



**Rick Werner**  
PRESIDENT/BUSINESS MANAGER

March 29, 2018

Honorable Mayor Liccardo and San Jose City Council  
200 East Santa Clara Street  
San Jose, CA 95113

RE: Item 3.3 – Private Development Workforce Standards/Community Workforce Agreements on  
Public Project  
**Support for Mayor Liccardo's March 16 Recommendations**

Dear Mayor Liccardo and San Jose City Council,

At the April 3, 2018 City Council meeting you will have an opportunity to utilize your immense power to lift up local skilled construction workers and provide many more of them with an opportunity to support themselves and their families by being paid a family sustainable wage, as they build San Jose.

You will also have the opportunity to grow the local skilled construction trades apprentice pipeline that will work to ensure there are enough workers entering the construction trades to meet growing demand.

You, as our elected leaders, should choose the "high road" developer/contractor model versus the "low road" developer/contractor model. The recently released study by Working Partnerships, **Construction in San Jose: Crisis and Opportunity**, *Growing Our Local Middle-Class Construction Workforce*, confirms that the disparate construction industry models leads to:

- Over half (54%) of blue-collar construction workers employed in Santa Clara County earn less than \$40,000 per year.
- 42% live in housing that is not affordable at their level of income.
- 41% either depend on public health coverage or are uninsured.
- 12% receive food stamps.

These startling facts can begin to change if you support the recommendations contained in Mayor Liccardo's March 16<sup>th</sup> memo—recommendations we support. The Build Better San Jose initiative that we are gathering signatures to place on the November 2018 ballot went much further than the compromise before you on April 3rd and we see no need to pursue signature gathering for this measure if the compromise is approved.

We are urging a "yes" vote to growing our local middle-class skilled construction workforce and supporting local workers being able to afford to live in San Jose and raise their families.

Respectfully submitted,

  
Rick Werner  
President/Business Manager



## SANTA CLARA VALLEY CHAPTER

NATIONAL ELECTRICAL  
CONTRACTORS ASSOCIATION

DOUGLAS J. LUNG  
Executive Manager

March 26, 2018

Honorable Mayor and City Council  
City of San Jose  
200 East Santa Clara Street  
San Jose, CA 95113

RE: April 3, 2018 City Council Meeting, Agenda Item 3.3  
Private Development Workforce Standards/Community Workforce Agreements on Public Project  
– **SUPPORT FOR MAYOR LICCARDO'S RECOMMENDATIONS**

Dear Mayor and Council,

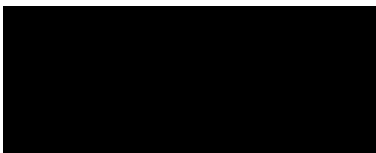
Santa Clara Valley Chapter, NECA writes to urge your yes vote for the recommendations contained in the memorandum dated March 16, 2018 authored by Mayor Liccardo; *Private Development Workforce Standards/Community Workforce Agreements on Public Project*. These recommendations will ensure more local construction workers will be paid a family sustainable wage and that the apprenticeship pipeline of skilled and qualified construction workers will be closer to meeting an ever-increasing demand.

Santa Clara Valley Chapter, NECA is comprised of local general contractors and we are pleased to support this important effort to level the playing field amongst bidders and provide a pathway to middle-class, family sustainable employment for construction workers on select public and private construction projects.

Our organization is committed to the goal of ensuring the skilled construction crafts are able to train the next generation of workers through support of apprenticeship programs. Recommendations contained in the Mayor's memorandum will assist in growing apprenticeship opportunities for veterans, youth, and underrepresented local workers.

Many of the provisions contained in Item 3.3 are the direct result of collaboration amongst key stakeholders around a set of compromises that avoids a contentious ballot measure. It is important to note that the proposed Build Better San Jose ballot measure would have required many more projects, both residential and commercial, be covered by prevailing wage and more stringent local hiring requirements.

Please join us in supporting the compromise before you today.



Douglas Lung, Executive Manager  
Santa Clara Valley Chapter, NECA



**BAY AREA CHAPTER**



NORTH BAY SAN FRANCISCO GREATER OAKLAND  
SAN MATEO SANTA CLARA

March 28, 2018

Honorable Sam Liccardo  
Honorable Chappie Jones  
Honorable Sergio Jimenez  
Honorable Raul Peralez  
Honorable Lan Diep  
Honorable Magdalena Carrasco  
Honorable Devora Davis  
Honorable Tam Nguyen  
Honorable Sylvia Arenas  
Honorable Don Rocha  
Honorable Johnny Khamis  
City of San Jose  
200 East Santa Clara Street  
San Jose, CA 95113

RE: April 3, 2018 City Council Meeting, Agenda Item 3.3

Dear Mayor Liccardo and City Councilmembers,

The Sheet Metal and Air Conditioning Contractors' National Association Bay Area Chapter (SMACNA) is urging you to support the recommendations contained in Mayor Liccardo's March 16<sup>th</sup> memorandum titled; Private Development Workforce Standards/Community Workforce Agreements on Public Project.

The Bay Area chapter of SMACNA represents over 200 union sheet metal and air conditioning contractors in seventeen Northern California counties. Our Member's Firms provide employment opportunities in excess of 8,000,000 man/women-hours throughout the Bay Area. We represent only signatory employers and are part of a National Association of over 1900 contracting firms and 104 local chapters throughout the United States.

Some local firms represented by our association include; Therma Inc., Air Systems Inc., Environmental Systems Inc. and Selco Inc.

The recommendations contained in the above referenced memorandum were the result of a collaborative effort that will level the playing field amongst bidders on select public and private construction projects. Local contractors and construction workers will benefit and the creation and sustainability of middle-class jobs will be increased.

BAY AREA ASSOCIATION OF SMACNA CHAPTERS, INC.  
AIRPORT CORPORATE CENTRE

[www.bayareasmacna.org](http://www.bayareasmacna.org)

Our member businesses are committed to supporting apprenticeship opportunities for those wanting to make a career out of the construction industry. The Mayor's recommendations will improve opportunity to train more local workers to continue to build San Jose.

It is our understanding that the proponents of the Build Better San Jose ballot measure are supportive of this compromise and that they will abandon their signature gathering if these policies are adopted. The proposed ballot measure would cover commercial as well as residential projects with much more stringent prevailing wage and local hiring requirements.

SMACNA urges your yes vote on Mayor Liccardo's recommendations from his March 16, 2018 memorandum.

Sincerely,

A large black rectangular redaction box covering the signature of Sean O'Donoghue.

Sean O'Donoghue  
Executive Vice President

# SPRINKLER FITTERS AND APPRENTICES

## LOCAL 483

OF THE UNITED ASSOCIATION OF PLUMBERS,  
PIPEFITTERS AND SPRINKLER FITTERS OF THE  
UNITED STATES AND CANADA AFL-CIO



Stanley M. Smith  
*Business Manager*

Jeffrey M. Dixon  
John Medina  
*Organizers*

Dylan M. Boldt  
Tony Rodriguez  
Dan Torres  
*Business Agents*

Bill Bourgeois  
*Market Development  
Representative*

April 3, 2018

San Jose Mayor and City Council  
200 East Santa Clara Street  
San Jose, CA 95113

Dear Mayor and Councilmembers,

On behalf of our members we ask you to support the hard fought compromise recommended in the memo written by Mayor Liccardo and to be voted on April 3<sup>rd</sup> at your City Council meeting (Item 3.3). These recommendations will provide more opportunity for those of us currently performing skilled construction work to continue our career and for many more to enter apprentice programs to begin a career in the local skilled construction industry.

Ensuring that more local construction workers are paid a family sustainable wage is also a major benefit of the compromise and that is good for San Jose neighborhoods and our local economy.

Many local construction workers are being paid less than \$40,000 per year, they lack health care benefits they can count on, and struggle to make ends meet. The compromise before you will provide good public policy to lift up those that are building San Jose and level the playing field between the "high-road" and low "low-road" development models.

We are counting on you to support local skilled construction workers and support those that want to make a career in the construction industry. We urge a YES vote on the recommendations contained in the March 16<sup>th</sup> memorandum authored by Mayor Liccardo.

Sincerely,

SPRINKLER FITTERS & APPRENTICES

STANLEY M. SMITH  
Business Manager/Financial Secretary

SMS/dk  
OPEIU-3-AFL-CIO





# Santa Clara & San Benito Counties Building & Construction Trades Council



David Bini  
Executive Director  
Robert Baldini  
President

Boilermakers 549  
Brick & Tile 3  
Carpenters 405  
Carpenters 2236  
Carpet & Linoleum 12  
Cement Masons 400  
Electricians 332  
Elevator Constructors 8  
Glaziers 1621  
Heat & Frost Insulators 16  
Iron Workers 377  
Laborers 270  
Laborers 67  
Lathers 9144  
Millwrights 102  
Operating Engineers 3  
Painters District Council 16  
Painters & Tapers 507  
Plasterers 300  
Plumbers & Steamfitters 393  
Roofers 95  
Sheet Metal Workers 104  
Sign, Display 510  
Sprinkler Fitters 483  
Teamsters 287  
UA Local 355

Affiliated with:  
State Building and  
Construction Trades  
Council of California  
California Labor Federation,  
AFL-CIO  
California Labor C.O.P.E.  
South Bay AFL-CIO  
Labor Council



April 2, 2018

Honorable Mayor  
Honorable City Council  
City of San Jose  
200 East Santa Clara Street  
San Jose, CA 95113

RE: April 3, 2018 City Council Meeting  
**Item 3.3 – Private Development Workforce Standards/Community  
Workforce Agreements on Public Project.  
Support for Mayor Liccardo's Recommendations**

Dear Mayor and City Council,

On behalf of the Santa Clara & San Benito Counties Building & Construction Trades Council I write to urge your yes vote on the recommendations contained in the memorandum written by Mayor Liccardo, dated March 16, 2018. These recommendations are the direct result of dialogue and negotiations intended to produce a true compromise that will strengthen opportunity for local workers to make a family sustainable career in the construction industry.

The Working Partnerships USA study, aptly named, **Construction in San Jose: Crisis and Opportunity**, *Growing Our Local Middle-Class Construction Workforce* validates that the construction industry has become split into two business models: the "high-road" model in which companies compete on productivity, efficiency, timeliness and quality of work, and the "low-road" model in which companies compete primarily by paying their workforce as little as possible. The "low-road" model does not serve our communities, and enriches only those who would exploit workers.

The compromise represented by the memorandum will send a clear message that San Jose policy-makers choose the "high-road" construction model and that you value good paying local construction jobs over those that pay substandard wages and shortchange workers on their benefits.

An educated and well-qualified construction worker pipeline is also strengthened by this compromise. Support for apprenticeship programs and a more focused effort to target at-risk youth, veterans, and other underrepresented populations to enter the construction trades is a smart investment.

The Building Trades Council is in support of the recommendations in Mayor Liccardo's March 16, 2018 memorandum and we hope you will stand with local construction workers and their families and vote yes to those recommendations.

Sincerely,

David Bini  
Executive Director





# PLUMBERS, STEAMFITTERS & REFRIGERATION FITTERS UA LOCAL UNION 393

**Steve Flores**  
*Business Manager*

April 2, 2018

Honorable Mayor  
Honorable City Council  
City of San Jose  
200 East Santa Clara Street  
San Jose, CA 95113

RE: **RESPONSE to Khamis Memorandum**

Item 3.3 – Private Development Workforce Standards/Community Workforce Agreements on Public Project.

April 3, 2018 – Council Meeting

Dear Mayor and City Council,

It's apparent that Councilmember Khamis's objections to Mayor Liccardo's recommendations contained in the Mayor's March 16, 2018 memorandum are based upon his lack of understanding as to what an actual compromise consists of.

Mr. Khamis writes the word "compromise" six (6) separate times in his memorandum as if there actually was a compromise on the issues outlined in Item 3.3. To be resoundingly clear, there was never a compromise, and it is disingenuous to state otherwise. Just because one states something over and over again, does not make it true.

As Dorothy so eloquently said as she began her journey along the Yellow Brick Road; "It's always best to start at the beginning." As such, let's look at the actual definition of the word compromise in hopes of assisting Mr. Khamis in recognizing that his memorandum is based on intellectually dishonest rhetoric.

**Collins Dictionary defines compromise:**

*A **compromise** is a situation in which people accept something slightly different from what they really want, because of circumstances or because they are considering the wishes of other people.*

**Wikipedia defines compromise:**

*To **compromise** is to make a deal between different parties where each party gives up part of their demand. In arguments, **compromise** is a concept of finding agreement through communication, through a mutual acceptance of terms—often involving variations from an original goal or desires.*





**Google search of compromise:**

*An agreement or a settlement of a dispute that is reached by each side making concessions. "an ability to listen to two sides in a dispute, and devise a compromise acceptable to both" synonyms: agreement, understanding, settlement, terms, deal, trade-off, bargain; More middle ground, happy medium, balance **"they reached a compromise"***

Now let's quote directly from page two of the Supplemental Memorandum titled, "Report on Community Workforce Agreement Negotiations" by Jon Cirirelli dated the same day, March 29, 2018 as Mr. Khamis's misguided missive:

**Negotiations**

On January 11, 2018 City Staff met with Josue Garcia, the CEO of the Santa Clara & San Benito Counties Building and Construction Trades Council, and two additional trade representatives. Following a review and discussion of the Council direction listed above, it was determined by the Building and Trades Council that the terms imposed are not acceptable or conducive to establishing an Agreement for a CWA. The representatives reiterated their request from their December 10, 2017 letter to the Mayor and Council that the City Council reconsider their decision.

Mr. Khamis knows that there was never a compromise on these very complex and important issues unless, of course, he believes a compromise can occur between one party negotiating against themselves.

The recommendations contained in Mayor Liccardo's March 16, 2018 memorandum should be supported as they are the direct result of an informed, sometimes heated, and ultimately successful negotiation. The result of these negotiations between the Mayor, the Building Trades, MEPS trades, Working Partnerships and the South Bay Labor Council have resulted in an **actual compromise** as defined by the Collins Dictionary, Wikipedia and Google above. We urge your YES vote on Mayor Liccardo's written recommendations.

Sincerely,

  
Steve Flores  
Business Manager

SF:sb(opeiu-29-afl-cio)



April 2<sup>nd</sup>, 2018

Honorable Mayor and City Council  
City of San Jose  
200 East Santa Clara Street  
San Jose, CA 95113

RE: April 3, 2018 City Council Meeting, Agenda Item 3.3  
Private Development Workforce Standards/Community Workforce Agreements on  
Public Project – ***SUPPORT FOR MAYOR LICCARDO'S RECOMMENDATIONS***

Dear Mayor and Council,

The Northern California Mechanical Contractors Association writes to urge your yes vote for the recommendations contained in the memorandum dated March 16, 2018 authored by Mayor Liccardo; *Private Development Workforce Standards/Community Workforce Agreements on Public Project*. These recommendations will ensure more local construction workers will be paid a family sustainable wage and that the apprenticeship pipeline of skilled and qualified construction workers will be closer to meeting an ever-increasing demand.

The Northern California Mechanical Contractors Association is comprised of local Sub-Contractors and we are pleased to support this important effort to level the playing field amongst bidders and provide a pathway to middle-class, family sustainable employment for construction workers on select public and private construction projects.

Our organization is committed to the goal of ensuring the skilled construction crafts are able to train the next generation of workers through support of apprenticeship programs. Recommendations contained in the Mayor's memorandum will assist in growing apprenticeship opportunities for veterans, youth, and underrepresented local workers.

Many of the provisions contained in Item 3.3 are the direct result of collaboration amongst key stakeholders around a set of compromises that avoids a contentious ballot measure. It is important to note that the proposed Build Better San Jose ballot measure would have required many more projects, both residential and commercial, be covered by prevailing wage and more stringent local hiring requirements.

Please join us in supporting the compromise before you today.

[REDACTED]  
Alex Hall  
Acting Executive Director

[REDACTED] [www.ncmca.org](http://www.ncmca.org)



**From:** Josue Garcia

**Sent:** Monday, April 02, 2018 3:29 PM

**To:** The Office of Mayor Sam Liccardo <TheOfficeofMayorSamLiccardo@sanjoseca.gov>; District1 <district1@sanjoseca.gov>; District2 <District2@sanjoseca.gov>; District3 <district3@sanjoseca.gov>; District4 <District4@sanjoseca.gov>; District5 <District5@sanjoseca.gov>; District 6 <district6@sanjoseca.gov>; District7 <District7@sanjoseca.gov>; District8 <district8@sanjoseca.gov>; District9 <district9@sanjoseca.gov>; District 10 <District10@sanjoseca.gov>; Taber, Toni <toni.taber@sanjoseca.gov>; Webmaster Manager <webmaster.manager@sanjoseca.gov>

**Subject:** Item 3.3 for April 3 letter of support

Hello, please find attached a letter of support for April 3rd, item 3.3,

Josué García

Director

Santa Clara County Residents for Responsible Development





**PLUMBERS, STEAMFITTERS  
&  
REFRIGERATION FITTERS  
UA LOCAL UNION 393**

**Steve Flores**  
*Business Manager*



March 28, 2018

Honorable Mayor and City Council  
City of San Jose  
200 East Santa Clara Street  
San Jose, CA 95113

RE: April 3, 2018 City Council Meeting  
**Item 3.3 – Private Development Workforce Standards/Community Workforce Agreements  
on Public Project.**

Dear Mayor and City Council,

Protecting, growing and sustaining middle-class skilled construction jobs in San Jose has not been easy. The creation of good jobs that pay family sustaining wages is a worthy goal. The recommendations contained in the March 16, 2018 memorandum by Mayor Liccardo will create good public policy to reach that goal. We urge you to support these recommendations.

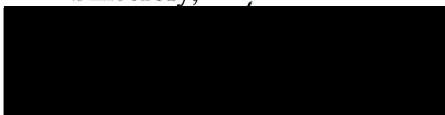
The Working Partnerships USA study, aptly named, **Construction in San Jose: Crisis and Opportunity**, *Growing Our Local Middle-Class Construction Workforce* validates that the construction industry has become bifurcated, split into two business models: the “high-road” model in which companies compete on productivity, efficiency, timeliness and quality of work, and the “low-road” model in which companies compete primarily by paying their workforce as little as possible.

This dichotomy means that whether or not employment growth produces family-supporting construction careers depends on which road we, as a region, decide to take.

For the past several months a coalition of Mechanical, Electrical, Plumbing and Sprinkler Fitter (MEPS) skilled construction workers have been working with the Mayor and City Manager on how best to create fair and meaningful public policies that will move San Jose toward a “high-road” model.

We believe the compromise contained in the Mayor’s memorandum moves San Jose in the right direction. Your support for these recommendations is critically important to protecting, growing and sustaining middle-class construction jobs in San Jose and we urge you to vote yes on these recommendations.

Sincerely,



Steve Flores  
Business Manager

SF:sb(opeiu-29-afl-cio)

April 2, 2018

Mayor Sam Liccardo  
City of San Jose  
200 East Santa Clara Street  
18<sup>th</sup> Floor  
San Jose, CA 95113

Re: Private Development Workforce Standards/Community Workforce Agreements on  
Public Projects

Dear Mayor Sam Liccardo and San Jose City Council,

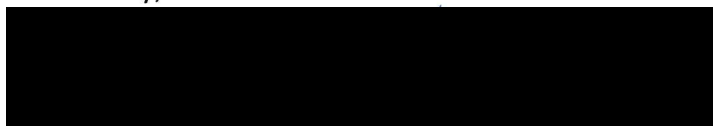
The Sobrato Organization appreciates the Mayor and City Council's most recent recognition of the current housing crisis facing both San Jose and the region. We also applaud the Mayor for taking the initiative to develop his ambitious 15-point housing plan targeting the construction of 25,000 new San Jose homes over the next 5 years with 40% of these being affordable.

Subsequent to the Mayor's announcement of this Housing Initiative, the South Bay Labor Council announced its intentions to begin collecting signatures for its initiative "Build Better San Jose" that would mandate practically all new development, both public and private, to include a requirement for project Community Workforce Agreements.

Recognizing the potential for unintended burdens on future housing of all types, the Mayor was able to initiate discussions with various stakeholders. Through these meetings a path to a compromise was reached that minimizes the potential impacts to the development of new housing while listening to the Labor Council and its members concerns around construction job creation and good wages.

We support the framework that the Mayor is bringing forth for Council deliberation. The product of these discussions helps address and support the ongoing housing needs and demands of our community. We hope that the City Council will consider its favorable support for this proposed agreement.

Sincerely,

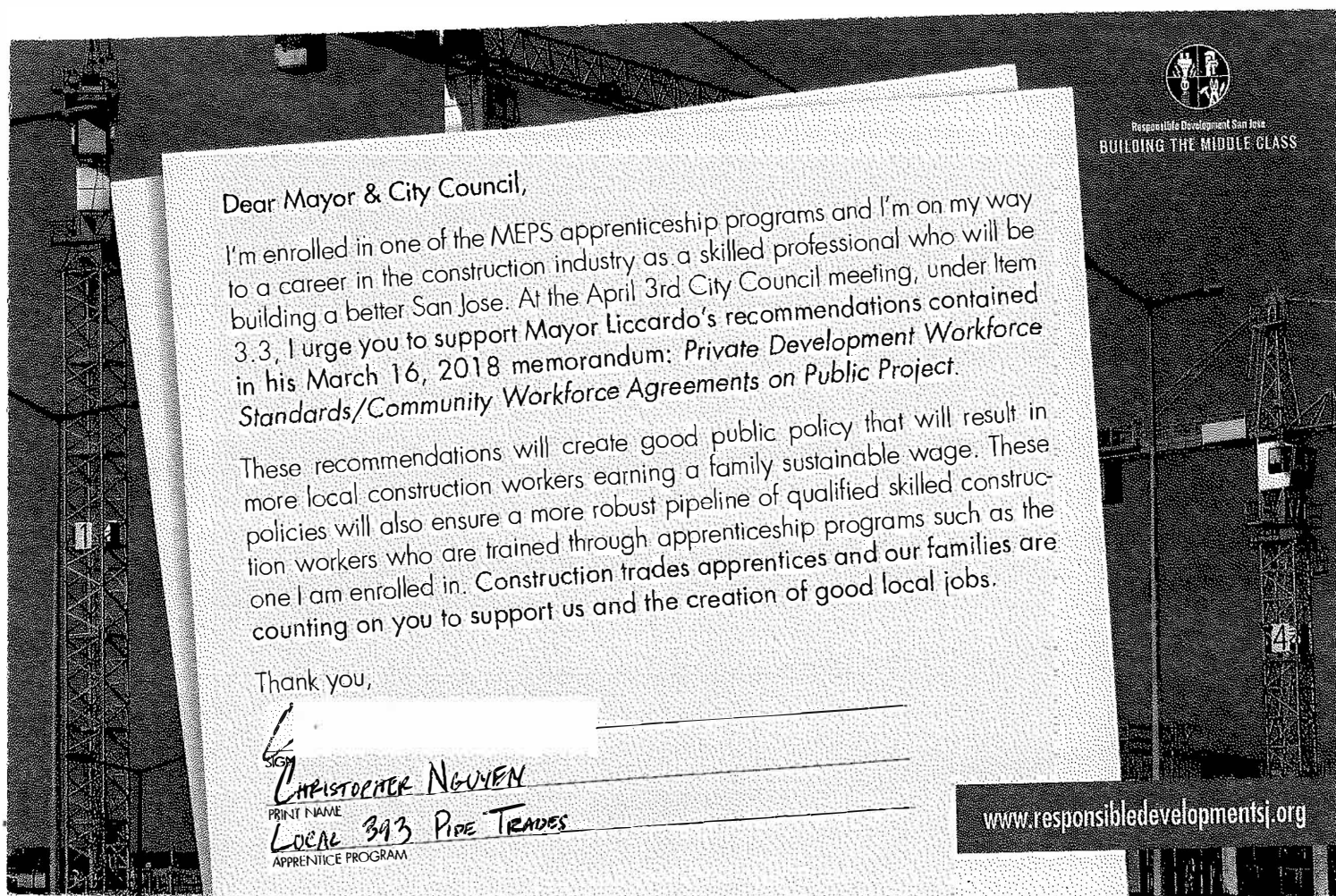


Robert Hollister  
President of Real Estate



Approximately 209 form postcards received as shown below.

If you want to view all 210, please contact the Clerk's Office at [city.clerk@sanjoseca.gov](mailto:city.clerk@sanjoseca.gov) or 408-535-1260.





**From:** Josue Garcia [REDACTED]

**Sent:** Monday, April 02, 2018 11:44 AM

**To:** The Office of Mayor Sam Liccardo <TheOfficeofMayorSamLiccardo@sanjoseca.gov>; District1 <district1@sanjoseca.gov>; District2 <District2@sanjoseca.gov>; District3 <district3@sanjoseca.gov>; District4 <District4@sanjoseca.gov>; District5 <District5@sanjoseca.gov>; District 6 <district6@sanjoseca.gov>; District7 <District7@sanjoseca.gov>; District8 <district8@sanjoseca.gov>; District9 <district9@sanjoseca.gov>; District 10 <District10@sanjoseca.gov>; Taber, Toni <toni.taber@sanjoseca.gov>; Webmaster Manager <webmaster.manager@sanjoseca.gov>

**Subject:** Letter of support for CWA/PLA

Dear,  
Mayor, City Council Members, City Clerk, and City Manger,

Please find letters of support for April 3rd item 3.3.

Josué García  
Director

[REDACTED]

International  
Electrical



Brotherhood  
Workers

AFL-CIO

Local Union No. 332



March 28, 2018

Honorable Mayor Liccardo and San Jose City Council  
200 East Santa Clara Street  
San Jose, CA 95113

RE: Item 3.3 – Private Development Workforce Standards/Community Workforce  
Agreements on Public Project.

Dear Mayor Liccardo and San Jose City Council,

Local skilled construction workers striving for the American Dream need your help. We look to you to create public policy that requires paying construction workers a family sustaining wage on projects receiving a city subsidy. We look to you to create public policy that grows the apprenticeship pipeline to meet the demand for skilled local construction workers. We look to you to create public policy that allows local construction workers, who are building San Jose, to be able to live and raise their families here.

After negotiating with skilled construction workers, contractors and developers, the Mayor has made a set of recommendations contained in his March 16<sup>th</sup> memo, that we support and urge you to support as well. It's a fair compromise that mimics what other cities are doing to foster and grow their respective middle-class skilled construction workforce.

Los Angeles voters enacted the prevailing wage and local hire focused Measure JJJ, Portland requires prevailing wages be paid in exchange for tax breaks, and San Francisco and Oakland both have local hire provisions. With passage of the Mayor's recommendations, San Jose will be moving in the right direction.

The economy is booming, but not for everyone. Development is booming but the benefits are not trickling down to the workers. We need your support, please vote yes on the Mayor's recommendations.

Sincerely,



Dan Rodriguez  
Business Manager

DR:jr/opeiu#29/afl-cio



## Santa Clara Valley Contractors' Association

March 27, 2018

Honorable Mayor and City Council  
City of San Jose  
200 East Santa Clara Street  
San Jose, CA 95113

RE: April 3, 2018 City Council Meeting, Agenda Item 3.3  
Private Development Workforce Standards/Community Workforce Agreements on Public Project  
– **SUPPORT FOR MAYOR LICCARDO'S RECOMMENDATIONS**

Dear Mayor and Council,

The Santa Clara Valley Contractors Association (SCVCA) is writing to urge your yes vote for the recommendations contained in the memorandum dated March 16, 2018 authored by Mayor Liccardo; *Private Development Workforce Standards/Community Workforce Agreements on Public Project*. These recommendations will ensure more local construction contractors and their workers will be paid a sustainable wage and that the apprenticeship pipeline of skilled and qualified construction workers and contractors will be closer to meeting an ever-increasing demand.

SCVCA is comprised of local (many family owned) union mechanical and plumbing contractors representing billions of dollars in local construction and 6 million plus construction man hours annually. We are pleased to support this important effort to level the playing field amongst bidders on select public and private construction projects. This will provide a pathway to hiring "local contractors and workers" the result being sustainable middle-class employment in Silicon Valley.

Our contractors are committed to the goal of providing skilled construction crafts. We can train the next generation of workers through support of local apprenticeship programs. Recommendations contained in the Mayor's memorandum will assist in growing apprenticeship opportunities for local veterans, youth, and workers.

Many of the provisions contained in Item 3.3 are the direct result of collaboration amongst key stakeholders around a set of compromises that avoids a contentious ballot measure. It is important to note that the proposed Build Better San Jose ballot measure would have required many more projects, both residential and commercial, be covered by prevailing wage and more stringent local hiring requirements.

We urge you to support this important compromise.

[REDACTED]  
Larry Gates  
Executive Manager

LG/aw

cc: Steve Flores, Business Manager, Local 393  
Rick Werner, Business Manager, Local 104

Don Little  
Senior Vice President  
Development  
Trammell Crow Company

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

March 29, 2018

Mayor Sam Licarrdo  
City of San Jose  
200 East Santa Clara Street  
18<sup>th</sup> Floor  
San Jose, CA 95113

RE: PRIVATE DEVELOPMENT WORKFORCE STANDARDS/COMMUNITY WORKFORCE  
AGREEMENTS ON PUBLIC PROJECTS

Mr. Mayor,

I have reviewed and considered your recent memo's pertaining to solutions around labor policies in San Jose. I believe these present a rational and balanced framework for understandings between the City, business interests, labor interests and the community at large. Hopefully, the additional clarity provided to community stakeholders will encourage local workforce development and serve to minimize misunderstandings in the business/labor sector.

I support this direction and wish to thank you for your leadership on this matter.

Best regards,

[REDACTED]

Don Little





March 28, 2018

Mayor Sam Liccardo and City Council  
City of San Jose  
200 East Santa Clara Street  
San Jose, CA 95113

**Re: The SVO's Response to Mayor Liccardo's Memorandum**

Honorable Mayor Liccardo and City Council:

On behalf of The Silicon Valley Organization (The SVO), I am submitting this letter in response to Mayor Liccardo's memorandum and supplemental dated March 21, 2018. By way of background, we are the Silicon Valley's premier business advocacy organization representing 1,400+ companies that employ nearly 300,000 workers and we represent our membership as the region's largest Chamber of Commerce.

First of all, we are grateful for Mayor Liccardo's diligent efforts in trying to come up with a compromise that potentially could bring forth solutions that are beneficial to both the labor unions and the business community in regard to private development workforce standards and community workforce agreements on public projects. The SVO staff has convened multiple meetings with our key stakeholders over the course of many months to discuss a myriad of components that are related to the aforementioned issues. I hope that you will take into consideration the recommendations below as you meet and deliberate these critical issues at the city council meeting on April 3, 2018.

These recommendations have been vetted by our key stakeholders and I believe they will assist with keeping development sustainable in our city for many years to come.

**Executive Committee**

**2018 BOARD CHAIR**

Lennies Gutierrez  
Comcast

**FIRST VICE CHAIR**

Marc Parkinson  
Petrinovich Pugh & Co., LLP

**SECOND VICE CHAIR**

Roxanne Vane  
Heritage Bank of Commerce

**VICE CHAIR ECONOMIC**

DEVELOPMENT  
Rick Beatty  
Lehigh Hanson

**VICE CHAIR MEMBERSHIP**

Jeanne Serpa  
Republic Services

**VICE CHAIR BUSINESS VELOCITY**

Paul Cardus  
Silicon Valley Realtors

**VICE CHAIR**

COMMUNITY ADVANCEMENT  
Janikke Klem  
Tech CU

**AT-LARGE**

Anil Babbar, California  
Apartment Association

Michael Bangs  
Oracle

Sean Cottle  
Hoge Fenton

Tracey Enfantino  
Environmental Systems, Inc.

Tony Mirenda  
Blach Construction Company

Hanh Nguyen  
Kaiser Permanente

Michael Turpin  
Bay Area News Group

**LEGAL COUNSEL**

Eugene Ashley, Esq.  
Hopkins & Carley,  
A Law Corporation

**TREASURER**

Michael Fox Jr.  
Goodwill Silicon Valley

**IMMEDIATE PAST CHAIR**

Dan Bozzuto  
Bozzuto Insurance Services

**PRESIDENT & CEO**

Matthew R. Mahood  
The Silicon Valley Organization

### The SVO's Recommendations:

1. Private Development Workforce Standards:

In an effort to provide greater clarity and complete transparency regarding public subsidy for private development, the SVO recommends amending Exhibit A (Paragraphs A & B) with the below language. The amended language for Paragraphs A & B will provide true confidence that future private development projects will be excluded from the Workforce Standards. Our concern is that even if a project has one or more exemption categories the possibility that some other aspect of the project that is not specifically exempted will arguably fall under the broad definition contained in Section C.

The substituted language assures greater certainty by removing the opportunity to challenge and hold every private development project hostage until an issue of public subsidy is resolved, potentially costing money, time delays or the extraction of concessions to drop the challenge. The potential for this challenge can be likened to a CEQA lawsuit strategy.

2. A. Workforce standards (including prevailing wage, apprentice ratios, local and targeted hire, and monitoring and compliance provisions, all described in Paragraph D., below) shall only be mandated upon private development where there is a public subsidy (as specifically defined in Paragraph B., below) for that project AND the project is not excluded pursuant to Paragraph C, below. Such standards shall not be mandated upon private development where there is no public subsidy (as specifically defined in Paragraph B., below) OR where there is an applicable exclusion pursuant to Paragraph C, below),

3. B. A private development project shall only be subject to the workforce standards if it (1) receives a public subsidy from the city as specifically defined in this paragraph AND (2) is not excluded pursuant to Paragraph C, below.

"Public subsidy" means one or more of the following and nothing other than the following:

1. A direct contribution of publicly-owned land on which the private development will be constructed.
2. Sale or lease of publicly-owned land to the project at a below fair market value.
3. Waiver or reduction of a fee, as defined in the Mitigation Fee Act or the Quimby Act, where the waiver or reduction is not applied uniformly across an entire category of projects, wherein "category" is limited to five general designations: "residential," "office," "retail," "research & development," and "industrial."
4. Waiver or reduction of a city development tax, as defined in this paragraph, where the waiver or reduction is not applied uniformly across an entire category of projects, wherein "category" is limited to five general designations: "residential," "office," "retail," "research & development," and "industrial." "City development tax" means the Building and Structure Construction Tax, the Construction Excise Tax, or the Residential Construction Tax.

D. We recommend the following change to Exhibit A. D. Workforce Standards (4) Targeted Hiring of Disadvantaged Workers – Good Faith Effort to Hire Disadvantaged Workers for 25% of Apprentice Hours. II. Definitions: add or a NCCER certified pre-apprenticeship program.

4. Capital Bond Measure:
  - A. In an effort to better understand the impact of this potential bond measure has on taxpayers, we would like to see a list of projects prior to making a decision. Nevertheless, we understand and support measures that consistently keep our community safe and secure so we hope that projects such as police stations, fire stations and other critical infrastructure projects would not be subject to the Project Labor Agreement.
5. Best-Value Contracting:
  - A. Maintain the Charter provisions that mandate “lowest-cost bidder” but also include a stringent pre-qualification process in an effort to quickly eliminate applications that do not adhere to all the criteria(s) and potentially reduce unnecessary protests.
6. Community Workforce Agreements:
  - A. Allow the first thirty-five (35) workers employed by non-signatory Contractor/Employer to come from its own core workforce, prior to the imposition of any requirement to hiring workers from the union hall. (a) To minimize risk of malfeasance, staff may consider measures to ensure accurate designation of “core” employees, such as by requiring non-signatory subcontractors to identify their core workforce at the time of bidding. (b) “Core” employees of non-signatory employers shall not be required to pay union dues and fees.
  - B. Permit signatory and non-signatory Contractors/Employers to select and directly hire all supervisors above general foreman.
  - C. A non-signatory Contractor/Employer shall compensate any workers for benefits in excess of the basic hourly wage in accordance with the applicable prevailing wage determination established by the Department of Industrial Relations pursuant to California Labor Code and the City’s Prevailing Wage Policy. Contractor/Employer shall either: (a) Directly compensate the core worker, or (b) Contribute to Contractor/Employer’s sponsored benefit plans on behalf of the worker, or (c) Contribute to the Union’s established employee benefit plan on behalf of the worker.
  - D. Exempt subcontracts of \$250,000 or less in value.
  - E. Apply a \$3 M threshold for applicability of CWA/PLA mandates with the incorporation of “FAIR” PLA language.
  - F. Employment of apprentices on public works. Contractors, as defined in Section 228 to include general, prime, specialty or subcontractor, shall employ registered apprentice(s), as defined by CALIFORNIA LABOR CODE (2007) § 1777.5.

We believe these recommendations will help accomplish the Mayor and Council’s efforts to bring solutions to issues relating to private development workforce standards/community workforce agreements on public projects that will remove barriers and increase opportunities for all City of San Jose taxpayers and residents. As such, we highly recommend the Mayor and City Council adopt these recommendations as proposed by the SVO.

Sincerely,



Matthew R. Mahood  
President & CEO