

Weekly Management Report August 28, 2015

1. **Memo** – Possible Acquisition of Former Post Office Facility at 1634 N. San Fernando Boulevard – Community Development Department
2. **Memo** – Renewable Portfolio Standard Mitigation – Burbank Water and Power Department
3. **Synopsis** – Planning Board Meeting of August 24, 2015 – Community Development Department





memorandum

DATE: August 24, 2015

TO: Mark Scott, City Manager

FROM: Justin Hess, Assistant City Manager/Interim Community Development Director 
VIA: Ruth Davidson-Guerra, Assistant Community Development Director 
BY: Ross Young, Real Estate and Project Manager 

**SUBJECT: POSSIBLE ACQUISITION OF FORMER POST OFFICE FACILITY AT
1634 N. SAN FERNANDO BOULEVARD**

During the regular City Council meeting of August 18, 2015, the City Council directed staff to assess the feasibility of acquiring the former United States Post Office facility at 1634 N. San Fernando Boulevard (Property) for use as a Boys and Girls Club. The Property includes a 5,346 square foot building on a 15,000 square foot lot (square footages are approximate). The Property ceased to operate as a Post Office in December 2013 and was listed for sale to the general public sometime after this closure.¹

When federally-owned properties are no longer needed, they are generally disposed of by the General Services Administration. These properties are first offered to other federal agencies, then to state and local governments or qualified non-profit organizations, then finally to the general public. Provided that the proposed uses for these types of properties are for approved public benefits, the acquisition costs for state or local governments or qualified non-profit organizations can be up to a 100 percent discount. However, the United States Postal Service (USPS) has independent statutory disposal authority to dispose of its own property and is not subject to the above referenced criteria. Properties can be disposed of under the terms and conditions that provide the greatest value to the USPS.²

CBRE, Inc. has been retained by the USPS to sell the Property. The listing price is \$2.2 million or \$411 per square foot of improved space. To better assess the value of the Property, staff asked one of the City's contract appraisers, R.P. Laurain & Associates, Inc. to perform a cursory review of the Property and to provide an estimate of value.

¹ The existing Boys and Girls Club facility at 2244 N. Buena Vista Street comprises approximately 6,100 square foot of building area on a 20,436 square foot lot. Current facilities are considered insufficient and expansion is warranted to meet the needs of the community.

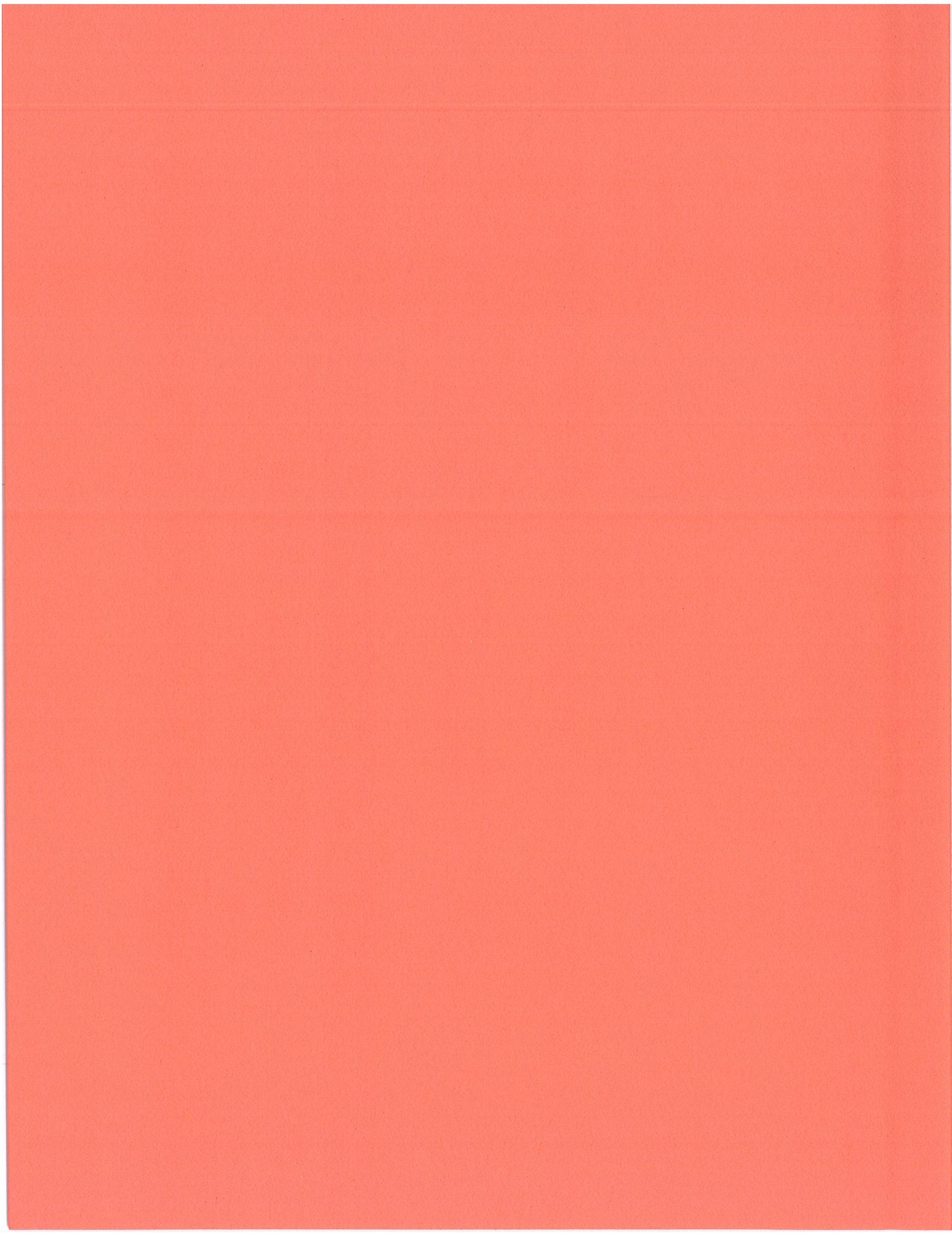
² Congressional Research Service (CRS) Report, December 10, 2014, <https://www.fas.org/sgp/crs/misc/R43818.pdf>

R.P. Laurain and Associates provided a verbal estimate in the range of between \$1,567,500 and \$1,732,500 for the Property or between \$293 and \$324 per square foot.

On August 24, 2015, staff was able to speak with Blake Mirkin, the listing agent from CBRE, Inc. Mr. Mirkin stated that the Property is still on the market, but that there is a prospective buyer who is in the process of negotiating terms with the USPS. He stated that he anticipated having an accepted offer for the Property within the next few days.

If the City of Burbank is interested in acquiring the Property, an offer letter needs to be submitted to the listing agent as soon as possible. In the meantime, staff can attempt to reach out to representatives of the USPS to express the City's interest in the Property, if such an interest exists.

If you have any questions or comments, please contact us.



Burbank Water and Power

MEMORANDUM

DATE: August 19, 2015

TO: Mark Scott, City Manager

FROM: Ronald E. Davis, General Manager – BWP



SUBJECT: **CITY MANAGER TRACKING LIST #1763 - RENEWABLE PORTFOLIO STANDARD MITIGATION**

The current state law regarding the renewable portfolio standard (RPS) requires all electric service providers to increase procurement from eligible renewable energy resources to 33% of total energy procurement by 2020. Since January 2015, with the completion of the Copper Mountain Project Burbank has been in full compliance with the current state law of a 33% RPS.

However, in January 2015, Governor Brown in his fourth inaugural address set out proposing an ambitious energy policy agenda that will expand California's RPS program. Governor Brown called for 50 percent of California's electricity to come from renewable sources by 2030 (up from a 33 percent goal by 2020). He also called for doubling the energy efficiency of existing buildings and reducing automobile dependency on oil and gas by 50 percent. The Governor's ambitious energy policy has been dubbed the Governor's 50/50/50 plan.

Several California Legislators have introduced legislation to implement the Governor's 50/50/50 plan. Chief among the Legislators are Senators Kevin de Leon and Mark Leno when they introduced legislation to implement the Governor's broad policy objectives in Senate Bill (SB) 350. The bill has been amended two times, without substantive changes to the broad policy goals. SB 350 will be heard in Assembly Appropriations Committee on August 19, 2015.

Staff and I have been working to minimize the impact on Burbank's ratepayers of SB 350 by advocating along with others in various industry groups on amendments that would provide flexibility for vertically integrated utilities like BWP that remain "fully resourced." Fully resourced utilities have entered into long-term contracts (such as power purchase contracts) that, in aggregate, provide for most all of the utility's needs. As such, fully resourced utilities do not need additional power until such time as a major commitment expires or energy demand/growth increases. Absent these occurrences, additional renewable power would cause significant oversupply, which would be detrimental to BWP's commitment to affordable electric rates. The

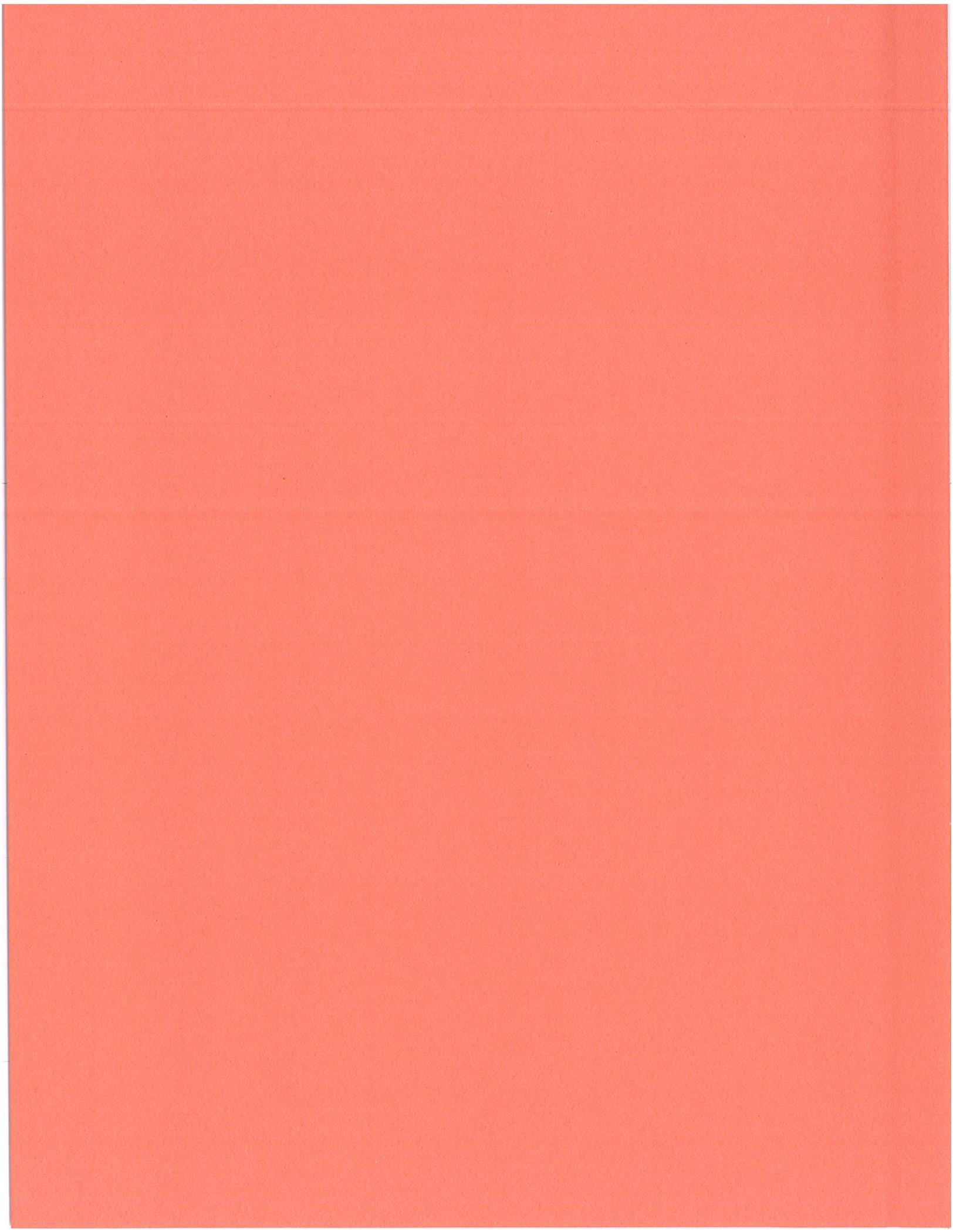
primary focus of this amendment is the Intermountain Power Plant, which is expected to remain in BWP's power portfolio until 2025. The "fully resourced" amendment is expected to be discussed at August 19, 2015 Assembly Appropriations Committee meeting.

BWP staff is also working on amendments to SB 350 to make sure that Burbank realizes the full value of our past commitments. BWP staff has been working with industry partners to ensure that prior investments that we have in place count-in-full toward the RPS program expansion under SB 350.

BWP staff is also working on amendments to SB 350 to make sure that our past investments are fully realized for the Burbank community. BWP staff has been working with industry partners to ensure that prior investments that we have in place count in full toward the RPS program expansion under SB 350 through what is called carry over or banking provisions. By "banking" current renewable energy Burbank may be able to defer future requirements.

The best time to mitigate the impacts of legislation is when the laws are being made. That time is now. With just over two weeks left in this legislative session, we wanted to keep you and Council informed on the latest developments of SB 350. If individual Council Members desire to contact legislators on a bill of interest to them now would be the time to do so.

c: BWP Board Members
Amy Albano, City Attorney



memorandum

DATE: August 25, 2015
TO: Mark Scott, City Manager
FROM: Justin Hess, Asst. City Manager/Interim Community Development Director 
SUBJECT: **Planning Board Actions of August 24, 2015**

At the regular meeting of August 24, 2015, the Planning Board discussed the following items:

1. Tour of the Marriott SpringHill Suites located at 549 S. San Fernando Blvd.

The Planning Board and staff took a tour of the newly completed Marriott SpringHill Suites that included an exterior and interior view of the facility. No Planning Board business was discussed during the tour.

2. Update on construction status of major projects

The Planning Board was updated on the status and construction of new major projects in the city. The projects included: Hilton Garden Inn located at 401. S. San Fernando Blvd., IKEA located at 805 S. San Fernando Blvd., and Nickelodeon located at 203 W. Olive Ave.

3. Review the Southern California Association of Governments (SCAG) most recent profile report for the City of Burbank - Part 2:

The Planning Board was presented with part two of the statistics and analysis on the most recent SCAG profile report for the years 2000-2014. The presentation provided information on the median housing cost in Burbank, commute preferences by employees, and the educational level of the city. The Planning Board did not have any questions.

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