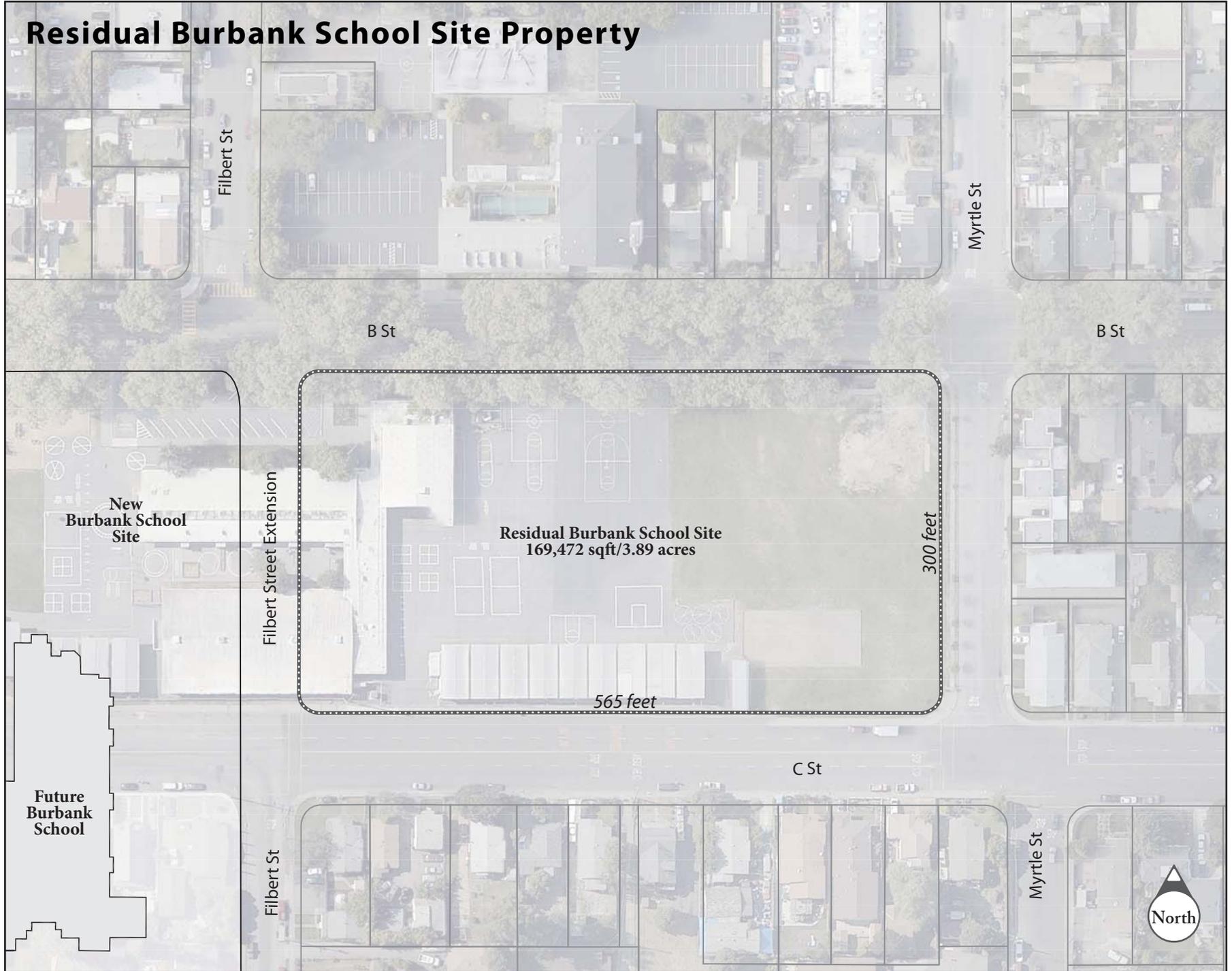


Residual Burbank School Site Property



RESIDUAL BURBANK SCHOOL SITE SUMMARY OF DEVELOPER PROPOSALS

Developer	Citation Homes Central	The Olson Company
Site Plan Description	Units face perimeter streets and internal walkways, garages off private drive aisles two entrances on Myrtle	Units face perimeter streets, cluster style, garages in auto courts off spine street with one entrance on Myrtle
Unit Type	single-family detached	single-family detached
Total number of units	60	56
Density (MDR 8.8-17.4 du net acre)	approx 15.4 du/gross acre	approx 14.4 du/gross acre
Lot Size	1472-2400 sf	average 2200 sf
Unit Size	1725-2104 sf	1,405-1,545 sf
# of Unit Plans	2-Story: 3 3-Story: 3	3
# of Levels	2 & 3	2
# of Bedrooms	3-5	3-4
# of Bathrooms	up to 3.5	2.5
Parking - Private	2-car side by side attached garage	2-car side by side attached garage
Parking - Public	0 on-site spaces	10 on-site spaces
Architecture	2 -Story: Traditional, Cottage, Craftsman, and French Country. 3-Story: Cape Cod, Monterey, and Craftsman.	Spanish, Shingle, and Craftsman
Architects	Danielian Associates	KTYG Group
Developer Experience	40+ yrs	19 years
Redevelopment Exp.	yes - Hayward	yes - Hayward
Experience in Hayward	Cannery Place - pending start of construction	City Walk, Renaissance Walk, Orchard Walk, Garden Walk
Open Space - Private	primarily front yard	porches & front/side yard
Open Space - Common	?	10,690±sf near Filbert
Land Purchase Price	\$6,200,000 (Adjusted to \$6,000,000 for cost of environmental remed.)	\$5,700,000
Purchase Price Land/sf	\$35.40	\$33.63
Projected Profit	12.90%	11.68%
Haz Mat Remediation	Agency responsible \$200,000 deposit	Developer responsible first \$200,000
Inclusionary Housing	51 units at market rate & 9 below market rate	47 units at market rate & 9 below market rate
Unit Sales Prices	average \$650,000 mr & \$318,000 bmr	\$590,000-\$635,000 mr & \$300,000 bmr



**RESIDUAL BURBANK SCHOOL SITE 2
HAYWARD, CALIFORNIA
CITATION HOMES CENTRAL**

CONTEXTUAL SITE PLAN



DANIELIAN ASSOCIATES
ARCHITECTURE + PLANNING
SIXTY CORPORATE PARK IRVINE CALIFORNIA 92606
© 2006 "DO NOT REPRODUCE WITHOUT ARCHITECT'S PERMISSION"
07042.00 07.27.2007

Building and Construction Trades Council of Alameda County, AFL-CIO

8400 Enterprise Way, #205
Oakland, Ca. 94621 – btca@sbcglobal.net
(510) 430-8664, Fax 430-8128

Barry Luboviski
Secretary-Treasurer

Rob Stoker
President

Fernando Estrada
Vice President

Auto & Marine Painters, #1176

Boilermakers, #549

Brick & Tile Layers, #3

Carpenters, #713

Carpenters, #2236

Carpet & Linoleum, #12

Cement Masons, #300

Electrical Workers, #595

Elevator Constructors #8

Glaziers #169

Hod Carriers, #166

Insulators & Asbestos Workers, #16

Iron Workers, #378

Laborers, #67

Laborers, #304

Lathers, #68L

Millwrights, #102

Operating Engineers, #3

Painters, #3

Pile Drivers, #34

Plasterers, #66

Plumbing & Pipe Fitting, #355

Roofers, #81

Sheet Metal Workers, #104

Sign Painters, #510

Sprinkler Fitters, #483

Steamfitters, #342

Teamsters, #853

U.A., Utilities / Landscape, #355

October 10, 2007

To: Honorable Michael Sweeney, Mayor of Hayward
Honorable Kevin Dowling, Barbara Halliday, Olden Henson, Bill Quirk,
Doris Rodriguez, & Bill Ward, City Councilmembers

From: Barry Luboviski, Secretary-Treasurer

Date: October 9, 2007

Re: Proposed Development At Residual Burbank School Site

Enclosed, you will find the Building Trades position with regard to developer selection for the Residual Burbank School Site. We are submitting facts that we believe to be relevant in this selection process. We firmly believe that the City of Hayward is uniquely prepared to address issues pertaining to responsible development and the effects brought about by such development on working families.

Too often, substandard construction work goes unseen until after residents have moved into their new homes or apartments. The skills that are brought to the job site by trained Union workers are not completely understood by the majority of the public. It is only when an emergency or dramatic chain of events occurs that the press gives some insight into the value of skilled workers in the construction workforce. The Bay Bridge seismic upgrade and the emergency rebuild of the freeway overpass destroyed by a truck fire are dramatic examples of what a highly trained workforce can accomplish.

As Secretary-Treasurer of the Building Trades Council, I am very aware of the impact on area wage and labor standards that is brought about by the use of workers that do not have the benefit of either training or representation. We are confident that after review of the material that we are submitting, you will be more fully informed of some of our concerns and better able to make an informed selection.

Thank you for your consideration of our concerns.

Sincerely,



Barry Luboviski
Secretary-Treasurer

BL:hm
opeiu:29/af-cio

The Building and Construction Trades Council of Alameda County, AFL-CIO contends that development projects coming before City Boards, Commissions and ultimately before City Councils should consider a broad range of criteria before approving those projects.

One of the criterion that should be considered is Labor Standards for the project. When the Building Trades Council placed a picket at the City Walk Project in Oakland for two weeks in December, 2006, it was already too late for the City Council of Oakland to consider whether or not to approve that project. The Building Trades Council picket occurred at the City Walk Project as a result of workers being paid low wages that impacted local wage standards. The other issue was less known by the general public. Union Representatives were denied access to the project. That is an important and basic right that we can not ignore because it has a direct impact on our ability to expose unsafe and illegal practices on the job site. The right of our Union Representatives to be on site is based upon California Penal Code Section 602(o) and the California Supreme Court's decision in, *In re Catalano*, that have clearly set forth our State's law that Union representatives shall have access to construction jobsites without being subjected to arrests for trespassing even where the general contractor is non-union. The Olson Company's City Walk Project ignored that right.

There was a preliminary meeting with The Olson Company in 2005 but that meeting did not result in any attempt by the developer to insure proper Wage Standards and Labor Relations for the City Walk project. The Olson Company had offices directly across the street from the City Walk project. A representative of The Olson Company spoke to the Secretary-Treasurer of the Building Trades Council briefly at the Building Trades Picket Line and the Secretary-Treasurer offered to discuss problems occurring on the job site at a future meeting. The Olson Company did not follow up with a meeting after the picketing and only met with the Council very recently, after the Secretary-Treasurer appeared in opposition to their selection as the developer for the Residual Burbank School Site.

As the representative of the Building Trades Council I have stated at numerous City Council meetings, that developers coming into the area ignoring wage standards and making no attempt to work with the Local Unions to insure properly trained workers on the job site can lead to projects that are built below the necessary standards that insure a quality built product. The City Walk ultimately failed in the most basic requirement, completion of the project in a timely manner. The consequence of the serious errors that we believe were made by The Olson Company has resulted in an unfinished project that has come to a complete halt with the danger of creating a blighted condition in downtown Oakland.

I have included information that we believe substantiates our contention that there were serious problems occurring on The Olson Company's, City Walk Project. We further believe that The Olson Company can not claim that they had no knowledge of the problems with Labor, or that there was nothing they could do. Although they had a very preliminary meeting in me in 2005 and did inquire about picketing in April of 2006 by contacting a neighboring Building Trades Council, they did not follow up in an attempt to resolve the issues raised by the Building Trades Council. We therefore oppose the selection of The Olson Company for the Proposed Residential Development at the Residual Burbank School Site.

Information On The Olson Company projects:

Project Name: City Walk

Project Location: 14th Street & Martin Luther King, Oakland

Description: 252-unit, seven-stories consisting of 4 towers

Project was started approximately – October 2004

All four towers are still not complete

Original projected completion of first building tower – November 2006, building tower still not complete.

Labor Issues:

On November 19, 2007 three Carpenter Union Representatives were arrested (citizen's arrest by one of the General Contractor's Managers). The Carpenter's Union Representatives were attempting to do a Health & Safety Inspection of the conditions of workers represented by the Carpenters Union on the job site. The District Attorney refused to prosecute the criminal charges against the Union Representatives.

On Monday, December 4, 2006 the Building Trades Council placed a picket line at the job site for two weeks charging that Unfair Labor Practices had occurred, that Union Representatives were denied entrance to the project and that workers were being paid below Area Standard Wages.

Framing Contractors working on the City Walk Project:

Madsen Pre-Fab Framing and Construction: The Company bid the project at \$20 per hour. That is significantly below the Area Standard Wage Package for Alameda County.

Antrim Engineering and Construction: The Company was paying below the Area Standard Wage

All Wall and Ceiling: The Company was paying below the Area Standard Wage

In January 2007, the press reported on workers being locked out of the job site and other labor problems. (see attachment and news link)

"OAKLAND: Kraig Debro Reports On Angry Protest By Workers At Oakland Construction Site "

Link: www.ktvu.com/video/10900026/index.html?taf=fran

and

July, 2007 Job Shut Down (see attachment and news link)

'Crown Jewel' Of Oakland Redevelopment In Limbo, Months Pass Without New Construction
By Pamela Tom, Channel 7 News

Link: <http://abclocal.go.com/kgostory?section=business&id=5694252>

Olson Halts Big Oakland Condo Project**San Francisco Business Times - by Ryan Tate**

Developer Olson Co. quietly halted construction on a half-finished condominium project in downtown Oakland, a troublesome turn for a project long seen by city officials as the centerpiece of their downtown housing push.

The construction freeze at City Walk comes amid a rash of cancellations and slowdowns for housing developments in downtown Oakland.

"It's a tough market right now," said Stuart Greundl, who is leading BayRock Residential's nearly-complete development of an 11-story condominium tower on the edge of Oakland Chinatown. "It's slow. But it's still plugging along."

There are roughly 1,300 market-rate condos available in the city, not counting projects smaller than 20 units, just under half of which have been on the market for one year or more. Another 1,600 rental and for-sale units are under construction.

Meanwhile, many lenders have stopped extending common forms of construction financing amid the debt market turbulence. Combined with falling prices and fears of glut in supply, that's sending developers throughout the city back to the drawing board.

Olson is the most dramatic example. The company confirmed it ceased construction on its 252-unit, seven-story City Walk project July 24, saying general contractor UPA California stopped work on the site at 1260 Martin Luther King Jr. Way. Olson declined to comment on when construction might resume, and city officials said they had no indication from the company on when the project might start up again.

Dick Whitney, a senior vice president at UPA, said the company had not been paid by Olson, filed suit against the company and is now busy working on other projects. Olson declined to comment on UPA's allegations.

Olson bought the land from the city's redevelopment agency in 2004 after a previous developer abandoned plans for a 36-story, 480-unit rental tower, saying the rental market was too weak. Ironically, the rental market is now surging right around the time that project would have been coming to market, with Bay Area rents up 7 percent this year to \$1,499 according to RealFacts.

Other developers are feeling the chillier market as well. Developer Alan Dones delivered an office building to Alameda County in November 2005, on time and under budget. But he's intentionally dragging his heels on 88 units of housing going in above a parking lot completed at the same time as the office building.

There was also an unplanned delay when construction temporarily stopped due to unspecified "issues" with a contractor, said Dones, who left a message but was traveling in Belize and could not be reached for elaboration.

Dones has construction under way again, but said he is taking a "more deliberate pace" in order to meet the housing market in spring, roughly a year later than originally planned.

"The market is a little slow," Dones said.

Dones and Olson are not alone. Over the past six months, three of the projects on the city's official list of "Major Development Projects" have been withdrawn or become inactive.

They include a 356-unit condo tower at 226 13th Street, a 315-residential-unit project called Cathedral Park at 2100 Martin Luther King Jr. Way in the Upper Broadway district of downtown and a 43-story tower at 1930 Broadway that was to mix office with housing, retail or hotel and is being reconfigured.

In July, the average sale price of a non-subsidized Oakland condominium fell to an average \$435 per square foot from \$450 per square foot in the first quarter, according to condo marketing firm the Mark Company.

'Crown Jewel' Of Oakland Redevelopment In Limbo **Months Pass Without New Construction**

 By Pamela Tom

OAKLAND, Calif., Oct. 5, 2007 (KGO) - It is supposed to be the centerpiece of Oakland's new downtown, but, so far, it isn't working out that way.

The 11-story "City Walk" condominium project was supposed to bring in thousands of people to work and live. Construction stopped suddenly though, and the project's future is clouded by thorny legal issues and the chilly housing market.

"City Walk" is the crown jewel of downtown Oakland, which is scheduled to feature 252 luxury condominiums with retail storefronts below. It has not been completed, and new condo buyers have endured months of no construction.

"I think there's a concern on our part that it gets done because it's a great project and a great location," said Claudio Cappio, Oakland Redevelopment Planning Director. Calls to City Walk's sales office went unreturned, so it's unknown how many buyers are on hold.

In late July, the work crews disappeared and all progress came to a halt. The project's developer, the Olson Company, will not say why.

UPA, the general contractor of the "City Walk" project told ABC7 it cannot comment because the work stoppage involves a legal issue.

Back in February, UPA locked out 200 workers at this same site, claiming one of its subcontractors had expired workman's compensation insurance. The subcontractor said UPA withheld payment over a question about illegal workers.

In a statement the Olson Company says:

"...we have repeatedly demonstrated cooperation and flexibility with UPA throughout the construction of City Walk. We are currently exploring several options for getting construction going again and will be providing buyers with regular reports on the progress of construction."

Craig Jones says he was expecting "City Walk" to open in December. His restaurant sits right across the street and he's looking forward to new customers.

"200 or 300 units, condo units, so it should really increase our business," said Craig Jones, "Uncle Willie's" restaurant owner.

Oakland's redevelopment planning director Claudia Cappio says construction on "City Walk" should resume November 1.

The city is pushing hard to attract 10,000 new residents to downtown that now features cultural renovations, and easy mass transit. 2,200 units are under construction despite a slowdown in the housing market.

"If they don't sell, they get rented out. So they become a rental property for awhile," said Cappio. "That's a win-win."

Three other housing developments in downtown Oakland are on hold because of the cool off in the real estate market. Governor Schwarzenegger signed legislation requiring mortgage companies to do a better job warning prospective home buyers about risky loans.

The new law also requires lenders to evaluate borrowers' ability to pay based on the long-term cost of the mortgage, not just the introductory rate.

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Central Labor Council of Alameda County, AFL-CIO

To: Honorable Michael Sweeney, Mayor of Hayward
Honorable Kevin Dowling, Barbara Halliday, Olden Henson, Bill Quirk,
Doris Rodriguez, & Bill Ward, City Councilmembers

From: Sharon Cornu, Executive Secretary-Treasurer
Dorothy Fortier, President

Date: October 9, 2007

Re: **PROPOSED DEVELOPMENT AT RESIDUAL BURBANK SCHOOL SITE**

Our Labor Council strongly urges your close review of recent experience with The Olsen Company in Oakland and the urgent need for high-road economic development standards that protect local workers and ensure quality projects.

The Hayward City Council has proven itself to be a leader in the region in tackling difficult development issues. In addition to a strong commitment to the environment, we share your belief in the value of a job done right the first time. Doing it right includes quality construction management and fair local wage standards. Responsible contractors plan for fair labor practices and deliver quality results on schedule.

We hope that you will evaluate other cities' experience, particularly with the City Walk project in Oakland, where a low-road, non-union and eventually anti-worker approach degraded project quality and derailed on-time performance.

The People of Hayward cannot afford a debacle like City Walk.

Such dime-a-dozen projects end up being expensive for future property owners, the community and the City. A regional elected official we have had the privilege of working with on community projects recently gave up a significant deposit on a substandard condo in a comparable development. She lost more money than she could afford to, saw firsthand what cheap construction delivers – and converted to a solid pro-PLA vote for working people.

Responsible contracting and fair labor standards go hand-in-hand. We request that you carefully research and reject The Olsen Company proposal.

Central Labor Council of Alameda County, AFL-CIO
100 Hegenberger Rd #150, Oakland CA 94621

Tel. (510) 632-4242 info@alamedalabor.org Fax (510) 632-3993 **opeiu29/afi-cio**

T:\Departments\CED\Redev\PROJECTS\RESIDUAL BURBANK SCHOOL SITE\Agenda Reports\Attachment E - Trade letters (put this letter second).doc



AMERICA'S BUILDER OF THE YEAR

October 15, 2007

Ms. Susan Daluddung
City of Hayward
777 B Street
Hayward, CA 94541

Re: Oakland City Walk

Dear Ms. Daluddung,

On behalf of The Olson Company, I am writing to respond to statements made recently by the Building Trades Council relating to the Oakland City Walk project and the relationship between Olson and the project's union labor. Because we believe some of the facts stated by the Trades Council were incomplete or inaccurate, we would like to provide the City Council with a summary of the facts as we know them and the steps The Olson Company has taken to resolve disputes surrounding the City Walk project.

We wish, as well, to reaffirm The Olson Company's firm commitment to a strong working relationship with both union and non-union workers on all Olson projects throughout the Bay Area.

Facts about the Oakland City Walk Project

- ❖ Olson hired UPA California as the general contractor for the City Walk project due to UPA California's representations as to its expertise in constructing mid-rise concrete and steel buildings. The City Walk project was different in this respect, in that Olson almost always acts as the general contractor for the communities it develops and builds. In accordance with that practice, Olson will be the general contractor for the Hayward Burbank School site should we be selected. Olson has acted as general contractor on all communities it has completed in Hayward.
- ❖ The Oakland City Walk project is a non-subsidized, market rate project, not subject to prevailing wage requirements. City Walk currently has approximately \$23 million in union contracts, with another approximately \$11 million in additional work available for union contractors.
- ❖ As the City Walk project's general contractor, UPA California – not Olson Company – was fully and exclusively in charge of all construction activities at the site. This included the project's subcontractors and suppliers, all of whom were hired and managed solely by UPA California. Olson was not provided with the details of the bids submitted by the framing contractor. As with any responsible

project owner, Olson fully relied on UPA California to hire quality subcontractors and to properly manage the work.

- ❖ In January 2007, UPA California claimed that one of its subcontractors failed to provide invoices and proper certifications in compliance with UPA California protocol and, according to UPA California, allowed its workers' compensation insurance to expire. For security and safety reasons, UPA California decided not to allow the subcontractor's workers back on site.
- ❖ Olson responded to the situation by working with UPA California to make sure all affected workers were paid in full for work performed to date, despite a dispute between UPA California and its subcontractor, the workers' direct employer. With Olson's encouragement, UPA California allowed workers to return to the site, under supervised conditions, to ensure that the workers were able to retrieve all of their tools.
- ❖ Olson met with the Secretary-Treasurer of the Building Trades Council shortly after the incident. Olson and the Council agreed to schedule a follow-up meeting, to continue working together in resolving any on-going labor concerns. With Olson's energies focused on completing the City Walk project over the next several months, the meeting was never scheduled. Likewise, the Building Trades Council itself never followed up with the planned meeting.
- ❖ In August 2007, Olson terminated UPA California as the project's general contractor, in accordance with procedures provided by the construction contract. As the matter is currently in dispute, Olson cannot comment on the basis for that termination. Olson immediately notified UPA California's performance bond surety, Liberty Mutual, of the action and requested that Liberty promptly step in to complete the work. Olson is currently awaiting Liberty's decision as to how it intends to proceed.
- ❖ In coordination with the surety, Olson is making every effort to arrange for the resumption of work on the City Walk project and to complete the project as soon as possible. Olson is thoroughly re-evaluating all trades to ensure the highest quality of work and professionalism will be met in every phase of construction.

We have taken drastic measures over the last six months in order to resolve disputes, ensure high quality workmanship, and get the City Walk project back on schedule. We were surprised by the statements made by the Building Trades Council last week that the Council and union representatives had any grievances directly with Olson, since the Council had made no attempt to directly communicate with Olson in the last seven months.

As the City Walk project's owner and developer, we regret not making greater efforts since earlier this year to communicate to the Building Trades Council the steps taken to correct the situation at City Walk. On October 9, 2007, in an effort to improve communication, we again met with union representatives and the Secretary-Treasurer of the Building Trades Council. During that meeting, we addressed the statements made by the Council, conveyed solutions to resolve City Walk issues, and expressed our sincere commitment towards building a stronger relationship with the Council and union representatives. Additionally, we shared with the Council the list of union and non-union

contractors on the City Walk project and have agreed to meet regularly with the Council going forward, on all Olson projects.

With approximately \$23 million in union contract work at City Walk, and another \$26 million in union contract work presently on Olson projects around the Bay Area, The Olson Company is deeply committed to both union and non-union workers and is extremely grateful for the high quality of work provided by those workers in building our communities.

The Olson Company is confident these issues will be completely resolved and is very excited about a stronger relationship with union trades. We hope this isolated project will not overshadow our outstanding track record building communities around the state, including City Walk, Orchard Walk, and Renaissance Walk in Hayward, and over ten other communities around the Bay Area. We trust that the merits of the proposal and the qualifications of the developer will be first and foremost in the Hayward City Council's considerations when it selects a partner for the Burbank School Site.

Sincerely,

A handwritten signature in black ink, appearing to read 'Tony Bosowski', written in a cursive style.

Tony Bosowski – President, InTown Communities

Cc:

Mayor Michael Sweeney
Council Member Bill Ward
Council Member Olden Henson
Council Member Kevin Dowling
Council Member Barbara Halliday
Council Member Bill Quirk
Council Member Doris Rodriguez
Greg Jones
Fran David
Maret Bartlett
Paul Dalmon