

**CITY OF ALBANY
STATE OF THE CITY
January 2005**

SERVICES

Public Safety

Trend: Decreasing interest in law enforcement as a profession. Issue: Filling vacant police officer positions

The most significant challenge currently facing the City's delivery of public safety services is the in the recruitment of new police officers. The department currently has six officer positions vacant. It is becoming increasingly difficult to attract new officers to Albany, and to the law enforcement profession as a whole. In addition to the unattractive shift and holiday work, candidates must have graduated from a police academy, have a clear record, and be physically and psychologically fit for the rigors of law enforcement.

Compounding the difficulty in attracting individuals to the profession are the enhanced retirement benefits that virtually all police agencies have implemented in the past decade that provide for three percent of salary for each year worked at ages ranging from 50 to 55; this is resulting in officers retiring at an earlier age, which creates more vacancies in positions. While Albany has implemented the 3% at 55 retirement plan, the City is competing for employees with agencies that have the more lucrative 3% at 50 plan; this latter plan comes at a higher cost to cities.

Trend: Periodic increases in crime in Albany and adjacent cities, and incidents of violent crime in Albany. Issue: Keeping Albany safe despite its location in an urban area and adjacent to high crime areas and avenues of egress

Albany enjoys the reputation among its residents of being a safe and close-knit small town with a relatively low crime rate. At the same time, Albany's major avenues of egress - the freeway, BART, and San Pablo Avenue, and its proximity to higher crime areas provide opportunities for criminal activity that does indeed occur in the city. In 2004, there were 28,893 police-related incidents out of a total of 30,209 calls for service for police and fire.

Trend: Increased height of buildings in the commercial and higher density residential areas and UC Village. Issue: Providing adequate fire protection to higher buildings.

With the rising value of real estate, the growing pressures to provide housing in urban corridors, and the development of commercial enterprises, building heights are rising. The most notable example of this increase is the proposed redevelopment of UC Village with potential building heights of up to five stories.

However, the City lacks an aerial (ladder) truck among its fire response vehicles. While new buildings will most likely have fire sprinklers, an aerial apparatus is a highly useful means of combating a fire in a multi-story building. The City's current apparatus provides access through the windows of three-story buildings, but does not provide access to roofs or to buildings above three stories. Neighboring cities with aerial apparatus have assisted with their equipment; but there is a delay in response time and there is the risk that the ladder apparatus will already be in use. The City has asked the University of California, Berkeley, to provide the City with a ladder truck in association with its upcoming redevelopment project at UC Village.

Trend: Inter-agency cooperation to respond to local incidents and regional emergencies. Issue: Interoperability of radio communications between public agencies in Alameda and Contra Costa counties.

Police, fire, and other public safety agencies in the East Bay operate on a variety of radio frequencies and communications systems. Consequently, communication between agencies sometimes requires multiple transmissions as information is conveyed from system to system, agency to agency, causing a delay in time and potential for error.

Regional communications systems are becoming increasingly desirable as a means to ensure prompt and accurate communication between agencies in the event of multi-agency public safety incidents such as fire, hazardous materials spill, police pursuit, terrorism, or other wide scale emergency.

There have been preliminary conversations among public agencies in Alameda and Contra Costa counties about pursuing a regional radio communications system. Grant funding would be sought for this endeavor, which is costly.

Trend: Increasingly sophisticated technology. Issue: Staff time and funding.

As technological improvements are made in delivering law enforcement, emergency medical service, fire suppression, hazardous materials, and disaster preparedness services, there is increasing pressure for Albany to obtain more current equipment. In addition to the cost of the equipment, there are increased costs for training, maintenance, and inter-agency coordination.

Trend: Need for sufficient space for materials, supplies, equipment, and storage; incident command and emergency operations facilities; and creating safe and accessible work environments for employees. Issue: Providing safe and adequate facilities for public safety services, and delivering services during the retrofit and renovation of the Fire and Police Stations

The City Council has directed staff to solicit proposals for design services to retrofit and renovate the Fire and Police Stations, and to retrofit City Hall. The project will include remodeled and expanded space in the two stations, and construction of an emergency operations center as part of the facilities.

Public safety personnel will be displaced during construction, and temporary facilities likely will be needed for the Police Department. This disruption will need to be properly managed so as to minimize the strain on the time and efficiency of public safety operations.

Maintenance

Trend: Increased number of public facilities and enhanced desires for quality and quantity of maintenance services. Issue: Providing services to meet stated needs and perceived desires of community, and funding thereof.

As property values in the community rise, so do the public expectations for the quality of maintenance of City facilities, particularly those that are visible. As new facilities are acquired, and existing facilities age and deteriorate, there is an increased demand on the quantity of maintenance services.

The Parks, Recreation & Open Space Master Plan identified that improvements were desired in the maintenance of parks and recreation facilities. The City's Interim Public Works Manager prepared a report that recommended an increase of three positions in the City's Public Works

Division to handle the current level of maintenance needs and expectations.

The City is reviewing its maintenance services and will be bringing to Council recommendations on alternatives and possible funding sources to enhance maintenance services in the first quarter of calendar year 2005.

Street sweeping is a maintenance service that is undergoing review for potential changes that may lead to recommendations for more frequent sweeping, and the installation of signs in residential neighborhoods as an alternative to the unpopular and labor-intensive orange coning method of notification. A recommendation to Council is expected in the first half of calendar year 2005.

Recreation

Trend: Obesity among the population is on the rise. Trend: Large number of baby boomers are retiring and living longer in a physically active lifestyle. Issue: Providing fitness activities that promote healthier lifestyles, and providing access to active play areas.

As the two trends of rising obesity and the retirement of the nation's most populous generation in its history converge, there is increased need, desire and/or time for physical activity. The challenge to the City's recreation and community services in meeting these needs include having sufficient facilities, balancing these needs with those of the less active and/or older elderly, and encouraging volunteer activities as a way of meeting these needs.

Trend: The population is becoming more diverse, particularly among the younger generations, and different cultures use parks and services in differing ways.

As Albany becomes more culturally diverse, and well as diverse in the ages of its population, it will be increasingly important to find ways to bring the community together, such as through concerts, art shows, and other special events. However, these special events require advance planning, coordination, and funding to succeed.

Likewise, it is important to be inclusive of different cultures in the design of new parks and new recreation programs. As the City creates plans for renovations and improvements to City parks as part of the Measure F improvements, there will be opportunities for outreach to various interests.

Trend: Alcohol and drug use among teens. Issue: Providing recreation opportunities for teens, and identifying funding for these opportunities.

Providing mental health and other social services for teens as well as positive motivation opportunities is an ongoing challenge in our culture. Attracting teens to organized activities, providing activities of sustaining interest, and funding them are some of the obstacles. However, there is community concern that without sufficient diversions, teens can get attracted to negative activities and behaviors. A recent survey showed that 41 percent of Albany High School teens had used drugs or alcohol in the past year.

A funding source and coordination with other agencies will be needed to provide expanded teen services. Currently, the primary focus of the City's teen programs are to middle school students. If the City acquires the Veterans' building, there could be an opportunity to provide a facility that is high-school age oriented, but this will require funding and cooperation from the Veterans.

The Albany Police Department provides staff support for the Albany Police Activities League and the Albany Prevention Council.

Trend: Increasing community appetite for a wide range of recreation programs to meet a diversity of interests (see above re: retiring baby boomers and cultural diversity). Issue: The City lacks available space to expand recreation programs.

The Parks, Recreation & Open Space Master Plan identifies the acquisition of the Veterans' Building as an additional community center to help meet Albany's expanding desires for recreation services. However, preliminary analysis shows that a City subsidy will be needed to maintain and operate this facility, while still meeting the requirements for Veterans' access to use of the building. The Parks & Recreation Commission and staff are performing further analysis for presentation to the City as it looks at funding support for parks and recreation operations and maintenance.

The City and Albany Unified School District stay in contact regarding reciprocity on available space. The City will be conducting a basketball program at the High School this year. However, due to the intensity of use by the District there are few available opportunities for use of District facilities.

The Parks, Recreation & Open Space Master Plan also recommends the establishment of a neighborhood park in the western, Albany Hill area of

the City. The City continues to conduct its cumbersome negotiations with Caltrans for acquisition of Pierce Street Park. The Albany School District's Vista School has been identified as another potential location. The District is considering redevelopment of this property, which could provide an opportunity to include park area in the plans.

Trend: Costs for labor, materials, equipment, supplies, and building facilities are rising faster than the marketability of raising fees for programs, facility rentals, and services. Issue: Limited budget for youth scholarships for program enrollment. Issue: Providing a range of good quality recreation programs in aging facilities while staying within budget.

It is the City's current goal for an overall recovery of 70% of the cost of providing recreation programs and services through program fees, rental fees, grants, and donations. However, the cost to provide services and quality facilities is outpacing community capacity to pay increased fees as maintenance and repair costs rise with the age of the buildings, and there is a desire for more recreation programs and special events. Recreation will require an increase in General Fund subsidy or an influx of special revenue if it is to meet community desires. However, no new General Fund monies are currently available to add to the Recreation budget.

Issue: Implementation of Parks, Recreation & Open Space Master Plan.

The City Council adopted a new Parks, Recreation & Open Space Master Plan in October 2004. The plan contains various goals in operations, infrastructure, and maintenance. Some of the capital projects recommendations have been incorporated into the City's Capital Improvement Plan, while others are under review for funding alternatives. The recommendation for field users to maintain Ocean View Park was implemented in November 2004 for the remainder of the 2004-05 fiscal year; a funding source will be needed to continue this arrangement. Other operations and programming recommendations are in varying stages of implementation.

Public Information and Customer Service

The City actively endeavors to provide excellent customer service that is in keeping with the City's vision to be community-focused. Customer service policies are in place to guide the timeliness of response to inquiries, and courteous interactions between staff and the public. Front-line and management staff convene quarterly to address customer service issues and to recommend improvements.

The City publishes a newsletter twice a year (November and May) to inform the public about newsworthy events, activities, projects, and programs, and to provide tips and contact information on ongoing issues such as recycling, environmental sensitivity, and safety.

A public information kiosk is planned for construction by the Albany Community Foundation on Solano Avenue at Curtis, and will be another avenue for informing the public about various activities.

Trend: There is increasing use of the City's web site and email for information gathering and communication. Issue: Providing timely and sufficient information at www.albanyca.org to meet the public's needs, and providing timely responses to email.

As most businesses, organizations, and public agencies are discovering, the use of the World Wide Web to obtain and communicate information is expanding exponentially. The City recently remodeled its web site to help arrange the growing number of City documents and resources posted at the site. In addition, City Council and Planning & Zoning Commission staff reports, along with the agenda, are all now posted on the City's web site. Staff is continuously expanding and updating the information on the site, which takes staff time and sometimes requires outside services.

The use of email is also a growing phenomenon. As it becomes easier for the public to communicate with the City, there is increased opportunity for the public's concerns to be brought to the attention of the decision makers and for their questions to be answered by staff. However, the greater the volume of email communication, the greater the amount of staff time will be spent reading and responding to email. While communication with the public is an important part of the City's work, it can take time away from performing other aspects of work that move the projects and programs of the City forward unless additional staff is hired to handle the communication.

Trend: Desire to broadcast City meetings on the Albany cable access channel, and to provide other public cable casting opportunities. Issue: Funding for filming the meetings, providing technical support for cable access channel, and coordinating public access to cable channel. Issue: Upcoming negotiations of the City's cable television franchise agreement with Comcast.

The City Council has directed the procurement of the equipment necessary to cable cast the City Council meetings on the Albany public access cable channel. The launch of this cable casting is expected by the

end of the fiscal year. The City's 2004-06 budget contains the funding necessary for this service. Once the equipment is obtained, staff anticipates there will be growing desire for additional cable casting services, and funds will be needed for the associated technical and administrative support and enhanced technology.

The City is about to enter into negotiations with Comcast for an extension of the franchise agreement. Discussions regarding the cable access channel and funding are expected to be part of the negotiations.

Trend: As cultural diversity increases in Albany, so does the diversity of languages spoken. Issue: Providing information to the non-English speaking community.

Among Police, Fire, and City Hall Staff, there are employees who speak Spanish, Mandarin, Cantonese, French, Tagalog, Thai, and German. Alameda County and Albany election materials are translated into Spanish and Chinese. City staff recently translated a school traffic safety flyer into Chinese and obtained a Korean translation from a student at UC Village.

The City's passport program is a popular attraction for persons from a variety of cultures. With the new requirements that both parents and the child appear in person when obtaining a passport for a child, an increasing number of people, from diverse backgrounds, are coming to City Hall and being exposed to City services.

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LAND USE

Golden Gate Fields

Issue: Anticipated property owner interest and proposal to augment the racetrack use at Golden Gate Fields with development on the property.

Magna Entertainment Corporation (MEC) owns approximately 137 acres of land adjacent to the San Francisco Bay that encompasses the Golden Gate Fields horse racing facility. The racetrack is located in Albany (approximately 108 acres) while the majority of the stables are in Berkeley (approximately 29 acres).

In 2002, MEC submitted a development proposal, which was followed by three community workshops run by the City to solicit public comment on community desires for the property. MEC has since withdrawn its proposal and has indicated interest in creating a new proposal for submission to the City. The City expects to receive such a proposal sometime in 2005.

The issues at stake with a development proposal include dedication and/or purchase of parkland, Bay Trail easement, and open space; adjacency to and interaction with Eastshore State Park; size, content, traffic, and aesthetics of building development; environmental impacts; relationship to racetrack and the viability of its future; and generation of revenue for the City.

The City Council has not taken a position on development of this property; instead, it provided a process in which residents could express their interests and concerns through a three-session community workshop process. If a development application is received, extensive public comment and City review is expected. In addition, any proposed development that does not conform to the current Waterfront zoning requires Albany voter approval.

The future of the Golden Gate fields property is the most high-profile and sensitive land use issues in Albany. If a development proposal is submitted, a substantial amount of staff time is likely to be dedicated to project review and Council assistance.

University Village (UC Village)

Issue: Proposed mixed-use development at UC Village that will increase the population, remove the agricultural use of the Gill Tract, relocate the ball fields, increase the building height and density, generate traffic, create commercial uses, and place further demands on City services for which the City receives no compensation.

University of California (UC) Berkeley owns 77 acres of land in Albany, known as UC Village. In 2000, the University completed the reconstruction of 392 units of housing for graduate students at UC Village.

In July 2004, the Board of Regents of the University of California Regents approved a new master plan and environmental impact report for redevelopment of University Village in Albany. Step 2 of that project, currently underway, will increase the number of units from 412 to 606. Step 3 is a mixed-use development that will increase the number of units from 152 to approximately 727 for graduate students, 31 for junior faculty, as well as create approximately 70,000 square feet of commercial space, replacement ballfields, and UC Village Community Center. Therefore the net increase in units from current conditions is approximately 770 units.

The City expressed concern to the Regents about the environmental and fiscal impacts of the project. University officials have stated their intent to consider the City's concerns, at a later date. In August 2004, the City executed a tolling agreement with UC Berkeley to extend for 180 days the time under which the City can legally challenge the Board of Regent's July approval of the environmental impact report for Step 3 of the project. UC has suspended progress on Step 3, as well as negotiations with the City due to its focus of attention with the City of Berkeley on the UC Berkeley Long-Range Development Plan.

The key land use issues associated with the development at UC Village include:

- Height of the buildings on San Pablo Avenue; The current Step 3 plan shows an alternative of building up to five stories while the remainder of San Pablo Avenue in Albany is zoned for up to approximately three stories.
- Continuation of the Codornices Creek restoration project to San Pablo Avenue. Nearing completion is Phase I of the creek restoration project from the railroad tracks to Fifth Street. Phase I

will extend from Fifth Street to Eighth Street. There currently are no funds identified to extend the project the additional two blocks to its final destination at San Pablo Avenue. The creek restoration removes the culverts, restores native vegetation, and provides pedestrian and bicycle paths.

- Replacement of the ball fields in UC Village. The Albany Little League has a long-standing arrangement to use ball fields on UC Village property. UC Berkeley has agreed to replace these ball fields for lease by the City on the Gill Tract property.
- Use of the Gill Tract. Members of the community have expressed concern about elimination of agricultural use of the Gill Tract. UC's plans for Step 3 designates this area for its community center, ball fields, and the future site of the UC Village Children's Center.
- Traffic. Impacts from the additional residents and the commercial development.

The fiscal issues associated with UC Village are discussed in the Resources section.

Housing

Affordable Housing

Trend: Increasing property values diminish the availability of housing for very low, low, and moderate-income residents. Trend: Diminished availability of workforce housing causes workers to commute in to Albany from further distances, which in turn adds to congestion on Bay Area roads and freeways, and potentially impacts the availability of workers for Albany public agencies and businesses. Issue: Providing feasible opportunities for residential development for very low, low, and moderate income households. Issue: Compliance with State-mandated requirements to provide additional affordable housing units.

As housing costs rise, workers in the State are moving to new subdivisions on former agricultural lands and commuting longer distances to their jobs. The environmental impacts on a statewide basis include a decrease in air quality, diminished open space and agricultural land, increased congestion, while the financial and social impacts include the cost of new infrastructure, increase in transportation costs with its ripple affects on goods and services, and the decrease in individuals' time for their families and communities.

With the rising concern about the environmental, fiscal, and social impacts of suburban sprawl, urban corridors with existing utility and transportation infrastructure is becoming the rising focus for potential housing development.

The State of California has mandated that each community provide its fair share of affordable housing. In the past few years, the State has threatened to financially penalize cities that fail to meet their quota. In any event, cities are required to update their Housing Element every five years to demonstrate how they will provide for additional affordable housing. Albany's Housing Element is in the process of being revised and will be presented to the City Council in 2005.

Some of the obstacles to generating affordable housing in Albany are:

- Rising cost of real estate
- Citizen initiative Measure D requirement for a minimum of two parking spaces per residential unit
- Potential for neighbor concern about impacts of increased density, height and population served
- Lack of city resources to provide land or other financial subsidy

On a statewide basis, California's tax and fiscal policies create disincentives for cities to generate residential development; except for high-end housing, the capital, operations, and maintenance costs to serve housing exceed the tax and fee revenue this use generates for a city. Instead, the highest tax incentive development is retail commercial.

In 2004, the City of Albany concluded a comprehensive revision of its zoning ordinance, and considered issues of density, heights, and mixed-use development on San Pablo Avenue. In 2005, the City Council will consider inclusionary housing policies for the City in light of the passage of AB1866 in 2004; inclusionary housing policies include incentives and requirements for a certain number of affordable housing units in a multiple-residential development.

Senior Housing

Trend: The populous baby boomer generation with longer life spans will increase the demand for multi-level care senior housing. Issue: Albany has no assisted living housing for its senior population and seniors are forced to move outside the communities where they raised their families and have support systems of friends and organizations, as well as convenient access to goods and services.

Albany's senior population declined between 1990 and 2000, with some of this population moving outside the city to residences that structurally and financially met their needs and/or provided the assisted living they needed. Albany lacks any assisted living facility, which means that seniors must leave their community for current or anticipated assistance in daily living.

Impediments to the construction of senior housing with varying levels of assisted care parallel the obstacles to building affordable housing above, with the Measure D two-parking space requirement being a particular obstacle. While the city is not mandated by the State to provide assisted-living senior housing, the AC Transit and BART public transportation services and the proximity to shopping and services make it a desirable location for such housing.

Expansion of single-family homes

Trend: The high quality of Albany schools attracts families to move to Albany. Trend: House sizes are on the rise nationwide. Trend: Albany homeowners are seeking to expand the size of their homes. Issue: How to accommodate Albany homeowners desires to live in/remain in this city while preserving neighbors' privacy, distance, and views, pervious surfaces for storm water drainage, and private open space for recreational needs.

As residents desire more living space, there are increasing requests for home expansions – particularly second story additions. These additions can intrude on neighbors' privacy, decrease the amount of green space, and intensify the amount of built-space relative to open space in single-family residential neighborhoods.

Eastshore State Park

Trend: Implementation of the Eastshore State Park Master Plan. Issue: Transition of the Albany Bulb from City ownership to State ownership as part of Eastshore State Park.

In December 2003, State Parks agreed to establish a state park known as Eastshore State Park along the waterfront between Richmond and Oakland, and adopted a master plan for development of this park. Although some work is underway to develop a portion of the park in Berkeley, State Parks has stated it lacks sufficient funds to implement its entirety.

Slated for inclusion in the Eastshore State Park are lands in Albany, including the Plateau, Neck, Beach, and ultimately the Bulb.

The City-owned former landfill site known as Albany Bulb is under a closure order from the Regional Water Quality Control Board, which requires certain environmental enhancement measures for water quality purposes. Once the Bulb receives clearance from the Board, it will be in a position to be acquired by State Parks as part of the Eastshore State Park. The destiny of the artwork located on the bulb will be considered as part of this transfer of ownership.

Pierce Street Park

Issue: Albany contends that it was promised the acquisition of the leftover land from the Caltrans reconfiguration of Interstate 80/580 at a reasonable and discounted price; Caltrans contends that it must receive the market value of the property at its highest and best use. Negotiations are stalled while discussions take place regarding the methodology for the property appraisal.

City officials and Caltrans have differing perspectives about what was promised the City as part of the reconfiguration of I-80/580 in the 1990's, and the City's ability to acquire the excess land for use as a park. The City continues to pursue discussions with Caltrans, and is also pursuing state legislation to assist in the acquisition of the property at a reasonable cost.

If the property is not acquired, Caltrans will likely place it on the market for sale; if this occurs, land use issues will arise since the vast majority of the property is not zoned.

Commercial land uses

Reinvestment Area – Eastshore Highway and Cleveland Avenue

Trend: The development of three new retail commercial sites in the City's Redevelopment Area (two on Eastshore Highway and one on Cleveland), may attract additional interest from commercial retail developers. Issue: Redevelopment of properties in the reinvestment area generates tax increment revenue that the City can use to improve public facilities in the district. Redevelopment to retail uses generates sales tax revenue for the City. Issue: Minimizing traffic impacts to the community. Issue: The City' intentions in actively encouraging redevelopment.

The City established a redevelopment district called the Albany Reinvestment Area in 1997; this district encompasses Eastshore Highway and Cleveland Avenue, which historically has had industrial uses. As manufacturing facilities move out of the area, underutilized and vacant properties become available for other commercial uses.

In the past couple of years, the City has approved the redevelopment of three properties for retail uses; these include Target and Petsmart on Eastshore Highway and Discount Bridal Mart on Cleveland Avenue. Interest in other properties for retail is beginning to occur, although no other proposals have been received.

The Eastshore Highway and Cleveland Avenue areas have the potential to provide the City with a fair amount of property tax increment revenue and sales tax revenue, especially if retail development takes place on the majority of the properties. The property tax increment revenue will be used to repay the debt that the Reinvestment Area owes the City for prior improvements, and generate funds for future infrastructure projects as well as generate funds for affordable housing as is required by State law. The sales tax revenue will help the City keep pace with its rising expenses.

As Cleveland Avenue redevelops, there will be increased interest in improving the access from the freeway and installing a traffic light at the base of the westbound I-80 exit ramp. Other improvements in sewer, storm drain, street, and other infrastructure will be needed as these properties develop.

San Pablo Avenue

Trend: Increased interest in mixed-use, transit-oriented development at transit hubs and on transit corridors such as San Pablo Avenue. Trend: Assemblywoman Loni Hancock is spearheading an effort among San Pablo Avenue cities for a regional approach to the improvement of San Pablo Avenue. Trend: The City's recently adopted zoning ordinance established new height, use and other development parameters for San Pablo Avenue and adjacent streets. Trend: The City has adopted a streetscape plan and design guidelines for San Pablo Avenue. Issue: To what extent does Council wish to encourage new mixed-use development of San Pablo Avenue. Issue: Funding for beautification of San Pablo Avenue.

In the 1990's, the City created a Vision Plan, Streetscape Plan, and Design Guidelines for the revitalization and beautification of San Pablo Avenue. Since that time, two mixed-use developments were built on San Pablo

Avenue, and a third was recently approved by the Planning & Zoning Commission for the site of the old Ellis-Olson Mortuary building.

Following extensive public hearings, the City Council approved a revised zoning ordinance in December 2004, which included changes to the zoning and General Plan designation of San Pablo Avenue. The revisions generated significant community discussion regarding acceptable types, densities, and physical characteristics of mixed-use development on the avenue. Whether the new zoning will encourage, discourage or not affect redevelopment on the avenue remains to be seen. The zoning is intended to allow for ground floor commercial use, with residential uses above, on property on San Pablo Avenue. Now that the zoning has been determined, the City is in a position to actively encourage development proposals for improvements on the Avenue.

Assemblywoman Loni Hancock is spearheading an inter-jurisdictional effort to make San Pablo Avenue into a world-class boulevard. Albany is participating in this effort, with the hope of being part of a grant award for improvements to the street. At this point, the only sources of funds for beautification improvements to San Pablo Avenue are those associated with conditions of approval on new development. A new landscaped median was installed adjacent to 914-916 San Pablo Avenue as a condition of approval, and a few of the old Eucalyptus trees are being removed as a part of the sewer replacement project.

Solano Avenue

Trend: At the request of the Chamber of Commerce, in 2004 the City Council approved a change in the parking limits on Solano Avenue and San Pablo Avenue, and the regulated portions of the side streets, from 60 minutes to 90 minutes in an effort to help businesses. Trend: Doctors offices and other service businesses have and can move into the ground floor spaces on the entire stretch of Solano Avenue. Trend: While some new retail businesses have established themselves on Solano Avenue, there is significant room for increased retail sales activity, such as gift stores, clothing stores, and bookstores. Issue: Does the City wish to designate retail core areas on the avenue, and if so: What block(s), how will retail use be developed there, and what will be the reaction of the business community and property owners? Issue: A perceived or real shortage of parking on Solano Avenue, and interest in creating additional parking spaces.

Solano Avenue provides a sense of downtown character to the small-town ambiance in Albany. Most businesses are independently owned, and restaurants are the largest single use. With the street beautification

improvements from San Pablo Avenue to Masonic completed in the 1990's, the avenue is pedestrian-friendly and in fact is within walking distance of a significant portion of Albany.

Many of the businesses on Solano Avenue are service-oriented, such as cleaners, nail salons, beauty parlors, and doctors offices. While it is useful to local residents to have service businesses in their community, a hodge-podge of retail and ground-floor services can hurt the viability of retail in a downtown. Shoppers are attracted to districts that do not have gaps in retail use.

In the 1990's, the City Council considered an urgency ordinance to require all businesses on Solano Avenue to be retail only. This approach was rejected as being too restrictive and unworkable. The issue for the City Council is whether to let the market continue to dictate what happens on Solano Avenue, implement zoning restrictions, or employ another strategy or combination of strategies on a select portion of the street.

Solano Avenue is not a significant sales tax generator for the City, and staff does not believe that it ever will or should be pursued as such. Instead, Solano Avenue is a community resource for convenient local access to needed and desired services and goods. As such, the zoning and development of the avenue has more to do with creating a sense of place in the community than generating sales tax dollars.

Transportation

Trend: Questionable viability of automobiles to meet transportation needs as there is growing concern over availability of oil and the air pollution impacts of auto emissions and their associated impacts on global temperatures. Trend: Increase in desire for physical activity due to longevity and concerns about obesity. Trend: Providing adequate public transportation for seniors, disabled persons, and persons who do not own vehicles as new housing for these populations are built. Issue: Funding for implementation of the City's Transportation Management Plan. Issue: Retrofitting existing auto-oriented streets to accommodate bicycles, pedestrians, and wheelchairs.

Improvements for motorist, bicyclist, and pedestrian safety are included in the City's Capital Improvement Plan. Additional, unfunded improvements are contained in the City's Transportation Management Plan adopted in 2000.

El Cerrito Plaza

Trend: The success of the El Cerrito Plaza is generating traffic on the Albany streets that access the Plaza. Issue: The City Council has directed staff to initiate a General Plan amendment for the possible closure of the Albany streets that access the Plaza.

*Trend: The City of El Cerrito is considering a development proposal for 97 residential units, a 500 space parking garage, and a child care center
Issue: The City of Albany has submitted its concerns on the environmental impact report to the City of El Cerrito.*

Two issues are pending related to development at the El Cerrito Plaza, a shopping center in El Cerrito on the Albany border. One, the redevelopment of this shopping center and the associated traffic on connector Albany streets that increased most notably with the opening of Trader Joe's grocery store on the south side; this has led to the neighborhood's request for closure of the Albany streets that provide ingress and egress to the Plaza. At its January 18, 2005 meeting, the Albany City Council directed staff to initiate a General Plan amendment and environmental review on closure of the residential Albany streets at the border.

Two, there is a pending application for development of a 500-space parking garage, 97 residential units, and a child care center on the southeast side of the Plaza, again with access from Albany streets. The parking garage is intended to serve the residential development and the El Cerrito Plaza BART station. The Albany City Council submitted its comments on the environmental impact report, most of which expressed concern about access, traffic, scale, and location of the development. The El Cerrito Planning Commission is expected to act on the EIR in March 2005, after which it is expected to be considered by the El Cerrito City Council.

Building Codes

Unreinforced Masonry Ordinance

Issue: Implementation of the Unreinforced Masonry Ordinance adopted by the City Council at the end of 2004.

The City Council adopted an Unreinforced Masonry Ordinance in December 2004, which requires owners of unreinforced masonry buildings to bring them into compliance with seismic safety standards within three years. Meeting this deadline will require an investment of

time and funds by the City to coordinate the program and by property owners to meet the various deadlines.

Sustainable “green” building policies

Trend: Building materials and techniques that reduce the use of resources and the generation of pollutants are becoming increasingly available, popular, and cost-effective. Issue: What ordinances and/or policies does the City Council wish to implement to regulate or guide the use of sustainable building practices and materials.

The Alameda County Waste Management Authority has drafted “green building” policies designed to minimize waste and make buildings more energy efficient. The Council may wish to consider adoption of such policies for public and private construction.

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RESOURCES

Human Resources

Competition for employees

Trend: Decreasing interest among the next generation of workers for city government employment. Trend: Competition with other cities, particularly those with greater fiscal resources and shorter commutes, for employees – particularly highly qualified employees. Issue: Increasing costs of attracting and retaining well-qualified employees.

There is concern among city management professionals about the shrinking pool of young people interested in working for local government. While young people in high school, college, and their early 20's are showing some interest in community work, the preponderance of interest is in health care and the non-governmental non-profit sector. Of particular concern is the dwindling interest in city and department management, due to the perception of the stress of public work, unachievable expectations, dearth of good quality elected officials (not in Albany!), anti-government and belligerent residents, night and weekend meetings and events, and long hours. Cities may need to adapt working conditions and/or compensation, as well as perform outreach and marketing in order to continue to attract high quality applicants to city employment.

Well-qualified and dedicated employees are the backbone of City government. Each individual contributes his or her unique talents in a meaningful way. The quality of each employee impacts the competency, efficiency, and courtesy with which services are delivered to residents, businesses, and visitors. Hiring choices are the most important decisions that management makes on behalf of the city. The greater the resources dedicated to labor, the greater the ability of the City to attract and retain a high quality of employees.

Labor costs comprise 75% of the City's General Fund expenditures, up from 69% in 2002-03 due to greater-than-inflation increases in retirement and health care premiums.

Public Employee Retirement System premiums

Trend: The City's costs to provide employee pension benefits is rising, and are projected to continue to rises. Trend: The Governor, the Legislature, and a citizens imitative petition are all considering proposals to change public employee pensions from a defined benefit system to a defined contribution system for new employees.

Like all government agencies in California, the City of Albany has experienced an increase in pension costs in the last few years. Between the 2002-03 fiscal year and the 2005-06 fiscal year, overall pension payments by the City have risen from 19 percent of salaries to a projected 33 percent of salaries in fiscal year 2005-06.

A portion of the increase relates to the nosedive in the investment portfolio of the California Public Employees Retirement System (CalPERS) as part of the dotcom bust in the late 20th century. The rate increase is also attributable to the increase in retirement benefits negotiated by public safety personnel. As of January 1, 2004, sworn police officers have the 3% at 55 retirement plan, meaning they can retire at age 55 with 3% of salary for each year of service in CalPERS; Fire personnel currently have 2% at age 50, but will have 3% at 55 effective April, 2006.

When the State and cities began offering enhanced retirement benefits to employees, CalPERS erroneously estimated it would have limited impact on pension costs. In addition, the benefits were rolled out during a time when private sector opportunities and compensation were booming and the public sector was in a tough fight to attract employees. The high turnover in personnel and small applicant pools, particular among sworn personnel, pitted public agencies against one another to attract employees, and enhanced retirement benefits was one of the pieces of bait.

Now that public agencies have seen their pension costs soar to as much as 50% of salary, at a time when the economy is struggling and the State has diverted local government revenue, cities are experiencing fiscal crisis in meeting their pension obligations. This crisis has led to the Governor, the Legislature, and a taxpayers group to pursue a constitutional amendment to switch public employees from a defined benefit retirement plan to a defined contribution plan.

The transition from a defined benefit to a defined contribution retirement system would stabilize cities' contributions to their employees' pensions. It is unclear as to the impact this would have on attracting employees and on the actual pensions that retirees would realize.

Employee Health Care Costs

Trend: Double digit increases in the cost of health care premiums and other medical costs. Issue: How will the City and its employee unions address the rising costs

The City contracts with CalPERS for health care benefits for employees and retirees. Recent years and projections for upcoming years show double-digit increases in premiums. Exacerbating the increases, this year, CalPERS changed direction in premium assessments, and is charging Northern California members higher rates than Southern California due to the higher cost in this area of the State.

This winter, the City will enter into labor agreement negotiations with two of its employee unions, and an increase in the City's cap on health care premium payments is likely to be an issue at the table.

Alternatives to CalPERS health care are beginning to emerge; the difficulty is assessing the risk of whether the alternatives can provide similar coverage for less cost over more than just the immediate future.

Economic Development

Trend: Recent retail development on the City's redevelopment area. Issue: Attraction of investment in the redevelopment of Eastshore Highway and Cleveland Avenue.

As described in the Land Use section, over the past year three retail businesses have invested in property located in the City's Reinvestment Area on Eastshore Highway and Cleveland Avenue. The City has received inquiries from the commercial market about further development in this area.

Because of the adjacency of this area to Interstate 80 and Interstate 580, and the related visibility to thousands of motorists each day, the reinvestment area is a prime location for additional retail use. The redevelopment of properties causes them to be reassessed, which generates increased property tax dollars. In addition, since the properties are in the City's redevelopment district, the City receives a higher proportion of property tax; this differential is the property tax increment. These funds must be used to make improvements associated with the redevelopment area, with 20 percent of the funds required to be set aside for affordable housing. In addition, retail uses provide sales tax dollars to the City.

The City of Albany has a net depletion of retail sales and sales tax dollars; meaning that on a per capita basis, more sales tax dollars are spent outside the city than inside the city, relative to other cities. As a result, it can be said that Albany is essentially subsidizing other cities with the sales tax dollars that our residents are spending elsewhere. It also shows that Albany has capacity for additional retail businesses to serve local residents. The more that residents turn locally for their retail needs, the more tax revenue the City will receive and the lower the travel distances for Albany shoppers.

However, retail development along the freeway needs to be sensitive to the locally-owned businesses on Solano and San Pablo Avenues, and opportunities for synergy explored. For example, if sufficient sales tax dollars are generated in the redevelopment area, it may be possible to invest some of these funds into streetscape and related improvements on San Pablo and Solano Avenues. (Tax increment funds are not eligible for use outside the redevelopment area).

Without the redevelopment of Eastshore Highway and Cleveland Avenue, there are no anticipated funding sources for street and other infrastructure improvements in that area.

Golden Gate Fields

Trend: Horse racing is generally on the decline as an industry. Trend: Casino San Pablo is pursuing the installation of 2,500 slot machines, which may draw customers away from Golden Gate Fields. Issue: The economic loss to the City if Golden Gate Fields declines in use, or closes and a replacement revenue-generating use is not immediately available at the site. Issue: What, if any, additional revenue-generating uses will be proposed by the property owner that are acceptable to the community. Issue: Without an investment in the racetrack facilities, the patronage and revenue to the City is likely to decline.

Revenue from the wager tax at Golden Gate Fields has declined from a high of \$1 million annually ten years ago to approximately \$500,000 per year. While the revenue has held relatively steady the last few years, the racetrack is not a guaranteed source of funds for the City. With tax revenue from the racetrack comprising almost five percent of the City's general fund budget, the future of the racetrack and associated property has a significant economic impact on the City.

Magna Entertainment Corporation (MEC), the owner of Golden Gate Fields, has maintained that the racetrack is not leaving. MEC has

indicated its pursuit of a development proposal that would augment the racetrack facility.

While MEC states that the racetrack is not leaving, the City may be wise to consider any development proposal with an eye to the potential departure of horse racing at Golden Gate Fields, due to the general decline in the popularity of horse racing, the growing interest in urban casinos in the East Bay and other parts of the Bay Area, and the potential establishment of a new MEC racetrack facility in Dixon.

In any event, the Golden Gate Fields property presents significant land use, environmental, and fiscal issues with or without the racetrack, and decisions about its future will affect the tax base of the City. In the meantime, the City is financially vulnerable if the racetrack were to suddenly cease operation or go into significant decline.

San Pablo Avenue

Trend: The City's newly revised zoning ordinance establishes land use, height, and design parameters for the mixed-use redevelopment of San Pablo Avenue. Trend: Two properties redeveloped with mixed uses prior to the new zoning regulations; a third property, the Mortuary site, is redeveloping to the standards of the new zoning ordinance. Trend: Many of the properties on San Pablo Avenue can be considered underutilized if compared to the zoning allowances. Trend: There is growing interest in mixed-use development on transportation corridors in urban areas. Trend: The City's recently-passed unreinforced masonry ordinance, which requires seismic upgrades to certain unreinforced buildings, may cause some property owners to incorporate other improvements to their buildings.

Issue: To what extent does the City Council wish to encourage the redevelopment of San Pablo Avenue, and what role do the design guidelines play in this redevelopment. Issue: The City does not have funds designated to implement the San Pablo Avenue Streetscape Improvement Plan.

As discussed in the land use section, San Pablo Avenue is poised for potential redevelopment into mixed-use that includes ground floor commercial and residential above. From an economic standpoint, this redevelopment could enhance the tax base of the city and enhance the customer base for businesses within walking distance of residences.

Solano Avenue

Trend: Ability for service businesses to move into the ground floor of any property on the pedestrian-oriented Solano Avenue. Issue: Does Albany want to have some section(s) of Solano Avenue that are predominantly retail in order to establish a shopping district.

As discussed in the Land Use section, Solano Avenue contains a mixture of service, restaurant, and retail businesses. Successful shopping districts that attract retail customers are those that have predominantly, if not completely, all retail and restaurant uses within a select number of blocks; any break in a store or restaurant frontage with a service business decreases pedestrian customer interest.

At issue for Albany is whether it wishes to establish a pedestrian-oriented retail/restaurant shopping district, and if so where, and if so, how.

Local Tax Revenues

Trend: The highest revenue source for Albany is property tax; the property tax base has remained strong and is attributed to the attraction of the school district to families with school-age children. Trend: Albany has a modest sales tax base for the size of its population; more sales tax dollars are spent per capita outside the city than inside the city. Trend: While the property transfer tax is a strong source of revenue for the City, its dependency on the number of sales and sales prices make it potentially volatile revenue source. Trend: Albany voters are generally supportive of local taxes for desired services and capital improvements; the City and the School District both seek voter approval for taxes at virtually every local election. Issue: Since property taxes on all but the most expensive residential development do not cover the cost of providing services, how will Albany recover sufficient taxes to pay for services and infrastructure.

Albany relies most heavily on its property tax base for tax revenue, as compared with many other cities for which sales and hotel taxes are the highest sources of revenues. The advantage to the reliance on property tax is that it has been a relatively consistent revenue source with an increase annually; the disadvantages are that property values could decline at some point, and the City does not realize additional tax revenue when the economy experiences an upsurge. A more balanced economic picture for Albany would be one that has a variety of strong tax revenue sources that do not necessarily rely as heavily on property sales and values.

In seeking ways to raise revenue to meet the City's growing expenses and desires for improvements, Albany generally has the choice of obtaining it from local taxpayers, from local and regional shoppers, or tourists. Consequently, the choices are either to seek voter approval for tax and fee increases, encourage and approve uses that generate sales tax, encourage and approve hotel(s), or a combination.

State Budget

Trend: The State continues to experience deep budget deficits. Trend: For more than the past decade, the State confiscated local property taxes and other local revenues in order to balance the State budget. In November, 2004, cities were successful in the passage of Proposition 1A, which constitutionally protects local government revenue. Issue: Will the State find ways to circumvent Proposition 1A and take away local government revenues.

Since the early 1990's, the State has taken revenues from cities and other local governments to balance the State budget. Cities have been vulnerable annually to various draconian State takeaways of their revenues. After qualifying a citizens' initiative on constitutional revenue protection, cities negotiated an alternative constitutional protection that was put on the November ballot with the support of the Governor and the Legislature, as well a wide range of interest groups, and passed. This measure allows the State to take \$1.3 billion from cities in the current fiscal year and next fiscal year, but not thereafter unless it is in the form of a loan that is repaid before any additional cuts can be made to cities.

As continued budget deficits are projected for the State, it is unclear how the State will ultimately balance its budget, and what impacts its budget decisions will have on cities. The Governor's 2005-06 budget proposal already includes elimination of Proposition 42 funds for local transportation projects.

Unfunded services and capital projects

Trend: City officials have identified desired services and capital improvements for which there is currently no source of funding. Trend: Providing existing levels of service with existing sources of revenue will be financially challenging due to the increase in pension and health care costs. Issue: What are the sources of funding for the desired, but currently unfunded, expansion of services and construction of capital improvements.

The identified services and projects that lack adequate funding include:

- Enhancing maintenance of city parks, infrastructure, and other city facilities
- Improving and replacing storm drain facilities
- Improving, replacing, acquiring, and maintaining parks, and recreation buildings
- Repaving and resurfacing city streets
- Improving, repairing, and replacing sewer facilities
- Expanding recreation services

These are in addition to the challenges of having sufficient revenues to meet rising labor costs as described in the human resources section.

The City Council has directed staff to return in the first quarter of 2005 with estimated costs and options for obtaining funding to achieve these services and projects.

University Village (UC Village)

Trend: University of California, Berkeley (UC Berkeley) has stated its intent to build additional units of graduate housing and new junior faculty housing as part of its Step 3 mixed used development project at UC Village. Issue: UC Berkeley does not pay any property-related taxes or assessments for any services or infrastructure, except \$12,000 annually for sewer service. Issue: Among the most prominent yet unreimbursed services the City provides to UC Village is fire and emergency medical services.

The City procured an economic analysis that calculates the fiscal impact of the current and proposed UC Village development on the City. When City officials appeared before the UC Board of Regents when it approved the environmental impact report (EIR) for the UC Village development, UC officials indicated their willingness to enter into negotiations for mitigation of the fiscal and environmental impacts to the City. The City entered into a tolling agreement with UC Berkeley to extend the time in which the City can legally challenge the approval of the EIR, to allow for these negotiations to occur. Affecting the timing of the negotiations is the uncertainty about the implementation of the Step 3 project; UC Berkeley negotiations with the City of Berkeley on the fiscal impacts of the current and future campus and student housing; and adjudication of the City of Marina v. UC Regents lawsuit, which affects UC's ability and requirements to compensate cities for the mitigation of environmental impacts.

The Albany Fire Department provides fire suppression and inspection services as well as emergency medical services to UC Village; calls for service there currently comprise approximately five percent of the City's calls for service, with that percentage expected to increase with the development of additional units. UC has stated the potential for structures of up to five stories on San Pablo Avenue, for which the Fire Department lacks the appropriate aerial ladder truck to handle fire suppression. The lack of financial support for fire service, and the expectation that the City provide the necessary fire suppression equipment, is the most glaring unfairness to the City in providing services without compensation and is at the top of the list in the City's fiscal negotiations.

**CITY OF ALBANY
STATE OF THE CITY
January 2005**

INFRASTRUCTURE, FACILITIES, AND ENVIRONMENT

The 2004-2009 Capital Improvement Plan (CIP) was adopted by the City Council in November, 2004. The CIP contains those projects budgeted in fiscal years 2004-05 and 2005-06, and those planned for budgeting in 2007-2009. The CIP was developed from previous priorities set by the City Council in prior budgets and in the designation of funds from general obligation bond Measure F.

Buildings

Trend: Like any buildings, as City buildings age and experience deterioration in building systems and structure, there is increased need for maintenance, repairs, and replacement. Trend: Other than modest funding from recreation program fees, there is no dedicated or designated funding for repairs, renovation, and replacement.

Issue: Implementation of the building improvements budgeted and planned in the CIP. Issue: Chief among the building projects is the retrofit and renovation of the Fire and Police Stations and the retrofit of City Hall. Issue: Determining the financial feasibility of acquiring, improving, operating, and maintaining the Veterans' Memorial Building from Alameda County to serve as a recreation and community center while also serving Veterans.

The City's buildings are aging and deteriorating, but there is no identified source of funding for ongoing repairs and replacement of structures and utility systems; this places an increasing burden on the City's operating funds and backlog of capital projects.

The City Council has identified building projects in the CIP for current and potential funding. Chief among these projects is the retrofit and renovation of the Fire and Police Stations, and the retrofit of City Hall, with the addition of an Emergency Operations Center above the Police Station. This project will have operational impacts as City staff resources are diverted to accommodating temporary displacement and related inconveniences and time commitments.

One of the outcomes of the Parks, Recreation, and Open Space Master Plan was a direction by the City to explore the feasibility of acquiring,

improving, operating, and maintaining the Veterans Memorial Building, located in Memorial Park, for a recreation and community center. The Veterans would continue to have access to and use of the building. Other potential uses include recreation classes, special events, community rentals, historical museum, and teen café.

Parks, Recreation and Open Space

Trend: The Parks, Recreation, and Open Space Master Plan adopted in October 2004 established the following key goals development to respond to General Plan policies and stated community needs and interests, and to address the gaps identified in the planning analysis:

1. *Preserve, enhanced, and, where possible, expand park and open space areas in Albany. Make Albany a green environment that integrates nature with neighborhoods, protects and supports native habitat and educates residents about local vegetation and wildlife.*
2. *Make Albany a center for cultural and arts activities, with open space for art displays and musical performances. Beautify public space through public art programs, landscaped boulevards and community gardens. Promote arts related activities.*
3. *Provide high quality sports and recreation facilities that accommodate children, youth, families and seniors year-round and at all times of day. Increase the range of City-sponsored programs for all age groups, including childcare and senior citizen programs.*
4. *Promote public uses of the waterfront, providing for maximum natural open space and recreation.*
5. *Establish an integrated, comprehensive system of pedestrian and bike routes linking all neighborhoods and schools to recreational facilities through the city, including the waterfront.*
6. *Make Albany a City that provides high quality services and inviting, well-kept facilities that foster public enjoyment.*

Issue: Implementation of the goals of the Master Plan.

Now that the Master Plan has been adopted, the City has taken on the task of implementing the goals. The implementation effort is being led by the Parks & Recreation Commission with City staff.

Accomplishments to date include funding for various parks and recreation projects in the CIP, with improvements to Memorial Park and Ocean View Park at the top of the list, as well as the establishment of an

agreement with Albany Little League for maintenance of the fields at Ocean View Park. The next project is exploring the feasibility of acquiring the Veterans Building for recreation and community use.

Other current projects include the inter-agency cooperative effort to build sports fields at the foot of Gilman Street that has received partial grant funding, working with State Parks and the East Bay Regional Parks District on implementing the Master Plan for creation and development of Eastshore State Park along the Albany waterfront and points north and south, and negotiating with Caltrans for acquisition of excess freeway land known as Pierce Street Park.

Streets; Pedestrian, Bicyclist, and Motorist Safety

Trend: Declining condition of City streets. Trend: State usurpation of local transportation dollars. Trend: Growing desire for traffic calming on Albany streets. Trend: Rising desire for bicycle trails and lanes to serve recreational and commuter needs, as well as providing a safe alternative to the polluting and resource-consuming automobile use. Trend: Providing safe and accessible pedestrian access for persons of varying physical abilities.

Issue: Establishing a funding source for the ongoing maintenance and paving of City streets. Issue: Implementation of the City's Traffic Management Plan. Issue: Locating bicycle trails and lanes into an auto-oriented traffic system, and funding. Issue: Implementing a sidewalk repair program that requires a financial commitment by property owners.

City streets are in a constant state of deterioration and require continuous maintenance and overlays. As streets disintegrate into disrepair, the costs of resurfacing through repaving, or worse yet, reconstruction, increase exponentially. It behooves the City financially to have an ongoing program of surface sealing, digouts of failed spots, and overlays to maintain pavement and prevent the need for full reconstruction.

The City of Albany does not have an ongoing program due to lack of funding. It is one of the capital areas for which the City Council has requested staff return with funding options.

In 2000, the City adopted a Traffic Management Plan that calls for traffic calming and other improvements to motorist, bicyclist, and pedestrian access and safety. In July 2004, the City committed \$2 million of Measure F funds for implementation of improvements in the priority

ranking recommended by the Traffic & Safety Commission. Additional improvements remain unfunded. The most significant unfunded project is construction of a flyover from Cleveland Avenue.

A significant traffic management project that is funded from outside grants and Measure F funds is the reconfiguration of Marin Avenue from four lanes to three lanes and the addition of bicycle lanes. Phase I of that project, which will restripe the avenue as a test in advance of deciding whether to proceed with hardscape reconfiguration, is scheduled for construction in Summer 2005.

As residents turn to bicycling for fitness and recreation, as well as for commuting and traveling to local destinations as an alternative to the automobile, the City is increasing its efforts to find locations for bike paths and trails, and lanes on streets. The City has adopted a Bicycle Master Plan, and recently completed an inter-agency effort to identify a potential bicycle path from El Cerrito BART to the Bay Trail as an amendment to this plan.

Finally, as City sidewalks fall into states of disrepair, pedestrians are at increasing risk to trip and fall on raised cracks and other irregularities, and disabled persons have greater difficulty in moving about the city. City staff is developing a program that will require property owners to repair their sidewalks or face placement of a lien on their property for the City to perform the work.

Sewers

Trend: The City is under a cease and desist order to make improvements to its sewer system so as to prevent the inflow and infiltration of wastewater confluent into the city's storm drain facilities that drain to the bay. Trend: While improvements to comply with the cease and desist order have been identified, the City does not have a funding program for routine sewer facility repairs and replacement. Issue: Establishment of a program for repair and replacement, which will involve assessing the needs and determining financing mechanisms.

The City's CIP identifies sewer improvement projects to be designed and constructed during the next five years, as priorities in reducing the City's vulnerability to wastewater line breaks and sewage leakage. The City has a number of additional outstanding needs for improvement, as well as the need to establish a routine repair and replacement program for the City's sewer facilities.

Storm Drains

Trend: There are areas of the City that experience flooding and/or the threat of flooding during winter rainfall. Issue: Repair, replacement, and rerouting of storm drain facilities is costly.

The City Council has directed staff to return with cost estimates and funding options for a project to reroute storm drainage facilities in the Curtis/Neilson neighborhood in order to help prevent flooding of residential properties. That report will be presented to Council in the first quarter of 2005.

Other drainage improvements are being pursued in the area of Lower Codornices Creek, the railroad, the freeway, and Eastshore Highway, involving the participation of other public agencies and property owners.

The City's Watershed Management Plan contains recommendations for overall improvements to the City's storm drain facilities, which has an estimated cost of more than \$9 million in 1998 dollars.

Creeks

Trend: An increasing desire to open previously culverted creeks and restore them to open channels with native vegetation, as a habitat for fish and other wildlife and as a scenic area for humans. Issue: Performing the necessary hydraulic engineering so as to not create downstream flooding when opening creeks, and obtaining property owner and public agency approval on the layout of the channel. Issue: Funding for the creek restoration work.

A significant recent accomplishment of the City is the near completion of Phase I of the Lower Codornices Creek Restoration Project in January, 2005. This project changed this straight-lined creek into a meandering path, revised the adjacent play fields to accommodate this work, and established native vegetation along the creek banks between the western edge of UC Village and Fifth Street in Berkeley. Albany was the lead agency for the project, which included the property and participation of UC Berkeley and the City of Berkeley. It was funded primarily with grants, supplemented by Albany Measure R creek funds.

The City is seeking grant funding to extend the project from Fifth Street to Eighth Street in 2005. Completion of this work will leave only the roughly two-block section between Eighth Street and San Pablo Avenue

for future work; this last phase cannot be reasonably accomplished until UC Village constructs its Step 3 development project.

Other future projects could involve restoration improvements to the remainder of the City's creeks, which include Village Creek, Cerrito Creek, and Upper Codornices Creek.

Technology and Equipment

Trend: As computer technology becomes increasingly sophisticated, continuous upgrades are needed in equipment to maintain efficient and compatible operations. Trend: Geographic Information Systems (GIS) have become standard tools of land use, infrastructure and utility planning, emergency services, and other aspects of city management; yet the City of Albany does not have GIS. Trend: Inter-agency data sharing and communications. Issue: Funding of the technology improvements.

The City of Albany is not on the cutting edge of electronic technology and equipment, but ongoing upgrades are necessary in order to deliver services to the community that it expects in a timely manner, and to communicate with other public agencies. Funding for technology advancements is an ongoing issue for cities. Ideally, the City would establish equipment replacement schedules and funding for its equipment needs.

Recycling

Trend: Alameda County has established a goal of 75% waste diversion by the year 2010. Issue: In 2004, the City of Albany's waste diversion rate reached 66%.

In 2004, the City and its garbage franchisee, Waste Management of Alameda County, introduced enhancements to Albany's recycling programs. Recyclables are commingled into one wheeled cart container, food waste is commingled with green waste, and all recycling is picked up weekly. Other current and future efforts include working with businesses and multiple residential building owners, managers, and tenants to expand recycling in these facilities.

In 2005, the City is expected to consider adoption of a construction and demolition ordinance that would require recycling of construction debris. Other waste reduction efforts will include consideration of a "green building" ordinance, and support to the business community for its efforts in achieving "green business" status.

