction related jobs and contracting opportunities to Pasadena residents and Pasadena-based businesses.
- Explore opportunities for mentoring and apprenticeships for participants so that the project will serve as a training ground and springboard for future employment and contracting opportunities.
- Undertake extensive outreach to promote and advertise the local hire program, including participating in job fairs, placing notices in local and online media, and posting information on a dedicated website to encourage potential participants to apply directly and track their applications.

- Make a good-faith effort to engage local businesses to obtain at least 15% of the building materials required to construct the buildings, provided that these materials are readily available and comparably priced to the same materials elsewhere.

In support of these efforts, City staff has met with the project team on several occasions to review progress and offer assistance. The attached Annual Local Hire Report prepared by the project team recaps the efforts and outcomes through the end of August. Highlights of the report include:

- Hosting of a Town Hall meeting (March 6, 2019) to discuss local hire efforts and attendance at other community meetings to promote the program
- Extensive advertising in local media
- Registration of 450 Pasadena residents in the Developer's Local Hire database
- Employment of 45 Pasadena residents to date on the project
- Contacts with over 100 local businesses to assess opportunities

Cumulative \$ totals to date:

- Local wages as percentage of total wages: 2.84% (\$184,032)
- Local subcontractor cost as percentage of total subcontractor cost: 3.38% (\$853,819)
- Local supplier spend as percentage of total supplier spend: 2.56% (\$258,535)

The Developer has acknowledged that despite its efforts, the results achieved thus far are not as strong as originally hoped. Much of this can be attributed to the tight labor market in the construction industry coupled with the fact that the initial phases of the work revolved around highly specialized worksopes such as utility relocation. It is anticipated that as the project moves into future phases, more opportunities for local hiring and sourcing will present themselves.

**FISCAL IMPACT:**

There is no fiscal impact as a result of this action nor will it have any indirect or support cost requirements. There is no anticipated impact to other operational programs or capital projects as a result of this action.

Respectfully submitted,

  
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Attachment: (1)  
1) Attachment A – 10 West Walnut Annual Local Hire Report