



February 12, 2015

TO: Honorable Mayor and City Council

FROM: Edward C. Starr, City Manager 

SUBJECT: WEEKLY REPORT: February 6-12, 2015

➤ ***CITY MANAGER/ADMINISTRATIVE SERVICES DEPARTMENTS***

- State lawmakers are preparing a sweeping package of bill proposals that would fulfill several of Governor Jerry Brown's climate change objectives by increasing California's reliance on renewable energy and alternative transportation fuels.

The introduction of the bills on Tuesday kick-started months of contentious negotiations among lawmakers, oil companies, utilities, environmental advocates, and Governor Brown. If the measures pass, California will embark on a 15-year mission to spur investment in clean technology, slash the amount of gasoline used on state roads and boost energy efficiency in thousands of aging buildings.

Overall, the legislative package largely reflects environmental targets detailed by Brown in his inaugural address last month.

With their proposals, the senators want to signal that California will continue fostering a growing market for renewable energy and alternative fuels — part of their bid to portray environmental regulations as good for the state's economy rather than a burden. Some lawmakers, even some Democrats, have sought to limit California's fight against climate change, but by focusing on economic development, supporters hope they can win enough votes to pass the bills.

Senate proposals follow regulations already on the books, notably a 2006 law that requires the state to reduce greenhouse gas emissions to 1990 levels by 2020. One of the new bills, would require an additional 80%

reduction in greenhouse gas emissions by 2050, a target set by former Governor Arnold Schwarzenegger in an executive order.

Another proposal would set a series of targets for 2030, including a 50% reduction in the use of gasoline for transportation. This goal could be achieved with a mix of alternative fuels, improved engine efficiency, and cutting the number of miles driven by Californians by promoting public transit.

Oil companies oppose the proposal and question whether it's achievable with so much of the state's transportation fuel — 92% — based on petroleum. Utility companies also have been skeptical, emphasizing a need for "flexibility" in meeting energy targets versus legislatively imposed regulations.

David Modisette, executive director of the California Municipal Utilities Association, said "those businesses would rather be judged on reducing carbon emissions than on increasing renewable energy". That would allow them credit for such acts as installing recharging stations for electric vehicles. Southern California Edison and other large utilities have floated a similar idea, saying it "will help the state reach its goals and do so at a lower cost for customers."

Yet another proposal would require a 50% increase in energy efficiency in existing buildings, which have not been subjected to the same standards as new structures. All of these policies, supporters say, would be geared toward creating new jobs.

Lastly, several proposals would require California's two largest pension systems — the California Public Employees' Retirement System and California State Teachers' Retirement System — to divest from coal companies. Less than .06% of the \$296.1 billion managed by CalPERS is invested in coal operations.

- One of the nation's largest solar energy project was dedicated earlier this week in the Riverside County desert, as California rushes to expand its use of green power to meet the state's renewable energy requirements.

The dedication of the Desert Sunlight Solar Farm comes about a month after Governor Jerry Brown called on the state to increase renewable electricity use to 50 percent by 2030, up from the current state goal of 33 percent by 2020.

Solar projects like Desert Sunlight are helping to create jobs, develop domestic renewable energy, and cut carbon pollution. Implementation of

renewable energy projects have been successful in taking action on both climate change and helping move the nation towards a stable and secure energy future.

The plant, which uses photovoltaic panels, is expected to produce enough power for about 160,000 homes. Constructed on about 4,000 acres of federal land, it is owned by NextEra Energy Resources, GE Energy Financial Services, and Sumitomo Corporation of America.

Nationwide, the U.S. Bureau of Land Management has approved 52 large renewable energy projects since 2009, including 29 solar plants. Desert Sunlight benefited from about \$1.5 billion in federal loan guarantees. The Energy Department has provided roughly \$4.6 billion in loan guarantees to support construction of five large photovoltaic solar projects in the Southwest.

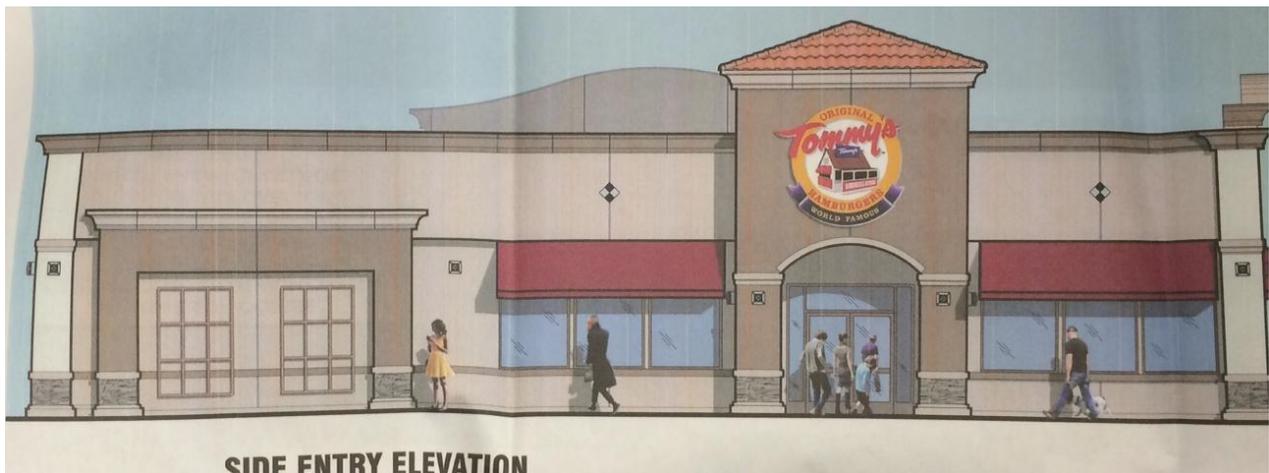
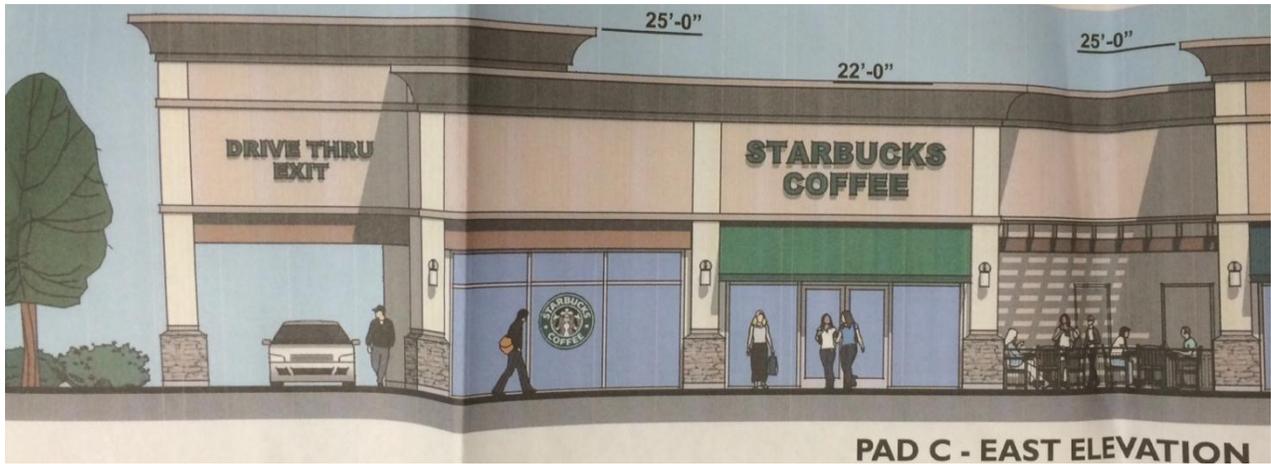
Locally, many cities, special districts, and private businesses have begun investing in locally sourced and produced renewable energy. PsomasFMG, based in Huntington Beach, California, designs, develops, finances, builds, and maintains solar energy systems for schools, businesses, governments, public agencies, and communities in Southern California and Arizona.

PsomasFMG has recently been working with local schools districts, including the Chaffey Joint Union High School District, to design, construct, and maintain solar energy projects. PsomasFMG recently completed insulation of parking lot shade structures complete with solar photovoltaic panels at Montclair High School.

➤ ***COMMUNITY DEVELOPMENT DEPARTMENT***

- On Monday night, the Planning Commission approved the 18,900 square-foot Montclair Shoppes project on the vacant, two-acre parcel on the east side of Central Avenue directly across from Costco. The meeting was well attended by local residents, some of whom had questions for the Commission and staff about access, building heights, and hours of operation of the proposed drive-thru businesses. The center will be anchored by Original Tommy's Hamburgers and Starbucks Coffee. The developer has indicated that rough grading of the site should begin in March.

Photo renderings are shown on the following page.



➤ **HUMAN SERVICES DEPARTMENT**

- The Montclair Community Certified Farmers Market is still going strong every Wednesday from 4-7 p.m. (new hours) at the Montclair Town Center (corner of Central Ave. and Benito St., in front of Dollar General; closed on days of inclement weather). The market has four new vendors. They are:
 - Amerikettle, selling fresh kettle corn
 - Mimi's Pupusas, selling El Salvadorian pupusas and tacos

- New Earth Cookies, selling gluten free and traditional baked cookies
- Rick's Produce, selling farm eggs and a variety of seasonal vegetables

Come down to welcome our new vendors and show your support to the vendors who continue to provide us with fresh produce, herbs, baked goods and other treats. Enjoy fresh produce from the farm to your table.

A collage showing three of the new vendors is shown on page 9.

➤ **PUBLIC WORKS DEPARTMENT**

- The final phase of the Richmond American housing tract was completed in December 2004. The tract was built at the former site of Margarita Elementary School. Margarita had operated grades K-6 from 1958 thru 1996, nearly 40 years. One condition of approval for this development was the installation of a pedestal and bronze plaque to commemorate the original school.

The bronze plaque was stolen early last year. Cities continue to have problems with the theft of many metal fixtures and wiring for their recycle value. Residents had requested that the plaque be replaced. Rather than replacing it with another bronze plaque, Public Works opted for an etched granite plaque.

The Public Works Department has been making memorial plaques for Public Works employees who have died and the department has gained skills in the art of sand etching of granite. The Public Works Department purchased some new granite and had a template made with the original wording that was on the bronze plaque. It was recently installed on the pedestal located at the northwest corner of Monte Vista Avenue and Princeton Street. The wording on the new granite plaque states:

Former Site Of
MARGARITA SCHOOL
The Ontario-Montclair School District
operated a K-6 elementary school on this site
educating two generations of
Montclair children between
September 1958 and June 1996



➤ **SUCCESSOR REDEVELOPMENT AGENCY/MONTCLAIR HOUSING CORPORATION**

- RadioShack was first founded in 1921, selling electronics, games, consoles, and tools. However, the long-lived electronics company filed for Chapter 11 bankruptcy last week. Radio Shack will close 1,784 stores across North America by March 31, the company confirmed in court documents.

RadioShack plans for the closures to come in three waves, the first of which will be completed by Feb. 17 with the closure of 162 stores. The second wave of closures will see 986 stores closed by Feb. 28, followed by a final purge of 636 stores by the end of March.

Despite filing for Chapter 11 bankruptcy, some stores will continue to exist. RadioShack operates 4,485 stores across the U.S. and it was reported General Wireless has plans to purchase between 1,500 and 2,400 stores. As part of an agreement with wireless service provider Sprint, 1,750 RadioShack stores will also be transformed into a combination Sprint/RadioShack retailer.

According to the Delaware court filing, RadioShack representatives said the company had \$1.2 billion in assets and \$1.38 billion in debt.

- Shake Shack, the Manhattan-based burger chain, has a cult following and witnessed investors gobble up shares last Friday when it became a publicly traded company.

In its initial public offering, shares were priced at \$21, but they jumped to nearly \$50 as trading began, and closed just under \$46.

Aaron Allen, a food industry consultant, says that a revolution is taking place in the restaurant industry. People want their food fast, but they don't want fast food. They want to see their food made to order and put together right in front of them.

Shake Shack hopes to be the Chipotle of burgers, Allen says. Nevertheless, the company already faces much competition from chains such as Five Guys, In-N-Out, and Habit Burger. He adds that the so-called fast-casual market has been very profitable, and it's expected to more than triple its sales within the next decade.

The rapid growth in the fast-casual market has come at the expense of traditional sit-down restaurants and fast-food chains. The rise of fast-causal chains has sparked a cannibalization of sorts in the heavily competitive restaurant industry, where profit margins are thin and food prices can be volatile.

Fast-casual chains have a leg up on fast-food chains, as their emphasis on assembly line format requires both less space and fewer employees, which are a restaurant's main expenses. The emphasis on fewer menu items with better, healthier ingredients has driven much of the growth of fast-casual as consumers have become focused more on quality and taste.

While the fast-casual market has become crowded, with a host of new entrants in an already competitive restaurant business, Shake Shack has tripled its store count in just two years, with 63 branches including locations in Las Vegas, London, and Dubai.

Shake Shack's commitment to quality ingredients and warm service has proved profitable, though the company is still a relative minnow. Shake Shack reported \$5.4 million in net income in 2013 on \$82.5 million in sales. Chipotle, by contrast, reported about \$327 million in net income on \$3.2 billion in sales in the same year.

Growing strategically, finding the right locations, and the right sites, will be one of the biggest challenges facing Shake Shack as it plans to expand nationwide.

Another potential challenge is that the so-called "better burger" slice of the fast-casual market is getting crowded. While the market may grow from \$3 billion to \$5 billion, in the next year, it won't grow much more — and consumers may slowly lose their hunger for burgers.

ECS:amp

*"Believe that you can and you're halfway there."
~ Theodore Roosevelt*

FEBRUARY 2015



12	Special City Council Meeting – Midyear Budget Review City Council Chambers	5:45 p.m.
16	Presidents' Day – City Hall Closed	
17	Code Enforcement/Public Safety Committee Meeting City Hall Conference Room	6:00 p.m.
17	City Council Meeting Council Chambers	7:00 p.m.
18	Montclair Farmer's Market Montclair Town Center	4:00 – 7:00 p.m.
19	Safety Committee Meeting City Hall Conference Room	9:00 a.m.
19	Public Works Committee Meeting City Hall Conference Room	4:00 p.m.
23	Planning Commission Meeting Council Chambers	7:00 p.m.
24	City Manager's Staff Meeting City Hall Conference Room	9:00 a.m.
25	Montclair Farmer's Market Montclair Town Center	4:00 – 7:00 p.m.

New Vendors at the Montclair Certified Farmers Market



Amerikettle



Rick's Produce



Mimi's Pupusas