



UnionYes

San Diego and Imperial Counties Labor Council

May 19th, 2017

Mayor Kevin L Faulconer
202 C Street, 11th Floor
San Diego, CA 92101

Re: Transient Occupancy Tax Measure Proposed for November 2017

Mayor Faulconer:

We appreciate the time and effort that you and your office has taken to reach out to us, in consideration of the Proposed Ballot Measure to Increase the Transient Occupancy Tax up to 1, 2 and 3% to Fund a Contiguous Phase III Convention Center Expansion, Initiatives to Reduce Homelessness and Road Repairs (“TOT Measure”). The City’s cost estimates for the Coastal Commission-approved Phase III expansion project range between \$630 million to \$685 million, which we estimate would generate 3,800 construction jobs and 4,500 permanent jobs.

The unions of the San Diego and Imperial Counties Labor Council as well as the undersigned unions represent San Diego’s local workforce that will build, operate and maintain the expanded Convention Center facility. We have had an excellent working relationship with the Convention Center’s Board of Directors, and have operated under an umbrella Memorandum of Understanding with the Convention Center. This harmonious relationship has maintained labor peace, and provided a high-quality service that has made our center one of the most successful and profitable in the nation.

We have supported the contiguous Convention Center expansion in the past, and would like to see the Convention Center expanded in a way that includes labor in both construction and operations. We support this measure going to the ballot in a regularly scheduled General Election so as to ensure that the maximum number of voters can participate in such an election, as indicated by 65.8% of San Diego voters under Measure L in November 2016.

Nevertheless, we are concerned about the lack of commitment that the construction and operation of the expanded facility will be done by local workers, who would have good quality wages, benefits and training opportunities. Furthermore, we, along with a coalition of affordable housing advocates, are concerned about the inadequacy of housing solutions being incorporated into the TOT Measure.



UnionYes

San Diego and Imperial Counties Labor Council

In our decision-making process on the final ballot measure, we will be looking at the following three conditions to be satisfied:

- (1) Requirement of a Local Hire Agreement for the construction of all projects over \$1 million funded by the TOT measure. This agreement, approved as part of the City Council action on the ballot measure, and negotiated with the San Diego Building and Construction Trades Council, would subject the expenditures of the ballot measure to the following terms: (i) a certain share of the workforce resides within the San Diego, as well as targeted outreach to low-income communities and veterans; (ii) job training partnership with the relevant Joint-Labor Management Apprenticeship programs; (iii) no strikes, and neutral arbitration of labor disputes.
- (2) Adoption of an Operations and Maintenance Agreement for the expanded Convention Center, to extend through the 40-year term of the TOT measure. This agreement, which may be separately but concurrently adopted by the City Council, would include the labor organizations that are currently part of the Memorandum of Understanding on the operations, the San Diego Building and Construction Trades Council on the maintenance, and unions representing food service and concession workers hired by contractors. It would secure the proprietary interest of the facility management by maintaining labor peace, ensuring quality workforce, and reducing risk of operational disruptions. The agreement would also require a certain share of the workforce to reside within San Diego.
- (3) Support the placement of a ballot measure similar to Measure JJJ, also called Build Better L.A., passed by 65 percent of voters in the City of Los Angeles in November 2016. This City of San Diego ballot measure would impose affordable housing and labor standards on large, discretionary residential projects, provide accountability in the land-use planning and development approval process, and create funding opportunities for more affordable housing as well as enforcement of the City's tenant protection laws and vacant/substandard property code enforcement.

We believe that these three conditions are appropriate to the nature and scale of the tax being proposed, and the support that our unions have provided to the approval of the project in the past. We also believe that the will of the voters under Measure L needs to be respected. This ballot measure affects thousands of working women and men in San Diego, and will make ourselves available to further discuss them. **However, as it is currently proposed, we cannot support the TOT Measure going forward to a Special Election this November**

Sincerely,

Keith Maddox

Jerry Butkiewicz