



Planning & Community Development Department

Potential Amendment to DA No. 30569

PD 34 – 100 West Walnut

October 25, 2021





Development Agreement

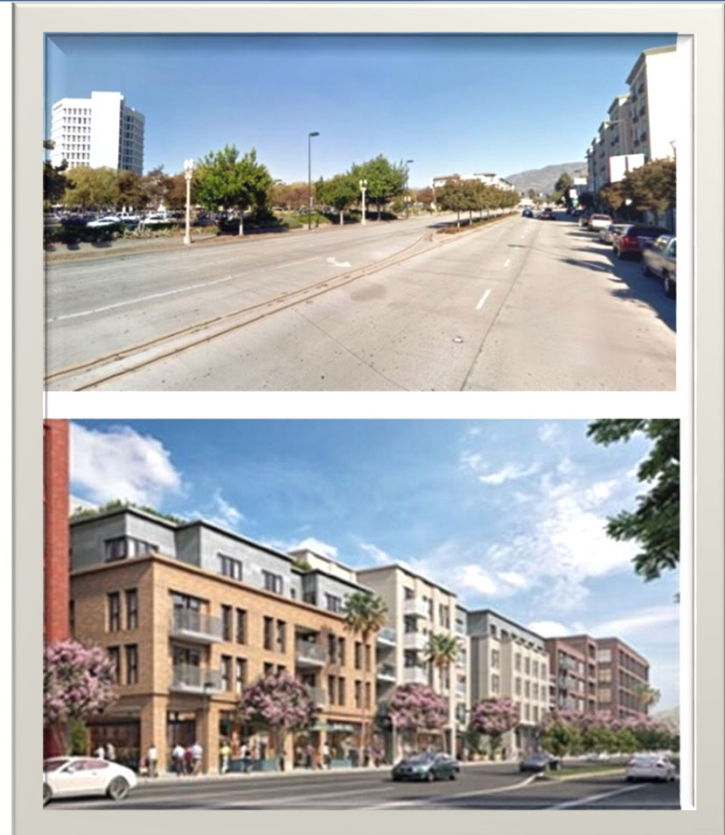
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- On April 27, 2015, The City Council approved Development Agreement No. 30569 in conjunction with PD 34 – 100 West Walnut Planned Development (“PD”);
- Largest Project in the City’s history - Phase 1:
 - 475 residential units,
 - 15,000 square feet for ground floor retail uses;
 - 210,000 square feet of office uses and up to 2,500 square feet of restaurant uses.
- Phase 2: 402,000 square feet of commercial uses.



PD 34 – 100W Walnut

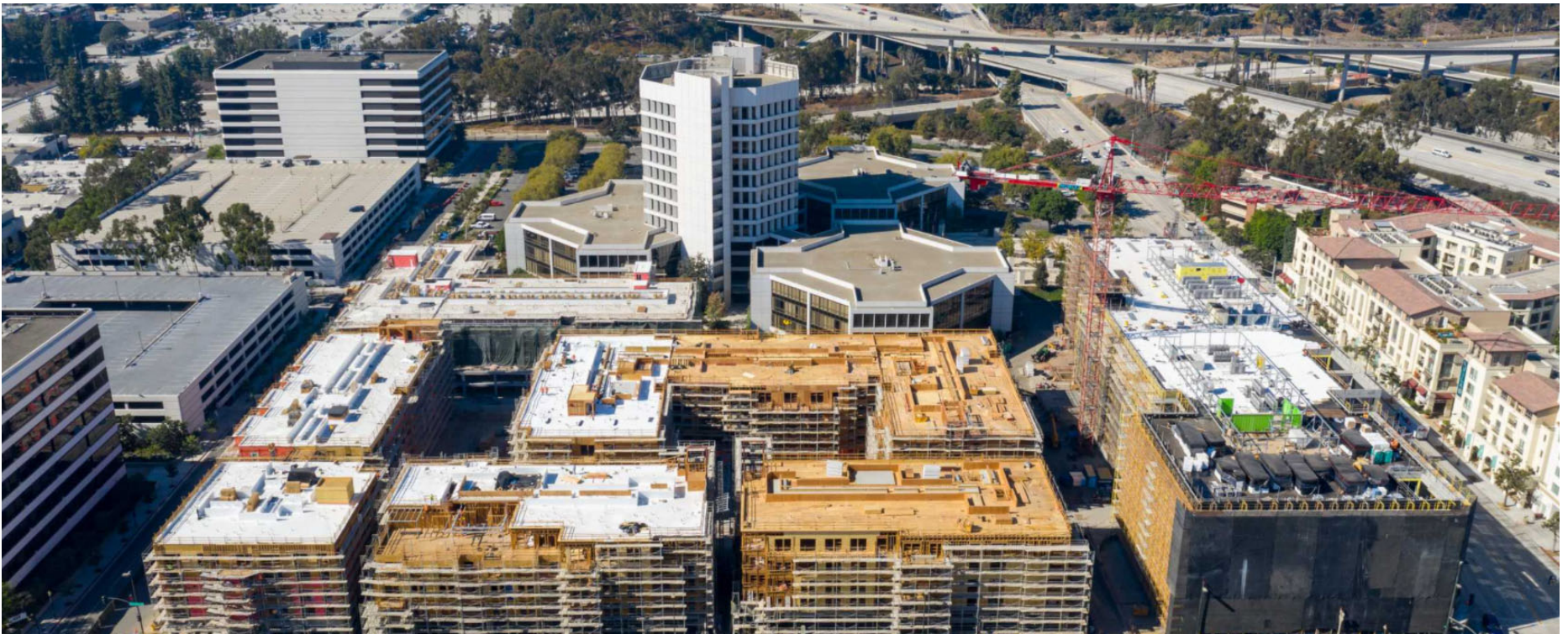
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LPCWest – 100W Walnut

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Development Agreement

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- On February 8th, 2021, The City Council received a staff report that provided an update on the progress of Section 10.L of the Development Agreement.
 - Local Hire
 - Mentoring
 - Local Contracting



Development Agreement

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- The Council found that, while not out of compliance with the Development Agreement, the applicant had fallen short of its goals in all three categories.
- The Council directed staff to work with the applicant to see what could be done to the numbers now and;
- What could be done to strengthen Phase 2.



Efforts Since Last Council Meeting

Planning & Community Development Department

Local Hire

The applicant hired Ron Mathews and the City hired Prentice Deadrick to review and assist in the local hire and procurement process. Mr. Mathews and Mr. Deadrick were hired when the project was well underway but were able to assist in the local hire process.

- Local Hire - February 8: **112** workers from Pasadena. The most recent numbers are **228** workers from Pasadena.
- Local Contracting: February 8: \$14.283M. Up \$300K.



Efforts Since Last Council Meeting

Planning & Community Development Department

Mentoring

- February 8: 18 workers from Flintridge Center. The most recent numbers are 30 workers from Flintridge.
- High School Training: Partnered with Mentoring and Partnership for Youth Development (MPYD). Provided \$25,000 for new computers.



Efforts Since Last Council Meeting

Planning & Community Development Department

Proposed Changes to Phase 2

- Applicant proposes a Project Labor Agreement (PLA).
- Applicant proposes to increase local hire goal to 30% but expand the definition of “local” to beyond those living in the City.
- A PLA would be a welcome amendment to the DA because it would provide additional clarity and enforcement opportunities compared to the existing DA.



Recommendation

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Staff Recommendation

- Direct the City Manager to continue to negotiate amendments to the Development Agreement consistent with the changes identified in the staff report for Council consideration.
- Alternatively, the Council may:
 - Choose not to make any amendments to the DA; or
 - Provide alternative options for amending the DA.



Planning & Community Development Department

Potential Amendment to DA 100W Walnut





Condition No. 10L

Planning & Community Development Department

Local Hire Initiative: Mentoring/Apprenticeships.

- PPF agrees to implement a local hire initiative that will give priority hiring consideration to local workers and businesses, **with the goal of directing 20%** of building **construction related jobs** and **contracting opportunities** to Pasadena residents and Pasadena-based businesses.
- PPF will also 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.
- The company will do **extensive outreach** to promote and advertise the local hire program, including participating in job fairs in Pasadena, 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.
- In addition, PPF agrees to 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 available elsewhere.



Condition No. 10L

Planning & Community Development Department

Applicant's Efforts

Goal of directing 20% of building construction related jobs to Pasadena residents. *Despite the implementation of a local hire initiative, the applicant failed to reach the goal identified in the contract. There are 2,014 workers that have been hired for the construction project of which 119 are from Pasadena. Instead of the 20% local workforce goal envisioned by the condition, only 6% of the workers hired for the construction project are from Pasadena.*



Condition No. 10L

Planning & Community Development Department

Applicant's Efforts

Goal of 20% of contracting opportunities to Pasadena-based businesses.

Similar to the local hiring initiative, the applicant has fallen well short of its goal to direct 20% of its contracting opportunities to Pasadena-based businesses. The total amount of contracting opportunities identified is \$216,778,182. To date the applicant has engaged with local businesses resulting in contracts totaling \$14,252,904, or 7% of the total.



Condition No. 10L

Planning & Community Development Department

Applicant's Efforts

PPF will 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.

The applicant has partnered with Flintridge Center to take advantage of their construction pre-apprenticeship program. To date, 17 workers have been hired from the Flintridge Center Program. The applicant has also collaborated with the construction program at Pasadena Community College to provide students hands on experience in the field. No students have been hired from the program but students were exposed to an active construction site, augmenting their classwork



Condition No. 10L

Planning & Community Development Department

Applicant's Efforts

The company will do extensive outreach to promote and advertise the local hire program, including:

- a. **Participating in job fairs in Pasadena;** *The applicant participated in job fairs in Pasadena as follows: three onsite; one Community Resource Fair; La Pintoresca Library; one at the Robinson Community Center; one at Flintridge Center. In addition, three job fairs were conducted at FWDB. All of these fairs occurred in 2019 and 2020.*
- b. **Placing notices in local and online media;** *The applicant has developed a marketing program that includes advertising in local print and online publications.*
- c. **Posting information on a dedicated website to encourage potential participants to apply directly and track their applications.** *The applicant has developed and maintains a dedicated website that allows contractors and laborers to apply directly to the applicant for a job or contract. The website is <https://tenwestwalnut.com>*



Condition No. 10L

Planning & Community Development Department

Applicant's Efforts

PPF agrees to 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 available elsewhere. *The total cost of building materials has been identified as \$87,610,965. To date, the applicant has purchased \$6,935,779 of materials from local businesses, or 8% of the total.*



Condition No. 10L

Planning & Community Development Department

- The applicant hired Clarence Broussard to assist with local hire and contracting. Unfortunately, he passed away
- The applicant then hired CSG (the Construction Services Group)
- To bolster their efforts the applicant then hired Ron Mathews

The City hired Prentice Deadrick to review and assist in the local hire and procurement process. Mr. Mathews and Mr. Deadrick were hired when the project was well underway.



Opportunities to Amend the DA

Planning & Community Development Department

1. Revise the language in Section 1 0.L to require a minimum percentage of local hire and local contracting or develop an alternative approach to maximizing investment in community hiring and contracting opportunities to apply to Phase 2;
2. Create a new condition requiring the applicant to partner with a local non-profit and labor unions to develop and maintain a comprehensive apprenticeship program for Pasadena residents including skills training and job placement;
3. Create a new condition requiring a direct financial contribution to local nonprofits, community organizations, or City capital improvements to partially off-set the failure to meet agreed upon goals for local hire and procurement;