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>> Mayor Reed: Good morning, we have a quorum, we have no one here that wishes to speak, we're going to go into closed session, we'll return at 1:30.

>> Mayor Reed: (gavel strike) Good afternoon. I'd like to call this meeting to order. This is San José city council meeting of October -- I'm sorry, December 11th, 2012. We'll start our meeting with invocation as usual. I'd like to introduce Imam Tahir anwar, of the South Bay Islamic Association, who will do the invocation. Imam Tahir Anwar was born in London, moved to San Francisco Bay Area in 1983 and made his home in San José. Upon completing his religious studies in India, he has been serving as the imam of the Islamic Center of San José since 2001. He's also served on the human rights commission of San José for over five years. Imam, thank you for joining us.

>> Thank you. Good afternoon, dear honorable mayor and city councilmembers and all the guests. I'd like to begin by thanking you for allowing me to be here in this beautiful day in the city I've called home for the last 30 years. A city whose public services made me who I am today and my children continue to benefit from by playing at its parks and going to its great schools. That said, I'd like to share three very brief reminders from my tradition, the tradition of Islam, reminders for leaders in the community. Number one, trust. The people of this city, including myself, have put our trust in you to make the right decisions, decisions that will keep the city safe and make the city the best of all cities. The Koran, a book that guides our daily lives reminds us to render back the trusts to whom they belong. I remind myself that the decision is you make affect all the residents of this city. Sometimes we become complacent. Ernest Hemingway said, the best way to find out if you can trust somebody is to trust them. We've put our trust in you to ensure that our city remains safe, clean, productive, and so much more. Number two, sincerity. One of the first things Islamic teach us ask sincerity. Without sincerity, all is lost. The prophet Mohammed teaches us, all actions are based on intentions. I urge you all to look inside yourselves and ask why you sit here. And why you do what you do. I'm confident that you're sincere, but we need to continuously remind ourselves of this. In Islam we're required to reflect every day before we go to sleep to see if we're sincere or not. And finally number 3, justice. My faith teaches of a life in the hereafter. A life that will begin with a day called the day of judgment like many other traditions. A day on which we believe that seven types of people will be under the shade of God and the first in that category happens to be a just leader. I share with you two quotes. Martin Luther King has said human progress is neither an automatic nor inevitable. Every step towards the goal of justice requires give, suffering and struggle. Dedicated individuals. Albert Einstein has said in matters of truth and justice there is no difference between large and small problems for issues concerning the treatment of

people are all the same. With this said I urge you to continue the great work that you're doing. I know you share my hope that the voices of peace and justice will rise before all and bring health, happiness and prosperity to the people of this city and the entire world. Many different cultures races and faiths of the earth, San José can serve as a role model for understanding one another and finding ways to minimize our differences, highlight our commonalities and embrace our individual strengths for the betterment of society. Thank you, and may God bless you.

>> Mayor Reed: Thank you for joining us today. We'll now have the pledge of allegiance. Please stand. [pledge of allegiance]

>> Mayor Reed: First item of business are the orders of the day. Are there any changes to the printed agenda?

>> Councilmember Pyle: Motion to approve.

>> Councilmember Herrera: Second.

>> Mayor Reed: We have a motion to approve the orders of the day. On that motion, all in favor, opposed, none opposed, orders approved. I'm sorry, there is one item I need to back up, item 3.4 boards and commissions work plans, needs to be deferred. I forgot that. Do we have a date for the deferral?

>> Dennis Hawkins: January 15th, Mr. Mayor.

>> Mayor Reed: January 15th. We'll incorporate that in the orders of the day unless somebody objects. I'd like to note as specified in the orders of the day that this meeting will be adjourned in memory of Anthony Tony DiMaggio, owner and operator of Tony DiMaggio's pizza since 1977. Who passed away on November 25th, 2012. Vice Mayor Nguyen has some comments.

>> Vice Mayor Nguyen: Thank you mayor. This meeting will be adjourned in memory of Anthony DiMaggio, Sr., born on July 26th, 1938 and passed away on November 25th, 2012, surrounded by his loving family. Tony, as he was fondly called, was the owner and operator of DiMaggio's pizza on Monterey Road near Capital Expressway since 1977. Tony was simple great customer service and always greeted everyone that came to the restaurant with a smile. Tony will always be remembered for his passion to serve his customers the best way possible. He placed customer service as a top priority and always wanted to make sure that every customer leaves with the appetite satisfied and a smile on their face. He was a devoteand loving husband to Anna DiMaggio for 50 years. He was also the beloved father of Tom, Jack and the late Tony DiMaggio, Jr. and the adored grandfather of six grandchildren. Tony's family members are unable to be here today since they have a business to run. But on behalf of the city and all his customers I want to express my gratitude for Tony's service to our community, we're all going to miss him and I offer his family our deepest condolence he. Thank you.

>> Mayor Reed: Thank you, Vice Mayor. Next item is the closed session report. I'd like to report that the council has appointed Tony Tabar as our acting City Clerk, while we do the search to fill the position. Tony, thank you for being willing to step in, appreciate that. Anything else from City Attorney on closed session?

>> City Attorney Doyle: No other report.

>> Mayor Reed: We'll now move to ceremonial items. Would like to start by inviting Councilmember Chu and members of SEA medical systems to join me at the podium. Today we're commending S.E.A. medical systems for their continued service and development of a vibrant and prosperous business and community partner in the City of San José. Councilmember Chu has some of the details.

>> Councilmember Chu: Thank you mayor. I'd like to thank my colleagues and the mayor in joining me to welcome and to commend S.E.A. medical systems for its investment in San José and finding a new home in the heart of Silicon Valley and San José district 4. I'm very happy that S.E.A. medical systems has chosen to relocate their headquarters from a neighboring city Santa Clara and brought new jobs to San José. S.E.A. medical systems is known for its dedication to patient safety and has developed the first medical device that can instantly

identify intravenous drug samples and prevent drug errors. Over the summer, I attend a ribbon cutting ceremony to celebrate the grand opening of S.E.A. medical systems new facility located in North San José. The new 14,000 square feet headquarters replaced the company's prior facility and provide office and laboratory space to house a rapid-growing workforce. Thank you very much for investing in San José, I appreciate a growing investment, that you have made into the community, and look forward to seeing your continued success and growth. At this time I'd like to ask the mayor to present a commendation to S.E.A. medical system and recognize and commend them for their continued success and development as a vibrant and prosperous business and community partners in the City of San José. Here, to accept the commendation is their CEO, Michael Wickart, and the chief financial officer, Doug Hemmaton. So Mayor, would you please do the honor. [applause]

>> Thank you much, honorable mayor. Councilman Chu, the other honored councilpeople and the guests, we're delighted to be part of the community here in San José. It's an excellent location for our business. Our business consists of chips, software and electronics to help prevent errors that can kill patients in the hospital or other IV care situations. Where could we better locate, to have those -- to be at the epicenter of those industries than in San José? So we're grateful to be part of this community. We look forward to growing with this community and be a big contributor to the business of San José. So thank you very much for this award and honor. [applause]

>> Mayor Reed: Now I'd like to invite councilmembers Pyle and Kalra and members of the responsible landlords engagement initiative team for their effort to encourage and motivate landlords and new investors to commit to maintain their properties in good standing.

>> Councilmember Pyle: Ladies and gentlemen I'd like to tell you a little about the RLEI commendation for Ken Kelly and Jaime Angula. The responsible landlords engagement community initiative is a community initiative to encourage and motivate landlords and investors to manage their multifamily, single family and commercial properties properly and responsibly. The RLEI was formed through partnerships between neighborhood housing services Silicon Valley, United neighborhoods Santa Clara County and neighbor works. And since their formation have grown to include tricounty apartment association, housing authority of Santa Clara County, and the law foundation of Silicon Valley. All which is very impressive considering it's only been a couple of years since they've

been in operation. RLEI works to bring positive resolution to tenant and landlord concerns. Through work with residents in an affected community to provide strong evidence of the concern and then bring the situation to the attention of the property owner so improvement action can be put into place and developed. RLEI is a strong asset to the San José community and a great example of what community partnerships can achieve and therefore, mayor, I would like to ask you to give the commendation to both Jaime and to Ken, I'm not sure which of the two would like to speak, perhaps both.

>> Just briefly. Where else but in San José could a program like the responsible landlords engagement initiatives happen? This is community driven. This came from an idea from one of our neighborhood associations where we were urged to take action to help people make their lives better. Where it could it happen but in San José? All volunteers. Thank you. [applause]

>> Mayor Reed: Now I'd like to have representatives of the San José park ranger program join me at the podium, with Councilmember Pyle. As we celebrate the park ranger program and its 40th anniversary.

>> Councilmember Pyle: If you notice to our left is a very good-looking group of rangers on their way down to join us and I would like to tell you a little bit about the 40th anniversary of the park ranger program. The program began in 1972, with one park ranger! One lonely park ranger! Assigned to Alum Rock park. But the program has grown to provide park ranger services to the citywide, regional park facilities and trail systems. In addition to interpretive programs, conservation efforts and educational activities for school aged children, the San José park ranger program plays an integral role in the provision of recreation and the preservation of natural beauty for the enjoyment of our community and future generations. The park rangers are strongly committed to the public services philosophy while working to provide safe and enjoyable park experience for the park visitor. They promote a better understanding of park values, provide a high level of competency in visitor services and enforce rules. If you ever want to learn a lot about what's going on in the community, sit down and talk to a park ranger and you'll absolutely learn volumes. So with that, mayor I would love to have you give the commendation to Angie Martinez. And I think Angie is going to be the one to speak. [applause]

>> Thank you honorable mayor, city council members, City Manager, and especially, Councilmember Nancy Pyle. I wanted to take a moment on behalf of the San José park rangers and thank you for coming today and celebrating a milestone event. The 40th anniversary of the San José park ranger program. As you've heard, we were established in 1972, with only one ranger. And they were assigned to Alum Rock park. We have since grown up and we have over seven regional parks. Over several dozen parks in the neighborhoods. And trails that we patrol. And we look forward to a prosperous future. Thank you again for your time. [applause]

>> Mayor Reed: Thank you all very much.

>> Councilmember Pyle: I'd like to ask all of my fellow councilmembers to come down now. Because we have a surprise commendation.

>> Mayor Reed: We do.

>> Councilmember Pyle: Not on the agenda. We are definitely adding it, I'll wait. They're pretty fast though, aren't they? Khamis we're all here?

>> Mayor Reed: Sam's a little slow.

>> Councilmember Pyle: Dennis Hawkins has been a productive employee of the City of San José for a total of nearly 20 years. First joining the city in 1978, for a year as a city council legislative support assistant and then coming back in 1994, as an analyst. Until today, where he's finishing his career in San José as the City Clerk. During his time with the City of San José and certainly in his position as City Clerk, Dennis has modeled the City's values of integrity, innovation, excellence, collaboration and respect. Through his commitment to excellence, leadership, professionalism and innovative spirit, Dennis has contributed to the quality of life in San José and richly deserves the commendation. And Mr. Mayor, if you wouldn't mind giving that to him. [applause]

>> Dennis Hawkins: First of all I'd like to thank the mayor and the council for this commendation. It's really tough to leave an organization that you've enjoyed serving for nearly 19 years. And I've really benefited by being part of a great organization. And for many years I've always felt that the strength of the city not only was its community but also its workforce. I've had really a great opportunity to work with so many fine people over the years and I'm really going to miss my staff. I've got a tremendous staff in the office of the City Clerk and when I announced that I was leaving it was probably the hardest thing to say is to let them know that I was leaving. Earlier, the invocator talked a little bit about intentions. And really, when I started my city service it really was an intention to serve our community. And over the years I've had a great opportunity to be part of some really neat things. When I was hired in 1994, I had the opportunity to write the first youth services master plan. And that really became a benchmark for a lot of the expansion of youth services in the '90s. And then had the opportunity to work on the neighborhood revitalization strategy which became the SNI, and then really the last almost all the last 14 years I've had an opportunity to work in the area of human resources and hire people throughout the city and seize Chief Galaso and some of my fire department colleagues there and at one point I think I hired over half of the firefighters in the city in a proportional amount of higher ranks. Every time I see a fire engine or fire rig I know someone on there. As well as my time in D.O.T. I know this kind of sounds strange, but sometimes I drive by a sewer truck and I see somebody that I hired helping clean out the sewers. But it all makes a difference, and it makes a difference in the quality of life that we enjoy in San José. I'll miss the organization, I'm moving on to work with the county. But something tells me our paths will cross again. There seems to be quite a bit of cross pollinization between the city and the county. So thank you. [applause]

>> Mayor Reed: All right, thank you.

>> Mayor Reed: Our next item is the consent calendar. Are there any requests to speak on the consent calendar? I have no cards, so any items councilmembers would like to pull? I have requests for 2.5 which is travel reports and 2.6 the retirement liaison report. Others? Councilmember Kalra.

>> Councilmember Kalra: 2.15, thank you.

>> Mayor Reed: Councilmember Herrera.

>> Councilmember Herrera: 2.11.

>> Mayor Reed: Anybody else? Sorry is there a motion on the balance? We have a motion on the balance of the consent calendar. On that motion, all in favor? Opposed? None opposed, that's approved. Starting with 2.5 trip reports Councilmember Constant.

>> Councilmember Constant: Thank you, mayor. I couldn't remember if I reported this before or not so I'll just double-report maybe. I traveled as part of my duties as a retirement board member on the two retirement board plans, went to the international foundation of employee benefits conference in San Diego and attended a number of training sessions actuarial sciences and wellness and medical and other issues related to the pension systems. And then I'll if you don't mind I'll move right into my report from the retirement boards.

>> Mayor Reed: Before you do that I think we have some other travel reports.

>> Councilmember Constant: Okay.

>> Mayor Reed: Councilmember Rocha.

>> Councilmember Rocha: Thank you, mayor. Two weeks ago I traveled to Washington, D.C. with Mayor Reed as part of the Silicon Valley leadership group's advocacy trip for CEOs and corporate executive staff. The entire group of over 50 individuals was divided into four groups that met with senators, members of Congress, White House staff and other business and community leaders to express the needs of Silicon Valley companies and more specifically, San José businesses as well. Some of the key issues that we discussed and advocated for were long term tax reform that would provide consistency and accountant, providing stem education through bolstering our school systems and encouraging investment in our trainings infrastructure and also confirming and thank some of those members on their support for past funding for BART. In addition, R&D and high tech energy

jobs and fostering entrepreneurs. We also had the opportunity to thank public officials directly and individually on their work on BART for the past -- well, I'm sorry, that was -- I already spoke to that. On their work bringing the patent office to Silicon Valley. That was a big win for San José and we had a great opportunity to thank the folks who were heavily involved in that. I would also like to thank the leadership group for putting the event together and including me. This was a great opportunity for me to learn about their issue directly. I've had a chance in the past to be an advocate on the business side of things but it was a great refresher course for me, so thank you very much.

>> Mayor Reed: Let me add to that report a little bit. In addition to the meetings held with the Silicon Valley leadership group also participated in a series of other meetings on more specific San José issues and topics. Although San José has a great deal of interest in the topics of the leadership group we have others so I was in the White House talking with David Agnew, the assemble governmental affairs person. I was in Treasury Department talking to the staff that's working on the request for private letter ruling that we filed. And meeting with other organizations that have an interest in that topic as well. We met with the folks from the U.S. patent and trademark office as we continue working on getting that office open here in San José. And of course there's always the BART funding conversations that need to take place. All in all it was a good trip. As I've told the folks, I've been on this trip many times, and each trip it seems like nothing ever is going to happen in Washington. But that's not the case. That over the course of time things do happen, and if we're there representing the interests of the city, we can get some successes like the \$900 million of BART funding that we achieved, the U.S. patent and trademark office as well as funding at the airport and things like that. So it's necessary to make these trips periodically and it's always good to have a bunch of CEOs helping us at the City of San José as part of that. The other trip that I took recently was in New York City last week. I spoke at institute or seminar put on by the TIAA Cref institute which is one of the largest fund managers in the country. They pull together experts from around the country on pension reform to talk about the problems facing cities and states on pensions. In addition to speaking it gave me chance to talk to other cities and states that have an interest in giving employees a choice of lower cost benefits, and first time we went to treasury back in I think about May after we filed our request for a private letter ruling, I've been in to talk to treasury now three times. And at treasury's suggestion I'm working to get others besides the City of San José that are interested in giving their employees a choice so that treasury will see that

this is not just a one-city issue or few-cities issue but is of national importance. As it turns out treasury has a lot of work to do and the same folks that have to do if private letter ruling work that we've asked also have to do health care. So they have a big set of things to work on. And they suggested that if we could get some national support for this that it could get higher on their priority list. That's what I've been doing in New York. Iowa, item 2.14, as well, I reported on that last week but again, I've done a series of meetings trying to like up folks that have an interest in giving employees the choice of the lower cost plan which is what we've said we're going to do. And trying to make sure that treasury treats it as important as we think it is, on their list of work plans. So that was New York. One other comment about New York is, there are a lot of people there, it was really busy, really crowded. I was happy to get back to San José. The weather's a lot better and it's a lot easier to get around. Anybody else with a trip report? All right, Councilmember Constant, you wanted to take.2.6.

>> Councilmember Constant: Yes, and I'll apologize in advance for the length of this but it was a very busy Police and Fire retirement board meeting on December 6th, last Thursday. First item I want to report on is the board approved a modification to its investment policy statement. There were a number of changes, but one of the most significant changes, the following statement was added into the policy statement. And that is, that the plan will take into consideration the actuarial investment return assumption which is developed by the plan's actuary with the goal of choosing an assumed rate, assumed rate of return that the plan can be expected to achieve with the probability greater than 50%. That's important because we discussed that as part of the fiscal reform and pension reforms and all the things we've talked about with our pension system and rising costs and unfunded liabilities. The plan's investment consultant opined that he thought that this was critically important given that getting 7.5% rate of return is challenging. We then got the third quarter performance report, the third quarter is the third fiscal year quarter. I'm sorry, third calendar year quarter. Because it ended September 30th of 2012. At that point year-to-date earnings were 10.7% which ranked it among the top returns for peer plans. Over the past five years, the return is 1.6 per annum and over the past three years 8.5% per annum. I give you each of those just to remind everyone that each time a return assumption is given unless it's given in the context of an actuarial valuation report it's just a moment in time and those numbers can fluctuate up and down depending on when the cutoff is. The investment consultant noted that there is a potential, the potentials for a setback are high, given the major economic risks that are on the horizon, specifically speak going the situation in Europe some the fiscal cliff

situation here, issues in China and overall inflation. And it's important to say that they're not saying they're pessimistic but just reminding us that we have to be cautious. Immediately following that we got the flash report for performance as of the end of October, October 31st of this year. And just to illustrate the returns that were year-to-date 10.7 as of September 30th dropped to 5.6 if you count them at the end of the 31st of October. We then moved into Cheiron's preliminary actuarial valuation report. And it's important to note as I start this out that everything I'm going to tell you is based on a 7.5% assumption rate. That's important because the board decided to change the assumption rate at the very end of the presentation, and as I go through this, I'll let you know the impacts of that decision. Now, the annual valuation some used to be biannual but the -- both boards have changed it to annual valuations. The valuation is done to determine what the member contribution rates are, what the City's contribution rates are both in a percentage of pay and a dollar, fixed dollar amount as well as the City's annual required contribution per GASB 27. The funded ratio for the Police and Fire plan went down from 84% funded last year to 81% this year. That is based on the actuarial valuation of assets. If you look at it based on the actual market value of assets, the funding ratio is 77.6%. With that in mind some member contributions will actually go down, not a lot but they'll go down from 11.2% to 11%. City contributions on the other hand will go up. City contribution rate will go up from what was 57.7% of pay to 64.9% of pay. If you add together the City's and the employee's contribution rate for police officers the total contribution rate as a percentage of pay is 75.31% of pay and for fire department employees it's 76.92% of pay. Now, how this works out in dollar amounts is, the current year our retirement contributions for if Police and Fire plan were approximately \$106.1 million. Based on this preliminary valuation if the city were to pay its contributions at the beginning of the year that contribution that is required would be \$117.7 million. The years -- the valuation is based on the years, the plan's return for the year, which based on the charter valuation of assets, was 1.2%. And why this is different than the previous percentage that I pointed out for the different ending fiscal periods is this is the one that really counts because it is the one that the numbers are calculated on for contribution rates. This 1.2% includes the effects of smoothing. Because as mentioned previously, the -- both of our retirement plans take any investment losses and gains and only recognize 20% of either the loss or the gain each year, smoothing out the effect of the volatility over five years. So the return of 1.2% occurred when we had an expected rate of return of 7.5%. Based on everything that the board heard, including the investment policy change, the comments of the investment advisor and the valuation comments by Cheiron, the board voted to lower the rate of return to 7.25%. Now if you keep in mind when we

started having all these discussions about the pensions those rates were significantly higher approximately 8.2%, 8.25%. Because of this decrease in the expected annual rate of return, that will increase contribution rates. Now, the numbers I'm about to give you are approximate. They're approximate because the actuary has to go back and redo all the calculations based on the assumed rate of return being lowered to 7.25%. But the approximate increase this will cause is in the year 2013 our next fiscal year, the contributions from the city will be required to be \$125 million. Which as you know is more than the projections in our budget. This number will continually increase over the next several years, and I'll kind of give you every other year instead of going every year in detail. In 2016 it will go up to \$142 million a year. In 2018, \$158 million. And by the year 2020, the contribution rates assuming that the plans achieve the rate of return, will be \$170 million a year. And for reference that's an increase from this year's contributions of \$45 million per year. So that's everything on the valuation report. I do recommend that each of you look at item 2 -- let's see what number it was, 2.2 on the Police and Fire agenda, there's a PowerPoint that goes into a lot more detail than I just gave you and I think it's really important to understand the dynamics with our pension system. The next item I would like to talk about is the OPEB or the other post employment benefits. Which we also have to do an annual valuation on. The previous numbers I gave you are only for retirement, not for retiree health care. So the actuary brought the preliminary report to the board, with the assumptions that the actuary plans on using to calculate the valuation for our other postemployment benefits. They explained to us that the new high deductible HMO plan reduce the maximum explicit subsidy of health care effective January 1 of next year by reducing it 22%. There was a lot of discussion about a lot of differently areas related to health care which I won't go into now but there is also a presentation from Cheiron, item 2.3 on the agenda but the Cheiron representatives will go back with the input they receive from the board and will come back to the board at the next meeting with a preliminary valuation. And that will be able to compare being not only the assumptions that the board opined on but they will also have an opportunity to look at the actual experience of employees in this most recent open enrollment period and look at how retirees made their choices based on these new plans because these preliminary assumptions were based just on trying to predict behavior that might happen. But we have had open enrollment period. It has just closed effective the last day of November. So they'll be able to actually see the actual behavior and that may change significantly the last numbers as well. The last thing I want to report on is the election of chair and vice chair. There was considerable consternation and debate over the election of the chair and vice chair. There was a significant divide between the

employee retiree members and the independent members. Kind of a rePete of what we saw last year. Although last year there was an indication that while we had an active employee and retiree in the positions of chair and vice chair, that this year there would be a movement to change so that the independent board members would be able to assume leadership. Unfortunately that's not what happened. There was quite a bit of debate, and it was pretty much blocked by the employee and retiree members to allow an independent board member to assume the vice chair position or have any leadership position in running the board. The independent board members are very upset and frustrated over this. And I can just say personally as someone who advocated for the change in governance that we had on the board nor both of our boards and has been one of the more vocal proponents of allowing the board to become an independent entity, this raises a significant amount of concern for me on whether we should be continuing to have those discussions about independence, given the fact that people can't play well in the sandbox together. That concludes my report and I just want to end by reminding you all it would be a very good idea if you were able to take time to look through the Cheiron presentations and perhaps watch the video. I any it would be very informative. Looks like Sam has a question.

>> Mayor Reed: Couple of questions. Councilmember Oliverio.

>> Councilmember Oliverio: Thank you, Mayor Reed, thank you, Councilmember Constant, for the report. Could I ask someone to just give me the difference between what was budgeted and what the differential would be?

>> Councilmember Constant: I can tell you I believe it's \$7 million. Ed, am I right, or Deb? I believe it's \$7 million.

>> City Manager Figone: You know, I don't know. Let me just confirm. Because Jennifer basically just told me of this before I came to council meeting. I'd sent her an e-mail to find out.

>> Councilmember Oliverio: Let me ask if you hear about that number prior to the end of the meeting, if you could announce it, or at least tell us at the next council meeting.

>> City Manager Figone: Actually I'll send out info memo if we have a number that we can put out there.

>> Mayor Reed: Councilmember Liccardo.

>> Councilmember Liccardo: Thanks, Mayor. So just to be clear, to follow up on Pierluigi's question, 118 was the number we had budgeted for Police and Fire pensions for the ARC for this year.

>> Councilmember Constant: Are you talking when the current year we're already in or the year we're going to?

>> Councilmember Liccardo: I'm sorry, 13-14 the year we are going to face I should say.

>> Councilmember Constant: Right now I'm believe it was right around 117 million.

>> Councilmember Liccardo: Okay, so I'm trying to remember whether this impacts our OPEB contribution, as well. With the change in the assumption around return, to 7.25?

>> Councilmember Constant: It does affect it but it's not a one-on-one effect. When the actuary determines the contribution rate for the pension it's using the actual assumed rate of return that the board selects. When we're dealing with the OPEB valuation for the healthcare, it is a blended rate because we have prefunded a portion of our health care and completely unfunded on the other. So GASB regulations require that you take the rate that the city could attain on investment of its assets and the assumed rate of return and do a calculation based on the two of them to come out on what that assumed rate would be going forward. I don't have that in my notes but I believe, based on a new method that the actuary is recommending, the board will ultimately select somewhere between 4 and 4.5% assumed rate of return for the OPEB only.

>> Councilmember Liccardo: Okay. Well I think it's certainly refreshing to see, you know we've moved 100 basis points from where we were and that's a real sign of success of the reform of governance and we're certainly grateful to you Pete and mayor and many others who push hard for that. I wanted to follow up on one statement

you made because I wasn't clear about it. You used the figure \$45 million to reflect what we were paying in the current year, and I must have misheard it, because I think you were referring to the Police and Fire pension ARC?

>> Councilmember Constant: So what I was saying is the contribution in the year 2020 will be \$45 million a year more than it is today --

>> Councilmember Liccardo: Next day, right, okay, that clarifies that, thank you. And we have not yet had valuation on the Federated side?

>> Councilmember Constant: I have to remember. I think we went through the assumptions and not the valuation. I think that's at Thursday's meeting.

>> Mayor Reed: And Thursday's meeting will be webcast and broadcast et cetera. Anybody who wants to watch it can do so.

>> Councilmember Constant: And that's not this Thursday but next Thursday.

>> Mayor Reed: I think that's it on 2.6. 2.11, councilmember Herrera, creek trail.

>> Councilmember Herrera: Yes, thank you. I don't know if Yves is here or not but maybe somebody from that department can just -- I just had a question on this. I know that we've tried for this grant before and we weren't able to get it and I just wondered if you could talk about seems like we have a better chance now getting this grant and I'm really happy about this.

>> Matt Cano: Yes, thank you, Matt Cano, deputy director of Parks, Recreation, and Neighborhood Services. For the past two or three years we've been fairly successful getting the environmental enhancement and mitigation program grants for our projects. Last year we applied for two projects one for the Lower Silver

Creek trail and one for the Thompson creek trail. We received the Lower Silver Creek but not the Thompson creek trail. This year as we are applying for the Thompson creek trail grant. We are tying it to a different freeway project. We're tying it to the highway 101 capitol expressway interchange project as an enhanced mitigation for that project, and we think that's a much better tie-in and will make us more successful this go-round for that project.

>> Councilmember Herrera: Well, good I appreciate that and good luck with that process and with that I'd like to move approval of this item.

>> Councilmember Liccardo: Second.

>> Mayor Reed: We have a motion to approve. Councilmember Liccardo do you want to speak to the motion?

>> Councilmember Liccardo: Yes I just wanted to certainly thank Matt and Yves for their hard work but also thank Carl Guardino. Carl took an entire day to go up to Sacramento last year where we lobbied a couple of folks to encourage their support and this is been something he has been pushing for years to not get this huge but significant gap funding for various trail projects throughout the city and he does it because he's passionate about building out the trail program so I'm grateful for his assistanceship.

>> Mayor Reed: Councilmember Herrera.

>> Councilmember Herrera: This is the this kind of incremental funding that gets it done. It's hard to get funding for these trails as much as they are popular so I really appreciate the work.

>> Mayor Reed: We have a motion to approve. All in favor, opposed, none opposed, motion is approved. 2.fannie, Councilmember Kalra. That's my trip to Des Moines.

>> Councilmember Kalra: Thank you, mayor. This was voted on previously some what is the procedure for coming back again just curious procedurally.

>> City Attorney Doyle: This was voted on some there wasn't a full council some the Rules Committee put it back on. There's nothing to preclude that --

>> Councilmember Kalra: This is very rare.

>> City Attorney Doyle: The Rules Committee.

>> Councilmember Kalra: Concerns with this particular trip as opposed to others particularly with the taxpayers association, and I think there are other ways and the leadership group is certainly a good way as well as other leaders and I think there are other ways to go about it but this seems to be more of a political trip particularly going to Iowa and particularly with the taxpayers association touting the visit from the mayor as the national prominence gained by getting the referendum passed and seems like a victory tour rather than to get movement on the IRS issue. But like I said I'll register no opposition to.

>> Mayor Reed: Let me speak to the trip I have commented on it last week. So in our event to get a private letter ruling out of the treasury at their suggestion I've been working to develop national support for IRS issuing some guidance in this area. We have a resolution of support that's passed the United States conference of mayors. We have a resolution of support that passed through national league of cities, thank you, Councilmember Constant for working on that with Mike Casperzack last week I think. And now I'm working on the national governors association, Governor Brandstad of Iowa is the vice-chair of the governors association committee on education and workforce, and has an interest in pension reform and is interested in helping us move something through the national governor's association. So that was the reason for the trip. Councilmember Constant.

>> Councilmember Constant: Thank you, mayor. I appreciate your efforts in this. I think it's important that we continue to build support nationwide on this. And whether it's interpreted as a political trip or not you're the

political head of this council. As designated by the charter and that alone makes it appropriate for to you do so. And I think that going around and showing people that there are options to deal with this immense fiscal challenge that's facing every single government agency from coast to coast and threatening the cities like Stockton and all these other cities that we've seen just crumble because of the pension situation, I applaud you for doing it. I encourage you to continue doing it. Meet with anybody you can to continue to build support. Not only for the IRS to take action, but I think we owe it to help tell people about the experiences that we've had and the lessons we've learned as we've tackled this problem for our city and I move to approve the travel.

>> Mayor Reed: Motion to approve. Councilmember Rocha.

>> Councilmember Rocha: Thank you, mayor. I guess my concern here lies more in the first point you made, in the last travel report, about the response we got from IRS or the justice department I think that was --

>> Mayor Reed: Treasury Department.

>> Councilmember Rocha: Thank you and that they're encouraging you to get more partners involved in this or more entities or municipalities engaged in this to show that there's a necessity for it. That causes me a great concern that if there's a component of our measure B pension reform that is dependent upon their approval that this is going to be an extremely long haul and long road that this isn't going to happen quickly. If we have to get other folks engaged, as difficult in how much sometime it took and investment on our part through the expectation of other states or cities or counties are going to be able to get to what we got to in any short time is a scary thought and if that component of our work is going to be dependent upon them and dependent upon you traveling from state to state or city to city or county to county to try to get everybody involved before they move on this, and I'm just really responding to what you said about what their statements were to you. So if you wouldn't mind maybe elaborating a little on that statement, because if we're going to be sitting waiting for all those folks to catch up with us that's going to be a long wait.

>> Mayor Reed: We don't have to providing employees choices cities and state so there's quite a group. I'm not trying to get everybody to catch up with us and that's not what treasury folks really were interested in. They were just interested in showing that there's broad support for them moving ahead with these private letter rulings. Not that there's large numbers of entities that have applied for them. So we don't have to get people to the point we were. We're just trying to get them to tell treasury that they think it's important so that it's higher on the work plan so they get to it. As you know sometimes work plans you don't always get to the bottom of the plan so this is more near the top.

>> Councilmember Rocha: The associations such as that nod individual cities at a point where they've done any kind of pension modifications where they're applying for second tier approvals?

>> Mayor Reed: There are cities that have done that and cities that are in trouble with pensions who probably can't do it. But certainly getting support from other cities, may be part of that but we also have support from the U.S. conference of mayors that represents cities as well. So I'm not sure when we'll be done. But we already have a substantial support from around the country, as evidenced by these two resolutions and there are others as well. So there are states that have adopted plans that provide for employees to have a choice, although there are some that are already in the process.

>> Councilmember Rocha: Okay on the last vote I supported the direction. I think what I want fob a little more cognizant of is that you know as we struggle with being able to provide services you know if the value is really there for you to travel, however often, I don't know what the plan of attack here is. As far as you're concerned am I going to be approving these on a monthly, weekly, again are we going to be doing this quite often and that to me kind of a different discussion than just this one time approval which I'm happy to support.

>> Mayor Reed: I plan on working on this issue until we get what we want out of treasury and I think we've made good progress. It is on their work plan which is a good thing. Where I can get other people to pay for the trips I will.

>> Councilmember Rocha: Thank you.

>> Mayor Reed: So TIAA Cref paid for the trip to New York and the taxpayers association paid for part of the trip in Iowa and I paid for part of trip to get back from Iowa. So we're spreading the money around. I'm whoops employees to give them a choice as provided in measure B. We said we'd give them a choice and I want to make sure that we've done everything on our side of the equation to do that because I think our employees deserve it.

>> Councilmember Rocha: I don't think that's part of what my concern was at all. Thank you.

>> Mayor Reed: Councilmember Liccardo.

>> Councilmember Liccardo: Thank you, mayor. I don't know that anything's ever happened in Washington without building a coalition. And I think it's really critical that we do that. And we know there are plenty of cities and municipalities that are on the brink right now. In getting their voices to the IRS whether there at a very early stage looking at this or not. They want to see a private letter ruling because they know it's precedent set every other city that might follow thereafter. So we don't have to bait for all those -- wait for all those cities to get through process they recognize the value of having that option and they when they're looking closely at this issue recognize the importance of getting a letter ruling for San José because it opens the door for many other municipalities.

>> Mayor Reed: Councilmember Herrera.

>> Councilmember Herrera: Yeah, I appreciate the fact that you're willing to do that travel because I know how much you really love travel, not. And so I'm appreciative that you wanted to do that and I think getting that private letter ruling is very critical. And as you said it gives our employees an option. It's also keeping faith with the voters who voted to implement measure B. It is the way we can have employees move forward. I hope you don't have to make a lot of trips because I know you don't really like it but I appreciate your willingness to do it.

>> Mayor Reed: Vice Mayor Nguyen.

>> Vice Mayor Nguyen: Thank you mayor. I appreciate important pension reform is and it's not something that I view as political. I think this is something that we need to do to make sure that our city is sustainable. And I will encourage the mayor to continue to make these trips to make sure that we get the best part of the zeal in getting other people to be involved. So I will definitely support this.

>> Mayor Reed: Councilmember Constant.

>> Councilmember Constant: Just a final comment. You know I was just talking about what contribution rates will be. And right now, I mentioned that member contribution rates are going to be 11%. I would just like to remind the council that the contribution rate for employees under the second tier is about 6%. So this means if we get this through it means 5% more pay in the pockets of every employee who is able to make a choice that right now they're being prohibited in making because of the IRS.

>> Mayor Reed: All right we have a motion to approve item 2.15. On that motion all in favor, opposed, I count one two opposed, Councilmember Campos, Councilmember Kalra. Motion passes. That concludes the consent calendar, I believe. Unless I missed one. Next item is 3.1 report of the City Manager.

>> City Manager Figone: Thank you, Mr. Mayor members of the council actually to the earlier conversation, preliminarily, the rate of return in the Police and Fire system according to Jennifer Maguire going to 7.25 is about \$11 million but this is still not completely confirmed by Cheiron. So what we will do is put out an info memo that lays out for you a reminder about what's still in play in terms of a forecast that's going to be coming to you. The last forecast that was done was last February. So we have to reevaluate the ups and downs based on where we're at now. So we'll talk to you more about that process. And also, anything else that we think would be important for you to know about what's happening in the retirement systems kind of building upon what Councilmember Constant just reported. That concludes my report.

>> Mayor Reed: Next item is 3.3, certification of election results from November 6th, 2012. We have a motion to approve the election results. Not that we really have a choice. It is what it is. But we have to do this anyway. Ross Signorino you wanted to speak to this item.

>> Thank you, Mr. Mayor, members of the council. On this certification of the election results for November 6th, '12, I want you to know that I voted for the minimum wage to go up to \$10. I felt this was necessary for people here. If we had the illusions of thinking that this was going to raise prices whatever we buy well that may be because people have to get their \$10 an hour and in fact they're going to raise prices no matter what we do. Gasoline, transportation, if they're going to pass this price on to the consumer. And \$10 an hour is not outrageous. As a matter of fact, we have police officers on our police force with their regular salary, they can't meet their rental for homes in this area. They have to go out and get second jobs in order to meet that. So \$10 an hour isn't all that much or that extravagant. And we seem to think there's high school kids working in fast food restaurants. There are other people that work in fast food restaurants that have to support their families with what they get in fast food restaurants. And also at the same time when you see kids in fast food restaurants or working there is to help support their family. They bring those paychecks home to their family to help support their families. Just like we had to do years ago when we were kids, go out and work and you bring the paycheck home this was during the great depression to help their family. So they do the same thing right now. When you see kids there that's not extra money to spend, they have to bring that money home to help support their families and that is important. Thank you.

>> Mayor Reed: That concludes the public testimony. We have a motion to approve the election results on that motion all in favor, opposed, none opposed, that item is approved. Item 4.2 is our next item that's rezoning of property on the east side of Cottle road at Raleigh and Coronado avenues. Councilmember Kalra.

>> Councilmember Kalra: I'll be happy to wait for the staff report.

>> Mayor Reed: Okay. Before we get to the staff report I just want to disclose that members of my staff or I talked to Ed Storm and hunter properties and Linda LeZotte in reference to this matter.

>> Joe Horwedel: Thank you, this potentially comment a gasoline service station recharge facility on the Hitachi campus. This is an urban village has been noted in different correspondence. Staff would note that the general plan urban village designation does not preclude auto related uses, those are activities that we expect will continue to occur for the life of this city and are appropriate in urban villages. I think the issues that have been raised in Councilmember Kalra's memo for for the most part the issues we would deal with at a conditional use permit stage. Any type of building landscaping driveway cuts how those relate to what we're doing in those areas. And so those would be the types of things we would look at the conditional use permit stage. The one point the disadvantage between uses. As the council is well aware the council has not set any policies related to that whether it's gas stations or Walmarts or any other time businesses we go through and look at the land use implications and I think Councilmember Kalra has laid those out in his memo.

>> Mayor Reed: Councilmember Kalra I've got one request from the public to speak, take that now, Linda LeZotte.

>> Mayor, Vice Mayor, Councilmember Kalra, members of the council, my name is Linda LeZotte I'm a land use attorney working here in San José. I'm here to ask you to deny this rezoning for the reasons set forth in the letter that I sent you last week that I hope you've all had the opportunity to read as well as the letter you probably received today from the Green Belt Alliance. I want to read to you the EIR from the transit village for 2005 for the Hitachi campus. The city' mixed use office R&D manufacturing residential retail transit oriented and development. Wanted to maximize the use of transit by creating a walkable transit oriented mixed use urban community. The urban villages that we worked so hard in the general plan 2040 as defined as active walkable bicycle friendly transit oriented urban mixed use innovative workforce and consistent with the plan's environmental goals. This developer already have the flexibility to develop anything he wants under the CN designation except vehicle uses because slip it in under there PD hearing a couple of weeks ago but they were caught by planning staff and my office. This zoning is presumably to permit a gas station but if you allow vehicle uses that could be anything that's allowed under the vehicle uses, that could be a repair shop a car dealership. They could decide we don't want the Safeway here anymore let's put in a car dealership. I don't think that's what you reality want. Why

change what was put in years ago as a transit village and confirmed as recently as the general plan 2040 as an urban village. There is no viable reasons to change this. Councilmember Kalra's memo sets out his concerns for agas station on this site. Why even go there? Vehicle use he are not permitted on this site and shouldn't be permitted. 51 task force members including Councilmember Liccardo worked hard to dweeb an urban village this is the first test of this council as to whether or not you are serious in creating urban villages throughout had community and first is test if you believe what you put forth in the general plan. I urge you to deny this rezoning. If you feel you have to go for vehicle uses at least deny the application as it pertains to a gas stakes. Thank you Councilmember Kalra for taking sometime to meet with us. Thank you.

>> Mayor Reed: That concludes the public testimony. Councilmember Kalra.

>> Councilmember Kalra: Thank you, mayor. This has been quite a journey on the overall Hitachi project, over initially going to be a master plan of one developer and since then, there have been a lot of changes. After the housing collapse and now we're seeing the economy turn around and it's actually the Hitachi site has been parceled out and that by itself has created some, both tension as well as a lot of work that Hitachi and our city staff has had to go through to kind of keep all -- everybody in line in terms of make sure that the goals of the Hitachi development were still met. The development as it looks right now is exactly as it may have looked a number of years ago. However, it's very similar. I think the reality is that when we talk about it, and I really enjoy the time I was on the Planning Commission as we were discussing much of what an urban village is and what it is not. And in my memo I refer to the need to be flexible. I want to first of all make that really clear, because as former councilmember LeZotte indicated, the developers had plenty of flexibility in terms of what they wanted to do with the property. That goes more to the fact that the original plan for the site a number of years ago before I was on the council and sometimes there are -- we're going to have to always -- we're going to have to anticipate that there are going to be changes and that are going to come up that may not necessarily require us or need us to do an entire new planned development. But rather, there may be certain aspects of it that need to be revisited or at the request of the developer request of the community what have you, we may want to revisit just a certain portion or aspect of the property. Now from day 1 I've been very clear and firm I do want to thank Linda LeZotte. It's been good and healthy and helpful to have the discussions with her in terms of the concerns of her

clients. And I also want to thank hunter storm, in particular Ed Storm who I've met with on a number of occasions, has met with staff more than he has met with me, met with my chief of staff. More importantly hunter storm has done more community outreach on this project than any other time I've been there at least in the last four years. I think it's developers other projects in San José in terms of the fear of what might happen with the rezoning as what if a car dealership or certainly the slippery slope argument which I think is a legitimate argument however I think when you have more trust and faith in the developer because they have a long standing relationship in San José have done a lot of projects fear dissipates at least somewhat. The pressure that continues to need to be put by the planning staff circulation myself to make sure as well as myself to make sure this meets the goals of the urban village. I have been very keen in ensuring that this project regardless of what businesses there are, whether there is a target, a Safeway what have you, that we ensure that it's oriented to pedestrian and bicycle uses as well as transit. For those of you who don't know the Hitachi site calTrain station it is going to be close to 3,000 homes and over 350,000 square feet of retail. Now there are going to be some aspects of it that aren't the urban village that is the urban village of the future we perceive. For example if there is a big box and a grocery store there's going to be a lot of surface parking and that is not exactly what we envision I think we're as a city going to continue to go through growing pains getting to where we need to be in terms of the 2040 vision of what an urban village is, we are not going to go from strip malls to Santana Rows it is not possible according to the needs and desires of our residents and the exam from the private sector to make that happen. I'm excited about the hi we haven't had a place where you have restaurants, we were talking about anywhere from half a dozen to eight restaurants along an interior street. We're talking about not just a potential to target and Safeway but smaller type stores that are more boutique stores or stores more cater to different businesses. Just we haven't in this part of town ever. That being said I'm not excited about the idea of necessarily having the kinds of uses that we've traditionally seen in developments over our past 30, 40 years as a city where you have a gas station son every corner and kind of that orientation to Vic uses. It's something I made very clear with the developer and the planning staff and frankly Joe has been very clear with the developer as well that we don't want the frontage the streetscape of this property to be one that is more inviting to vehicles than any other types of uses. And I think with the gas station, that's the greatest fear is that you have a gas station right there on the street, that's going to give the same old kind of feel of every other development that we've seen over the last 30 or 40 years. And that is why, that was the intent of my memo is that look whether it's a gas station a bank a restaurant whatever it is on

that street, we don't want -- we want to make sure that it's consistent with the ideals of a pedestrian bicycle friendly type development. And then additionally there are further concerns of the gas station because of issues of stack because of issues of the environmental issues of air pollution and just things that are counter to what we think about when we think about environmentally friendly urban villages. I don't think that they're mutually exclusive and quite frankly I've been can you cautious in other developments encourage vehicles but the reality is that we have over 350,000 square feet of commercial property as well as homes I do indicate as much in my memo I am concerned about competitive disadvantages that are put in place through kind of price-fixing what have you that has happened in some cases. I want to make sure that doesn't exist to whatever extent possible. The council can have some control over that but as was stated we also can't -- this is a private development and I want to make sure the orientation and the type of development is appropriate for a neighborhood use as well as for a regional draw without having undue you know, undue influence over what exact business has to be there. Ms. LeZotte's points are well taken. We are making a change here that would allow for a vehicle use that would allow them to apply for a gas station. Doesn't mean we have to approve it. There are very strict parameters at least these restrictions are set forth, I know the developer's heard it from me, they've heard it from the planning director and they will continue to. So this is not something where if it's approved will stay silent on what type of development it's going to be. I've been as well as my office has been engaged from the beginning. Frankly there's a lot of different stores I'd like to see there and the developer reached out to and they haven't got an response back like I'd want to sigh like a trader Joe's unique stores market the market we only have so much control as a council over these private to private type contracts on who they can bring in. But the developer has been very straightforward as to what their desires are and so that's why my memo very specifically refers to a gas station because I don't want any sense that there's some other intent there. The intent is that's something they are seeking. It doesn't mean it's going to be approved or needs to be approved on the permit stage, unless it meets our expectations of what an urban village is and not the type of draw-back on this development that unnecessarily pulls away from that image. So I don't know if there's anything you want to add. I've gone on for a little while here about why I feel after discussing at length with you, developer, Ms. LeZotte, my ion staff as well, that at this stage I'm comfortable doing this although I can't say that it doesn't cause some concern. But I think parameters laid out I think I hope give you some idea as to what I at least would feel would be an appropriate type of brings that would as a gas station or not and certainly if it is a gas station how it

must be oriented to the rest of the property and to the street to ensure that we're not drawing away from the urban village mentality and design.

>> Joe Horwedel: I think councilmember the cry tear you laid out in your memo that if this was to come back to the council, many of the same things that staff would be looking at as a part of designing this, as I said early on, gas stations and auto-supported uses are not inherently in conflict with our new urban villages that we're trying to create, our neighborhoods, they exist across the country in urban cities. It's just how they go through and fit in, it's not the, as you say put a gas station on four corners. To be a little more subtle on that, it can exist very well, we'll be working with the developer on.

>> Councilmember Kalra: Joe, that's the key is if it's going to happen is that it be done in the appropriate manner and not done in a way that's contrary to you know, to what kind of development we want to have here which is certainly pedestrian and bicycle friendly one as well as one that creates a sense of place which we have talked so much about. In terms of the competitive issue I have expressed concern with both staff and Ms. LeZotte. I agree that we want to make sure we don't do anything that would unduly create a competitive situation here but again even with that we only have so much control, when the Lowe's come in across from the Orchard Supply happy but they both adapted and adjusted and both as far as I know are doing very well, even being across the street from each other. So I just mentioned that because there is mention of that aspect in the memo as well and we received some assurances that some of the practices that occurred in the past will not occur here in terms of price dropping to attract folks so I'd be happy to offer a motion in favor of the memo.

>> Mayor Reed: A couple of comments we've been looking to try to increase retail in the city, in part we're losing about 20% of our sales tax revenues to other cities. I've yet to see a retail strategy that could be implemented by taking into account automobiles. Each even downtown, retailers struggle if they don't have good access for cars, it's a fact of life. Until we get much, much higher densities that's going to be the case. Urban villages that we aspire to have it seems to me like having a grocery store like a Skyway is a key part of what people are going to expect at their urban village. My guess is if we can't do this gas station with a Safeway? We may not get a Safeway, I think these things are tied together I think we have to not ignore the automobile but figure out a way to

live with the automobile and to enhance all the other things in the urban village, while we co-exist with the automobile for a very long time, so I'm going to support this and hope that we can actually get 350,000 square feet of retail in there as soon as possible, start getting that it's good for our neighborhood and good for the hunter storm going to put a lot of money in this providing services to our people that's a good thing and with that I'm going to support the motion. Councilmember Constant.

>> Councilmember Kalra: Thank you, mayor. I'll note that I did speak with Linda LeZotte prior to the meeting on this issue. You know, a lot has been said, I don't want to rehash all of what 'said. But I think it's important that while we do want to build urban villages, we want to make sure that they are somewhat inviting to vehicles. Because lived there circulated in the urban village. It's a key component, not only having everything coexist but having people come. And if you really want to be a regional draw you have to provide the things that people want. And I know we, when I say we, it's if big we, government when it comes down to is it comes down to what consumers want and what consumers use. That's judge Safeway has moved to another model like this. It's popular with all of their customers. I personally had an experience in my district where we couldn't accommodate because we didn't have the lots available. We didn't have the infrastructure and inventory so to speak available for Safeway to do what it wanted to do. So it moved maybe 150 yards past the border in the City of Campbell and built a super-Safeway with a gas station. And while it has that positive impact for the city of Campbell it had a huge exact, two stores closed, they determined that's what they want to do and that's what their have want and need and where our residents are going ogo to shop. And you know I know Ed and hunter storm is going to do a great job in developing this project as they do with all their projects. It's important to keep in mind that we have to blend what we would like to see and what the residents are demanding in services. Otherwise, the great thing about cars is, you request go anywhere. You can live in my district and drive all the way down to district 2 to do some cars and drive to districts 1 and do their shopping or to the City of Cupertino or anywhere many else. Is tax dollars to our city and I think this is a project that's going to be very successful in that endeavor. So I support this going forward.

>> Mayor Reed: Councilmember Campos.

>> Councilmember Campos: Thank you, mayor. It's been a long time. I remember this when Ash and I were on the commission together. Just for a heightened left of accountant, Joe, so would the commercial neighborhood zone district, I know a car dealership could only occur under using a conditional use permit, is that correct?

>> Joe Horwedel: That's correct.

>> Councilmember Campos: And the C.U.P. is very specific. If the C.U.P. was obtained for a gas station and Safeway decided they wanted to settle they would have to come back with a new C.U.P. correct?

>> Joe Horwedel: That's correct.

>> Councilmember Campos: Am they may be ordinances are, you know, they're there to, been are one, make sure we're doing, we're holding everyone's feet to the fire as they come in and develop in our city, and the other is it gives us a level of control so I'm comfortable this has been vetted out to where it's at and we'll be supporting the motion.

>> Mayor Reed: Councilmember Liccardo.

>> Councilmember Liccardo: Thanks some mayor. I also spoke with Linda LeZotte and as I 28ed to her I wasn't particularly compel by, I am concerned about the land use and right now overhead if it's possible John for my screen to be super-imposed or not? I'm sorry, or actually if you have got a better map Joe, I'm just happily whatever you've got. I guess, I see where this site is where the gas station is going to go. Is that also the same location where the Safeway is going ogo, or is it a different parcel?

>> The area in white is depended for the north side of it, there's a street that's coming through there. That street has already -- we've approved a series of main streets there. That's the main street for the retail. But we put it's in a general plan street that ultimately goes through the Hitachi campus.

>> Councilmember Liccardo: Where is the target going to be?

>> Joe Horwedel: The target is going to be at the large brown parcel to the north, basically somewhere, and then there is some other retail buildings that also fit on that parcel, you 92, the whole discussion about urban and mixed just, in retail site, the 300,000 feet we're talking about here has a mixture of large scale target, Safeway and potentially health club and then it also has a fine grain of retail that is grouped together so that it actually, truly functions like a business district.

>> Councilmember Liccardo: I guess I'm looking at it Joe, look I have great respect for developers, but I'm seeing a sway and I think you're probably going to see more parking there than building square footage. I'm trying to distinguish the difference look likes a plot like a suburban mall to me and maybe that's okay and maybe that's what we want. I don't know much about the access, but why don't we take the label auburn village offer because I'm really concerned that this becomes, my conception of suburbanning village. I 30 we should be intellectually honest with calTrain and light rail. And if it's the case that we have real access issues for pedestrians to get to the other side of Blossom Hill I get that.

>> Joe Horwedel: It has an elevated bridge that goes over the tracks and into the station and I you can see the blue box on the map, that's where the Caltrain station actually sits ask campus and the kind of the long skinny empty parcel you see there along the railroad tracks that's high-density housing that has a pedestrian way through the middle of it that connects the rest of the site.

>> Councilmember Liccardo: You mean that will be fronting Monterey road.

>> Joe Horwedel: Right. Retail that's in there plus 3 million square feet of Office is employment that's on there. There is a lot that's gone on here and we've woven it in so that the car the this is not Van Ness avenue. We never promised this to be Van Ness avenue.

>> Councilmember Liccardo: I appreciate that. We think of mixed use, by mixed use I mean on if same parcel, there might be offices or housing make there's some opportunity off the main street. But I know on top of Safeway target and Lowe's we're not going to build any housing, right?

>> Joe Horwedel: Not today. We're not going another hand of that being glue block that has apartments on it with retail on the ground floor.

>> Councilmember Liccardo: Okay, that's along the main street which is what I referred to before. There is limited opportunity for mixed use along that one corridor which is just north of where the site's located.

>> Joe Horwedel: Why, so the part you see? Not a part under the -- it's the grayer piece, that's an apartment that has retail and it's got some loft units going down that street, that fronts onto where the Safeway is so it starts breaking that block down even more. I think in 20 years ago from now the question is, on the next -- the block where Target is, do you do something different there? I would say you're going to see that happen but what we did was, we built the big grid that got the circulation working that allows us to come back park piece, we broke that down even further so that it has essentially a new street that's coming through it.

>> Councilmember Liccardo: You're saying that's going to be a public street that goes through the private --

>> Joe Horwedel: But it's got diagonal parking on it, or parallel parking, it's got store fronts, office-type space, and it's got lofts --

>> The A-2 is the Safeway, that's the piece that says not a separate apartment complex we have approved that's integrate into this with the storm front base muched on it. Recognizing it's hard to get Target in a very suburban location to go through and say they're going to do an urban store. But we have land banking 20 years from now that will do something very different as opposed to half-hearted and everybody is stuck.

>> Councilmember Liccardo: I get all that I guess what I'm feeling is we're hoping it becomes an urban village 20 years from now we shouldn't call it an urban village today. Yes.

>> Councilmember Liccardo: I'm very concerned about the transit village to be adjacent to CalTrain and light rail station.

>> Mayor Reed: Councilmember Herrera.

>> Councilmember Herrera: Thank you. I share Sam's concerns about the urban village concept. You know my concept as I've heard the urban village described and as I listened to the 2040 plan was encouraging walkable bike-friendly streets and this is an exciting project and hunter storm is an incredible developer around I appreciate Councilmember Kalra's memo because he details a lot of the concerns I would have about the gas station that might be coming. And I guess Joe, I'm -- I guess you know you're saying and I guess I want you to restate this because I was surprised. You don't see any inherent conflict in this zoning change in terms of the 2040 and urban village? Can you help me understand that better?

>> Joe Horwedel: Yes so the point that I was making is that -- and it shifted -- there we go. Is that we have built into the Hitachi master plan and this definitely predates the general plan of where we've gone with the new general plan so this is kind of the version .5, is that we went through and designed the street that you see in the middle as the general plan street. But it is not a four-lane roadway. It is a two-lane roadway that is designed for bicyclists and pedestrians. Instead of the normal retail that's scattered around the parking lot it's on the public street. We looked at all the streets through had redevelopment so 38th all connects, pedestrian, there's bike lanes that are in this, we've gone and oriented the buildings to open out to the streets. Village does not have retail everywhere. It has in a concentrated area. So you then go through and kind of start working out from and that is what we did with Hitachi. We figured out where was the place that the retail could work the best and where was the place that you had transit. Where were your users of transit? In this case it is going to be the residents, not somebody coming to target, the workforce is going to be coming in but their workforce is not going to be riding CalTrain to shop at Target. The residents of this home, the 3,000 residents that are going to be here how do you

make it easy to go between and that's really the issues as we talk about what is it that creates a different structure? It is not a series of cul-de-sacs. It is putting the retail in the right scale and the right places it's putting the employment together. So I think there's a large discussion that we certainly should be having around that. But as a part of how to retrofit a gas station into all those uses we think it's possible and as you can see on this plan the gas station's actually drawn in on here. It is in the middle of the block on Cottle road, you see versus pad building. Meaning a small retail building would have two or three tenants. The gas station goes in. It doesn't affect the driveways, lane windows, doesn't affect bike lanes. There are certainly urban design issues how you do it but from a site locating issue, where you are going to put it so it doesn't goof up the overall plan this doesn't change it whatsoever.

>> Councilmember Herrera: So do you see then in terms of Sam's comment about a precedent setting do you see this as precedent setting in terms of other urban villages that we're going to look at?

>> Joe Horwedel: I think Sam's comment was the Hitachi project that predated our general plan, may not be the model of what you would describe a urban village in people's minds. Santana Row and downtown are very urban structures. But it is I think a fair conversation to -- for us to have is just down the street Cottle and Santa Teresa, whatever we build there, is going to be two and three stories. It's not going to be five stories, eight stories. It's a small footprint but how we think of a small shopping center, how do you bring employment into it, how do you bring public services amenities into that, that's locus of that larger neighborhood that exists today and that is one of the foundations that we did with the general plan is how do we complete what's missing in the neighborhoods and doing that we should go through and build it up but doing it at an appropriate scale. This obviously is a place we could go through and do a lot more. We have a development agreement that says they get what they get. They don't have to do anything different than what we had approved out there six eight years ago.

>> Councilmember Herrera: And if we didn't approve this zoning change what is the chances of Safeway and I'm getting that Target probably is -- these stores don't come by themselves, they often come knowing that there's going to be another store there that's going to locate there too. So --

>> Joe Horwedel: I have not talked with Safeway so I don't know how they're describing what they need or they don't need. You are correct, in that a number of major tenants they look at who is there with them because of the synergies that go there with that. I think that's a question for the developer.

>> Councilmember Herrera: And in terms of the gas station which is obviously a concern, how large is the gas station going to be?

>> Joe Horwedel: The one that is drawn there is I think 12 fueling -- 12 -- 16.

>> Councilmember Herrera: Because Michelle Beasley talks about 16 pumps.

>> Joe Horwedel: I wasn't counting 16 on the site I had seen .

>> Councilmember Herrera: And two large driveways, as well as a 16-pump gas station. And I understand that neighborhoods need places to get gas. But aren't there a few gas station is within a thousand feet of this project?

>> Joe Horwedel: At least at Poughkeepsie and Cottle. .

>> Councilmember Herrera: I am concerned about this. I do appreciate Councilmember Kalra's listing of the concerns in his memo and so if this is approved there needs to be a conditional use permit that will come back. But not to council. I mean --

>> Joe Horwedel: Correct. To Planning Commission.

>> Councilmember Herrera: So it would go to Planning Commission. So if it's approved there it doesn't come back to Planning Commission unless there's --

>> Joe Horwedel: Unless there is an appeal. I think that's the reason Councilmember Kalra wrote the memo he did. Unless this came back on appeal to the council these are the things he would be looking for from the developer. As I said many of those overlap what staff would be looking for as a use permit.

>> Councilmember Herrera: Would you envision that the location of the gas station or anything like that would change then as it comes forward?

>> Joe Horwedel: I think the location is probably what would put it in the middle of the block like that versus on the corner situated between the two driveways. We are going to look at the whole issue of stacking. I go to the one in Campbell. That's when my Safeway closed, that's my news Safeway so I'm very familiar with the issues of stacking that go on there and what works and doesn't work. So that's one of the things that I've talked with the developer about how this would work here. As we do want to make sure that -- and that's where you would get into the concerns about does this impact pedestrians or bicyclists, if you have a stacking issue there that's wandering arounds on the site or on the street that clearly has impacts that are not acceptable so that's where we would be looking at the use permit.

>> Councilmember Herrera: Okay, thank you.

>> Mayor Reed: Vice Mayor Nguyen.

>> Vice Mayor Nguyen: Thank you. I also met with former councilmember Linda LeZotte in preparation for this meeting. Just a lot of questions I wanted to ask have been asked already. One point of question though, I assume the answer is no but I want to ask anyway. Do we have a policy in regards to how many gas stations should be in the vicinity of a planned development?

>> Joe Horwedel: No, we really depend on the market to sort that out. I guess my one comment, is watching what happened in New York City, I think that is something to be mindful of. We have torn down a lot of gas stations in the last 30 years to put little strip centers on them. The market is certainly changing and I think that's

where we really depend on the industry to kind of figure out that balance but it is one we don't have a minimum or a maximum.

>> Vice Mayor Nguyen: And then whether it is 12 pumps or 16 pumps I wouldn't envision if I envision now that's bigger than a gas station at Costco, is that right?

>> Joe Horwedel: It could be on the scale of Costco's, most of the Costco's another place I go is usually --

>> Vice Mayor Nguyen: Eight to ten.

>> Joe Horwedel: 12 to 16. Yeah, the newer ones we've built are big.

>> Vice Mayor Nguyen: It's pretty big. Here is my concern and it's similar to councilmember Sam Liccardo's. When we envision the word urban village, we are pretty adamant in terms of definition. This is not art. It's not up to interpretations of what people view an urban village is. I view an urban village as a bicycle friendly walkable neighborhood a place where people can actually walk and feel safe and go into urban village I think the concept of lifting this label is something I would support because it is what it is and not an urban village. If we decide to move forward with the rezoning. And so that in itself is very problematic. And so I'm more concerned about setting a bad precedent and also disrespecting the work that has gone into this into developing an Auburn village concept 51 people that have actually worked on this and so you know like everyone said I think hunter storm, Ed Storm these are great developers, we have trusting relationships with them, they have done great projects in the past in the city. But I'm concerned setting a precedent that we cannot otherwise go back and redo. I really appreciate sort of the principle or the concerns or the guidelines that are outlined here in Councilmember Kalra's memo but it just really hard for me to support moving forward with something like this. Especially given the fact that this is such a big site that there are so many great big stores, big boxes that go into in I honestly don't think that if we prevent a gas station from locating here, that's going to stop the developer from developing other projects that they have in the works. So I'm really sorry but I don't think I can support the motion.

>> Mayor Reed: Councilmember Pyle.

>> Councilmember Pyle: Well, when you're the last one, the questions are pretty much exhausted. I'll muddle through here.

>> Mayor Reed: You're not last.

>> Councilmember Pyle: Okay. First of all I'm very excited about this project and I go back far enough? I remember when it just started, when Hitachi went in and G.E -- I mean IBM went out. It's really been a long haul hasn't it? Many, many years. And the fact that one cannot -- go without a gas station in that area just absolutely mystifies me. I grew up with the he model that you have a gas station on every corn he. It's part of what America looked like at one point and needless to say many of those have gone away. So that model just didn't work, it wasn't necessary. And people are in cars. They can go wherever to get gas. Thousand feet seems like absolutely nothing in reference to where to go. I want to give a lot of credit to -- give a lot of credit to former councilmember Linda LeZotte because she did take the lead in holding up a principle that she felt very adamant about and that would be in line with what the right thing to do from my perspective. And I'd also like to give many, many thanks to hunter storm and the quality of the product that he promotes. And Joe I would like to thank you as well. That getting that gas station out of there would not break my heart at all. I think it's a good project. I think it's so vitally needed in that area and I absolutely with enthusiasm will support this with a proviso that any even remote suggestion, I'd like to have that taken out period, but if it is a C.U.P., that comes back to the Planning Commission, is that correct? I don't know what the Planning Commission would do. That's part of my concern.

>> Joe Horwedel: So the Planning Commission would be looking at this site based on our commercial design guidelines, the general plan policies that are now in place looking at the site and how the overall circulation is working on the site. As I said the number of the issues that Councilmember Kalra put in his memo are many of the same things the Planning Commission would be look at.

>> Councilmember Pyle: Okay, thank you.

>> Mayor Reed: Councilmember Rocha.

>> Councilmember Rocha: Thank you, mayor. Repeat what a lot of folks have said, a lot of my questions have been answered but I'm going to need to ask a few questions at least about planning staff's recommendation and I know you've talked about it and I've read the staff report. But by the end of the day, when we talk about flexibility and at the end of the day, just about a gas station and there are three gas stations in the immediate area then I'm not understanding completing the plan. And I haven't been supportive of many proposals even many that aren't this urban village concept the Union and Curtner, I'll echo the sentiments of hunter storm and their investments quality of work they do. This for me is not about that, it's not about competition it is the work that was put into this and also the necessity that we're taking taking here today if this is just to allow another gas station. If you wouldn't mind please help me with that struggle.

>> Laurel Prevetti: Councilmember, Laurel Prevetti assistant director. What's been conveyed to us is that since this is big, open land, that the retail investment and the residential development are essentially looking to each other to make sure that they all are essentially ready to jump at the same time. And so it's been conveyed to us that success is when all of the piece are moving forward together. And now that a service station or a gas station has been proposed that's part of that package of all jumping together and making the investment happen. So I don't know the details of how -- what those business arrangements are. But it has been conveyed to us by the development partners that this is -- it's really how all that investment can happen, together, as a package.

>> Ed Shikada: If I might add also Councilmember Rocha? Ed Shikada assistant City Manager that is now located in the city of Campbell there had been some earlier discussion among colleagues of cities that brought to light the sales tax impact of that particular operation so our economic development staff had identified an estimate of the sales tax generated by the gas sales, in particular along with apparently food mart and the estimates roughly \$300,000 per year which is a significant sales tax generator so you could see how the retail

commendation fits in, certainly from an overall city perspective as well as Laurel pointed out from a development perspective as well.

>> Councilmember Rocha: So we see this as a destination gas station, where people are going to come from other areas, not from the vicinity? I am trying to existing revenues that other businesses are now going?

>> Ed Shikada: I think along the lines much what has already been experienced in Campbell is it does attract a customer base. Whether that is regional or what have you, not to speak to that but it is consistent with a part of the retail destination that is the retail itself.

>> Councilmember Rocha: My personal experience of a lifelong resident of San José I didn't travel to a grocery store based on where actions that are just purely about additional revenue. But I got to look at the merits of that proposal and whether or not there's an impact to the community or to our policies and I'm really want to be consistent with this and you know this is a big opportunity for us, a lot of work went into this Everett, the Hitachi plant, I was work at the Redevelopment Agency when we went down that road and the spirit of that effort was not for me to modify it down the road for a gas station where the necessity of it I'm again not excelled that it's there. I think I'm going to be hang my hat where Vice Mayor is and not going to be supporting this motion. I really appreciate the work that Councilmember Kalra put into this. I know how difficult this is especially when you're trying to walk the line between good policy community interest and private interest and I go back to the fact that I really appreciate the investment hunter storm has made throughout our city. We do all we can for grocery stores in terms of holding on to liquor grocery stores and then what's next? I'm not going to be able to support this, thank you.

>> Mayor Reed: Councilmember Kalra.

>> Councilmember Kalra: Thank you, mayor. And I definitely appreciate the dialogue. Think it's an important dialogue. Particularly what Councilmember Liccardo raised in terms of what we define as urban village. I think as Joe indicated it seems like this is more of the foundation or footprint to where an urban village would go and

knowing that who we may envision as urban village is not going out this day and age right at this moment may not have the -- we may not have the ability to did that today. But there is certainly infrastructure put in place particularly with Coronado avenue and that's the avenue that would have the restaurants with my understanding is some of the capacity for office space above it so there's some mixed use there and then also the part that says not a part that has residential with some retail below it. So yes I also agree that when you have all the surface parking lot and a big box what have you that's not exactly what comes to mind as far as urban villages. I would certainly disagree with those when they precedent that now everyone that comes forward brings a project like this well we have an urban village rather I hope that it's clear in my mind at least that this sets the stage to allow as we go forward the next ten, 20, 30 years, again for those of you who have been out in this part of down the suburban area, this is very unique to what we've seen there traditionally. It is certainly not as all my neighbors that have talked bit asked Santana Row, that's what we always hear, whenever this development is brought up is there a Santana Row coming next door and that's not the case. And you know but you know I think all the concerns that have been raised are legitimate concerns and those that know me know that I certainly have never made a decision or gone forward with something based upon simply a developer wanting it. I question it very vigorously. I you know do what I know to believe is in the best interest of the community and the best interest of the overall plan. This project has been presented to the community on a number of occasions. Probably in total hundreds of residents have had an opportunity to review the plan and the gas station's never been an issue. It's been more along the lines of what kinds of stores are going to be there what kinds of restaurants are going to be there as I would expect would be there. That's part of the feedback that the developer is trying to exchange is what the people want there the reason why I laid out kind of my expectations, as to if there were a gas station that were allowed here my expectations is not -- is to give not just guidance to the Planning Department, and I've already given it through discussion, I've given it in discussions with the developer, I've given the same similar type of concerns I have. I want to memorialize it put it in writing so it's very clear to everyone involved including the residents including the developer including Ms. LeZotte and the neighboring gas station owners, of what the expectation he are that regardless what's there it needs to be oriented in such a manner that doesn't have a gas station on the corner of two major intersections like we've done in the past and oriented appropriately and frankly I wouldn't feel comfortable with this if I didn't feel that the Planning Department, planning director is going to keep very close eye on exactly what the design would be of a potential gas station and frankly, the developer wasn't

one 0 had worked and has worked closely with the city and if we didn't have had someone likes Ms. LeZotte as a watchdog for her client's interest making sure we're doing our best as we say we want this as something that develops into an urban village to make sure that the design is consistent with that . And so it's by no means, by putting this forward am I saying that whatever form or fashion of gas station or other business that is put forward that we should or need to comply with or vote on or agree with. But I do think it lace forth the concerns as well as expectations of what this development is about for today. And what we may expect in the future. But the needs right now and the needs today are different than the needs that are existing in 20, 30 years. I want to make sure we're moving in the right direction. developer comes to us and says this is something we need to make a project happen doesn't mean we need to jump and do what they say but I think it is incumbent upon us to do what we can to meet the needs of the neighbors, meet the needs of other business and meet the needs of the developer the best we can while staying consistent again the best we ask with our general plan. That is something I appreciate Councilmember Rocha trying to walk that line to be sure that we take everyone's interests into account and but the project I think will ultimately be a great boon to the community .

>> Mayor Reed: Councilmember Constant. Y thanks. You know, the conversation is centered around just another gas station and I think it's important to go back and think about why Safeway does this and again it's because of consumer demand. It was mentioned by I don't remember who said that they don't drive to a Safeway to get gas or drive further to a destination to get gas but I can tell you that's the exception. Because if you go to that Safeway over in unfortunately Campbell, that Joe shops that and probably sees my wife a lot because that's where she shops. I still haven't brought myself to doing it. You see people from all over. People from Saratoga this drive right past the Lucky's, you see people in district 1 that drive by a trader Joe's and sprouts to get to that Safeway. Because when Safeway invests in this type of combination store, it's much more than the typical Safeway. every other Safeway. And it's part of their response to demand from clients. And when you go there, and if any of you haven't had the opportunity to go silt outside that one in Campbell, it's an interesting experience to sit and see who comes in and how far they're coming from. And I've had the opportunity to talk with the management there and talk to them about their success. And it is in our best interest of our residents to help bring what they demand in services. It's in our best interest to look at situations where we know just from the gas, that one Campbell station brings in more than \$300,000 in sales tax to Campbell, I'm sure many of it is people pass

the gas station in my district to get there. And I can tell you that while we may not be happy with that, that's the way the market out there works. And I think it's important, and I don't think that we should be talking about it in terms of being held hostage by the developer. Because I don't think that's what's happening at all. Or by grocery stores. It's what our residents want. It's how people shop. It's how people do things. And you know, you can hope to have the most perfect urban village, and Javier and I were just except it's not you'll never see a bicycle ride through there but it's held up as the example. There's not even a bike lane. I think there's one bike rack in the entire place and quite frank reply you'd have to be a nut to drive on those narrow streets on a bike in there.

>> Councilmember Liccardo: It can be done Pete.

>> Councilmember Constant: What?

>> Councilmember Liccardo: It can be done.

>> Mayor Reed: Is that before or after you broke your foot?

>> Councilmember Constant: It's probably how he really broke his foot. The perfect urban village is not out there yet and you can't expect our residents to just say all of a sudden we're going to change and adapt the way we do things and we're going to shop and live and work and do everything within an urban village because that's not the way our city has been built out for decades and decades. And I think something like this as Ash pointed weren't here but we greatly in closed session almost all day which is kind of a first and you know, sometimes you have to do it in stages and you get a project like this that's really good and it evolves over time. I think that's important. We've been talking way too long on this I think we should take a vote.

>> Mayor Reed: Councilmember Liccardo.

>> Councilmember Liccardo: Thank you, mayor. I promise I'll stop talking after this. I've been listening to the comments and I think it's a very imponderably long as it has been for the members of the audience. My concern is

a lot less for attract more cars than one little gas station. I mean between the Lowe's the target and the Safeway let's face it this is a mall. So what I really wanted to focus on was going forward, what exactly can we do? I mean these urban villages is the land use designation in the general plan. I realize you are creating a pad or infrastructure for a future village that we hope will be alive sometime in hopefully our lifetimes. You know is there any interest in the future in coming back to the council with a new end use designation that says urban village sometime later? I mean I recognize that oh yeah lots of urban villages call them that are not urban villages but allowing this to get developed within this general plan I guess is what's concerning me the most and what I really want to avoid is the slippery slope. Because Berryessa is on its way, we're going to have the BART station there, 3,000 units of housing and as soon as somebody comes up with an idea of a giant big box Target there's hold the line somewhere. Joe Horwedel yeah with the general plan what we were creating was priority development areas. Saying this is where development is going to happen in the city. We have whole sets of policies about how we go about making that form happen. I think the work we're doing now is the work on Stevens Creek boulevard we're grappling with how do you go forward and do this? I think there is more conversation that would be good for us to have early next year to talk about okay, got the plan. How does that really result on something in the ground and how do we get there? Because that is the frustration or the impatience I think that we all have about how do we get to where we want to get to, in recognizing that it's going otake 20 years to go through and make changes happen but that doesn't mean you'd wait for 20 years.

>> Councilmember Liccardo: Right.

>> Joe Horwedel: And I would say that even looking at the land plan, we went through and set some things in place with this, recognizing we wanted to go and organize retail differently. But the Hitachi plant allowed you know, part of -- we talked from when we approved this plan for Hitachi we actually what you see there, of Target and Safeway, were actually on the plan that came to council.

>> Councilmember Liccardo: Yes and in 2005. Because I was just looking at the plan and I see stand alone retail contemplated which my visions for whatever this was supposed to be so I get that.

>> Joe Horwedel: So even with that Coronado afternoon when we approved the plan doesn't look like the way -- it was a much wider street.

>> Councilmember Liccardo: Right.

>> Joe Horwedel: The retail wasn't focused around it. Why developer to think bit. We didn't put housing on it I think that's the difference.

>> Councilmember Liccardo: I appreciate all that Joe, I guess what I want to do it and I want to ensure that we have the ability and you have the ability to say no, in a principled way.

>> Joe Horwedel: Right. Mr. When our next service station is considered to be next oa sea of parking for retail or whatever it may be. I guess what I'm hoping is perhaps within the motion if the motion maker is amenable, there be some referral to staff to consider exactly house the life is drawn.

>> Joe Horwedel: Yes, where to why draw the line and where to put it.

>> Councilmember Liccardo: So the slippery slope --

>> Councilmember Kalra: I absolutely agree with it.

>> Councilmember Liccardo: And I ask this I don't know who the second are was.

>> Mayor Reed: It is okay with the second are.

>> Councilmember Liccardo: The item number 5 about whether the owner of the gas station lowering price he I'm really concerned with us getting involved in price-setting issues.

>> Councilmember Kalra: Yeah, that actually refers to a case in which it happened previously so it's actually you know,.

>> Councilmember Liccardo: If I could ask the maker of the motion if they would be willing to strike that motion I would be absolutely supportive going forward.

>> Councilmember Kalra: That only electly, again I agree with your point you made earlier about we shouldn't be concerned about competition, competition is part of the premarket, we shouldn't overplay our hand when it comes to that. It comes more from a situation where instances like this where there was intentional the way the courts resolved it, is my understanding, the courts have resolved the issue. That's my understanding of the case. I don't know invasive I guess you could say Joe. Many.

>> Jennifer Maguire: Of.

>> Joe Horwedel: I'm going to look.

>> City Attorney Doyle: Clearly the would be out of bounds and it really isn't -- this is a land use decision not an economic decision so this would be something normally not are considered as part of the land using decision. It really gets into the policy discussion you know, I don't -- it's not fatal but it really is not part of the land use discussion.

>> Councilmember Kalra: Do you think it is appropriate to have in there?

>> City Attorney Doyle: I probably that's an economic issue people will come and say as part of the community or at least the competition will say but it really isn't be factored into the land use decision.

>> Mayor Reed: But it isn't actually. The memo recommends that we approve the staff's recommendation. If it comes back this is a list of things that Councilmember Kalra at least will be interested in talking about. So that's not making it part of the land use decision yet.

>> City Attorney Doyle: Yes but the C.U.P. is ultimately a land use decision.

>> Mayor Reed: But the.

>> City Attorney Doyle: It may not be.

>> Councilmember Liccardo: At the risk of sounding like Pete Constant, my lowering of prices to create an advantage over other gas stations, that's what we want to happen for consumers. We understand or decide. And I don't think our staffer is, ire. So I just think we don't want to go down that road. On this case or any other case.

>> Councilmember Kalra: Then I can understand now, the way the -- that will promote a from fresh perspective, you can have that intervention, that was not my intention. The intention was, I think very simply put, and I think that will cover it anyway is that any illegal price tampering because actually I think there has been case law that has dealt with some of these issues or at least there's been some legal action that has dealt with some of these issues in the past. Part of putting this I want to dissuade any concerns because it has happened in other jurisdictions in the state. And so I'm happy to get rid of it. But on the record, want to make it clear that what I just described is what I'm concerned about. I've had discussions both Ms. LeZotte, with Mr. Storm with the Planning Department I dialogue that we get a sense of what my concerns are because the neighboring gas station he favorable look at anyone that does that type of activity in our city.

>> Mayor Reed: I'm not sure you got an answer to your question.

>> Councilmember Kalra: The short answer is yes I'm happy to remove it with the discussion that's secured here.

>> Mayor Reed: So we strike out5 neating the questions and the concerns. Councilmember Rocha.

>> Mayor Reed: Thank you, mayor. Really wish that we approached pension reform as we do with our land uses. In 20 years we'll get to where we many need to seen so keep that in mind the next time we deem with another major fiscal reform issue that if we keep that picture of we'll get to there eventually and not go there all at once. I'm sorry? All right. Then -- and now I'm putting myself in the day in the life of Councilmember Constant, where I've never been in that Safeway, I've parked myself outside, I've talked to the manager and I interviewed people going by, saying they are skipping other grocery stores to go to that one. I think you do much more than I do as a councilmember in terms of community outreach.

>> Mayor Reed: I think we're done with this, we have a motion on the floor, Councilmember Kalra's motion, friendly amendments et cetera. On that motion all in favor? Opposed? I count one opposed, Councilmember Rocha opposed, two opposed, Councilmember Nguyen, Vice Mayor Nguyen opposed and Councilmember Rocha opposed, so that motion passes. Concluding our work on 4.2. We'll now move to 4.3, rezoning real property located on the southeast side of Alum Rock avenue.

>> Move approval.

>> Mayor Reed: I have no requests from the public to speak. On that one, all in favor, opposed, none opposed, that's approved. Item 4.4, rezoning of property of Northwest corner of Lincoln and Auzerais.

>> Move to approve.

>> Second.

>> Mayor Reed: All in favor, opposed, none opposed, that's approved. Taking us to item 4.5, development agreement with riverview apartment development, LLC which is the Irvine company in one form or another. Now before we get started I just wanted to disclose in preparation for this meeting my staff or I have met with Irvine company representatives including Tom Armstrong of HMM Inc. Is there an additional staff report?

>> Joe Horwedel: Mr. Mayor, this is a development agreement. As noted in the staff report a project that previously had a high-rise type building about 12 stories that was approved with it. With the changing economic climate and development companies changing out on this site, Irvine approached the city about building the four story type apartment buildings. Staff was concerned about losing the opportunity for a high rise in North San José. Over many months of discussions with Irvine, we really looked at the interest of both parties and from the City's standpoint we're trying to find opportunities to do high rises in the city. And as the council is well aware we have done incentives for high rises in the downtown area. We have not done incentives outside of the downtown for high rise type development. So we looked at was there ability possibly coming out from this project to essentially incentivize a project somewhere else in the city that would not otherwise occur that would not put at risk City's construction taxes and the other types of funds that we have written down in order to do incentives. So we looked at this as a means to accomplish the City's goals on a citywide basis and that it also made a project more financial reply feasible for the Irvine company. I would also note that with this project. The different type construction it's taller, still built out of wood but it is adding additional floors to the building. As well as a large retail base. And so it is something we've also used in working with our building engineering staff and the fire staff to look at that type of construction and how to make ourselves more competitive in understanding that technology to make it more financially feasible. And so that is we see also as one of the outcomes pursuant to our earlier question, how do we go through and build more urban density and urban form.

>> Mayor Reed: Thank you, staff . I have one request to speak and that would be the applicant Dan Miller from the Irvine company, we'll take that first. Judge.

>> Mayor, members of the council, Dan Miller representing the Irvine company. We've read the staff report we're in agreement with staff findings and the recommendation and would urge your consideration of that. I do want to

point out that the reduction in stories is more in keeping with the neighborhood and also more supported by the community representatives out there. As Joe indicated it is not the typical four stories it is unique but I think it's a good compromise and also provides the city some funds for high rise in other parts of the city. Do I want to point out that this is our third project in north San José, river view river oak and crescent village which we're building and will be building over the next few years. We started these projects in the middle of the recession. It's creating up to 3600 apartment homes. That represents about \$1 billion of investment in North San José. It is probably in the tune of \$75 million in fees to the city, whether it's park fees, affordable housing fees, permit fees, plan check fees, various other type of fees besides creating a number of construction jobs. We estimate these three projects produced about 1500 to 1600 jobs in this period of time looking better but when we started these projects we were in the bottom of the recession and so we made the commitment because we felt strongly with this commitment and North San José. With this approval we will be able to move forward on projects. We appreciate your support in the past and we look forward to continuing investment in San José.

>> Mayor Reed: We do appreciate a billion dollars from the Irvine company, that is particular to the city. This particular project is the last of the projects that are jobs and revenue generating nearly \$1 billion of new investment in North San José, which is now coming online, and soon will be on the tax rolls. So \$1 billion new investment will generate somewhere near \$10 million of revenues into the successor agency, redevelopment agency which will help relieve some of the funds that the city General Fund is putting together to cover redevelopment obligation. So getting these things on the tax rolls is a big job. Staff appreciate the the processing to get here and so I want to thank staff for make it upon for us to have these kind much investment. We have satisfaction agreements with multiple developers in North San José with timelines so staff has had to work on tight timelines, and this one will be no different because everybody wants to get into the marketplace set a time when they can be successful, so if this is more work for the staff It's a major vest some and expeditious permit processing is really important to success. One more thing. The \$3 million that's noted in there is an incentive, high rise incentive contribution, we appreciate that. But this is not a budget decision. It's not an propose rations. We have a process for that we'll return to that later. But we do appreciate the Irvine company stepping up to make that contribution. And then finally you want to congratulate Councilmember Chu with all the work that he did with his task force in North San José. We are actually seeing, development with parks and other things that are being

done so I think the work that was put in by that group, people are going to be proud of that. It's not always that you get to see results from task forces and committees but we're seeing results out of this, and that's good, in addition to the commercial development and the R&D development that is happening in North First Street and speaking of Councilmember Chu, you're next.

>> Councilmember Chu: Thank you, mayor. I also wanted to echo my appreciation to Joe and jury staff on working, in the effort on this development agreement. Also wanted to thank the Irvine company for your extensive outreach to the community. I met the Rowe can da group of last week and they were, with that I would like to move for approval. Councilmember Campos. All right, Councilmember Oliverio.

>> Councilmember Oliverio: Thank you, mayor Reed. Joe, so this is if I divide the units into the amount it's about \$1900 a unit. How do we know I mean this is sort of the first time this has ever been done and I guess the question is how do why know if that's the right price or does that make a difference to someone who wants to consider either high-rise either employment or housing development in the city?

>> Joe Horwedel: That's a really good question. This was a negotiation between Irvine and city staff. We looked at what was going on with some other projects and what we saw some of the gap financing to be. Essentially said let's split the difference was kind of the philosophy we took to it, let's split the difference and the number came out from that. It is one that I think it is hard to say is it exactly the right number? I really can't answer that because it is the first one we've done on this. So I think it was, in talking with some other developers where we've looked at what the size of a deficit might be and what we've done with some of the other incentives I basically look at this as the requisite of one of the high rises when you look at the park fee reductions and construction tax waivers I think it's probably in that scale.

>> Councilmember Oliverio: Okay, and then we don't have a process of how this will be awarded or you will come back, is it your decision or --

>> Joe Horwedel: Trying not to make it staff's decision. It is one where this is new territory, so as the mayor said, it is something we should think about how it fits into the budget. From staff's preference, thinking about what we've done similar to what we've done with historic or burrowing owl type moneys that's a bucket that it goes into. So that it is there when we need it but I think looking at some sort of call for project type event, I think is -- would be appropriate to say we've got X amount of dollars we're look for the best return on those dollars. And I think the marketplace is getting better, stronger, to where you can go see some real returns on the dollar. But that would be my recommendation as we come through the budget process that we say, here's the money, now, realistically, the money is not going to show up for probably about another year and a half to when they pull the foundation permit. But it is something that would at least at some point in the future show up. But I think in the meantime we should think about how we go about allocating it.

>> Councilmember Oliverio: For City Attorney if I'm someone who has an entitlement for land and it's zoned to be a certain height or it's zoned for maybe some other different modification can I just then say come to the city and say hey I observing you this per unit.

>> City Attorney Doyle: And this is a development agreement and so it is in negotiation. I think that was the intent of liberalizing our investment policy.

>> That is for people that already have entitlements? About to.

>> Development agreements they lock in your entitlements in that you are vested. So to the extent we are vesting the developer with various entitlements, the consideration is the \$3 million as I guess we're calling it a high rise incentive fee.

>> Councilmember Oliverio: And then, mayor, I know during our priority setting council meeting on the ordinances this developer agreements is something that you wanted us to prioritize but it didn't get done. What is it that you perceive would be done that would enable us to have something that you might be better?

>> Mayor Reed: Well, the fact we got this development agreement is sort of beside the point of what we need to do on the ordinance. The ordinance was to simplify the development agreement process so we're here, it wouldn't be anything difference for why.

>> Joe Horwedel: I would say one correction Councilmember Oliverio, while we allowed them what we didn't adopt were council policy around when would it be property appropriate to do a development agreement? I any that's development agreement some what should we be agreeing to lock in, negotiate for, and over what time frame.

>> Councilmember Oliverio: Thank you. And I think when and how you would spend that money on what. I think would be a policy question.

>> Joe Horwedel: Correct.

>> City Attorney Doyle: Not to belabor the point.

>> Councilmember Oliverio: Please do.

>> City Attorney Doyle: The whole idea behind the development agreement historically was that San José used to rarely, we didn't even have it codified in municipal code. liberally. To be competitive we wanted to be in the position where we were more apt to use them.

>> Councilmember Oliverio: Okay thank you.

>> Mayor Reed: Councilmember Rocha.

>> Councilmember Rocha: Thank you, mayor. The conversation move towards the \$3 million and you had mentioned the budget process, have that discussion. I guess what I'm curious is how we started with the

downtown incentive concept of when we talked about those dollars. So I mean, I know I read the report but again I'm trying to understand we've made some investment on the General Fund side such as the Montague as opposed to making San José whole some items we went down the road of talking about other downtown incentive programs.

>> Joe Horwedel: So you're asking about the incentives we already have for downtown?

>> Councilmember Rocha: For downtown.

>> Joe Horwedel: Staff is not identified it for downtown, it is citywide.

>> Councilmember Rocha: As opposed to on the moneys we spent as I mentioned from our General Fund on the obligation on the Montague.

>> Joe Horwedel: That certainly would be a possibility. Is this is dollars that come in, that are you know, we suggested how to -- where to invest those but they are unrestricted dollars.

>> Councilmember Rocha: Okay.

>> Joe Horwedel: So it really is the budgeting process as the mayor has noted is the appropriate place to go through and look at how do we go through and invest that and what kind of return we get from that.

>> Councilmember Rocha: Appreciate that I was you are curious as to how you got to where that ended up in the staff report.

>> Joe Horwedel: Our focus was how to go through and look at the best opportunity the return on those dollars and that was going to be citywide and preferably residential but we left even the door open for even an off-

employment type use versus back filling something we already community decided we were going to go and invest in. Are.

>> Councilmember Rocha: Okay and I met with representatives of Irvine and let me also thank you for investing in San José.

>> Mayor Reed: Councilmember Campos.

>> Councilmember Campos: Just wanted to disclose I also met with representatives of Irvine and HMH.

>> Mayor Reed: I think we're done. Councilmember Chu has a motion on the floor. Councilmember Liccardo.

>> Councilmember Liccardo: I'd like to disclose my meeting as well with the developer.

>> Mayor Reed: Okay. Anybody else before we call the question? On the motion, all in favor? Opposed? None opposed, motion carries. Our next item, 8.1, actions related to cardiac and automatic external defibrillators for the fire department. Motion to approve. There are no requests from the public to speak. On the motion all in favor, I'm sorry before I do Councilmember Chu wanted to speak.

>> Councilmember Chu: Thank you, mayor. I just wanted to find out first of all, congratulations for the funding to buying a lot of new AED for the City of San José. But those old ones are they reusable or sit really ready to -- to -- back to the recycling bins?

>> Good afternoon, council. There we go I'll just hold it. Councilmember, Mark Giovanetti, the pricing does include trading in the old defibrillators.

>> Councilmember Chu: Oh you traded them. Thank you.

>> Mayor Reed: I have no requests to speak. On that motion, all in favor, opposed, none opposed, motion is approved. Next item ask 9.1, amendment to the promissory note with urban markets. The motion. All in favor, opposed --

>> Councilmember Rocha: Mayor I had a question.

>> Mayor Reed: I got a little quick. Councilmember Rocha.

>> Councilmember Rocha: Thank you. If I could ask a question of staff. This has made its way through -- make sure open session now, and I had a question about the length of the agreement and the loan repayment from the 30 years. What's the remaining project area life for that redevelopment project area?

>> You know, I don't know. I know we extend the merged area to 2034.

>> Councilmember Rocha: 2034?

>> Yes.

>> Councilmember Rocha: And as part of the discussion was this the full length of what the individuals asked for in terms of the length of a loan or is this where we started?

>> It was let me recall. I think -- we pegged it as through the life of the merged area.

>> Councilmember Rocha: Okay. Then we had started with a shorter time line. If I may ask the City Attorney how much can I speak about the discussion in closed session? Now that we've moved to the public I don't know what I'm allowed to talk about or not.

>> City Attorney Doyle: The council can waive closed session you can on majority vote do that. Short of a waiver you can talk about just generally that this direction was given out of closed session is consistent with that closed session but not to get into any specifics.

>> Councilmember Rocha: Okay thank you.

>> Mayor Reed: Let me just clarify on that. The closed session discussion is confidential. If you want to ask a question you can ask a question I think and if the staff doesn't want to answer it for some reason they'll tell you it's not the right time to answer the question or something like that but I don't think the fact that it has been discussed in closed session precludes you about asking in open session.

>> Councilmember Rocha: The question I was asking was about closed session. I suddenly remember, the length of the discussion in terms of offers and the counteroffers. What is the a closed session --

>> City Attorney Doyle: The council gave us parameters and this is within those parameters.

>> Councilmember Rocha: I think for me not understanding the full negotiations sent that council in closed session a 30-year loan to me is about as far out as we would ever want to go, I mean that's ohome loan and I would really prefer to see this more on the area of the project area life but I'm assuming it's here before us because that's where we end up with a negotiation so I guess I don't have any more questions now that I kind of talked myself through this thank you for your work on this and thank you staff.

>> Mayor Reed: Councilmember Kalra.

>> Councilmember Kalra: Thank you Mayor. Either rich or Rick. What's the consequence if we don't go forward with this? I guess both in terms of -- necessary to see oversight and what's the consequences on the city.

>> City Attorney Doyle: We've come to the board as successor agency board to try to deal with number of outstanding obligations, as you know the agency was a little short of cash. In work with this developer there was a \$100,000 retention in addition to the note and everything and what we wanted to do was do some kind of work-out and we expect to meet both goals of getting the obligation satisfied, with a -- essentially a 1/6 payment, instead of make a \$600,000 payment we are paying \$100,000 what had to be done in public right-of-way. So it's a -- what we get out of it ask closure. And at a reduced cost and there's always potential exposure to a potential lawsuit for the \$600,000. Being a successor agency obligation but this way you know there's also I think a vested interest in seeing the success of the project if this helps towards that goal as well.

>> Councilmember Kalra: And the -- and so if there's no action taken, and there's still -- my understanding it looks like based upon the staff record is that since they received the certificate of occupancy that that's what triggers the final release of the \$600,000? Being.

>> City Attorney Doyle: That's correct. This is a package deal.

>> Councilmember Kalra: And so by not getting that they can take action for that but that action then would be towards the successor agency and ultimately the oversight committee would then decide, it would be the oversight committee would ultimately decide how they are going to resolve it?

>> City Attorney Doyle: That's correct.

>> Councilmember Kalra: In other words, there's a lot of debtors, a lot of creditors would come forward and say, RDA promised this, promised that we didn't get A B or C and in this case we're choosing to close out but the actual terms of agreement will then that also since this is a successor agency agreement, the ratified or approved by the oversight committee?

>> City Attorney Doyle: The oversight board has ultimate approval or authority, this is planning to go on Thursday.

>> Councilmember Kalra: Oh this is going on Thursday committee and then what happens?

>> City Attorney Doyle: Well I think it would go to the oversight committee or --

>> Councilmember Kalra: It is under the purview of the oversight committee if we don't take action then --

>> City Attorney Doyle: There are two -- the way this law was set up is either the successor agency board i.e. the council or first step of the process.

>> Councilmember Kalra: I imagine not necessarily here but statewide it's the city council had a made the deal so you can't just have -- it has to be more than that as a watchdog to get the contracts are ultimately resolved.

>> City Attorney Doyle: Right, it is the council acting as an agency board but again, the logic behind this agreement is really what does it take to close it out and the amounts that are paid to subcontractors and people that did work and they're trying to close out all those contracts.

>> Councilmember Kalra: And the loan, then, the loan changing the terms from ten years to 30 year loan with no interest for the first five years of the loan and reducing the loan amount, to so dramatically, all that has to be approved by the oversight committee as well?

>> City Attorney Doyle: That's correct.

>> Councilmember Kalra: So my understanding is if we make arrangements with some of these outstanding contracts relationships we have based on the RDA contracts, that there's -- that that's obviously taken into account I imagine by the oversight committee?

>> City Attorney Doyle: That's right. I think you know the first step is you try to making the council make the business deal and we're trying work out do workouts with various parties, ultimately the oversight board has to give a rubber stamp to that or ratify it.

>> Councilmember Kalra: Okay. If this -- I have similar concerns as to the length of it and whether this is a good deal or not and think that you know the oversight committee can certainly, they can decide what a good deal it is or not. I don't think this is a good deal and this is not for a situation like a nonprofit or what you have, a situation like that. There's a lot of people that because of the dissolution of RDA including the suffered dramatically, due to the dissolution of RDA and making this type of arrangement here is not good either for not just the city because the city really doesn't have an obligation at this point, at this point, it's somewhat out of our hands if we just let this go then they'll go to the oversight committee and try make an arrangement with them. But it's not good for -- ultimately for the taxpayers either because I don't think -- there's no benefit we're getting, this is millions of dollars given for this development to occur. And you know, the reasoning that we were going to get X amount of tax revenue from this type of development and what have you and the residents certainly haven't seen the benefit of that. And I just think that is something that this is the textbook example of what needs to go to the oversight committee for resolution and not be resolved by the same entity that made the contract to begin with. Thank you.

>> Mayor Reed: I just want to point out we have a \$600,000 claim that's due and owing and we're settling it for \$100,000 in cash and payment over time. I think that's a reasonably good deal in terms of the limited amount of money that we have to work with, to settle claims. This is the only one that people are taking a haircut on, or wait future out a long time before they get their money. It's necessary because we have limited funds in the successor agency and there are quite a few people who are not going to get paid in full any time soon and I want to thank the staff for being able to negotiate this. I know it's not easy going to people and telling them you don't have enough money, what they think are owed to them. This is not the first and won't be the last of those claims from people that have sort of gotten caught when the state took all the money and their recourse is to wait, and someone will have to wait for a long time to get their full payment but we have made some progress on this one and there are more to follow. Councilmember Liccardo.

>> Councilmember Liccardo: Thank you, mayor. I'd like to point out in terms of what residents have gotten one of the very few things that have succeeded in a very tough time in the last half decade through this recession in the downtown to the point where we've had now two high rise developers and one major mid rise developer they are all breaking ground within four blocks of this development and I'm repeatedly told they want to be near where the vibrancy is. This is been a critical catalyst for us so I think we'd be hard pressed to find a way to get any of those projects moving if we didn't have some hope that this project's created.

>> Mayor Reed: Councilmember Campos.

>> Councilmember Campos: Thank you, mayor. You know, we I meantime will tell if this project succeeds. I mean we could just point back 20 years ago with the pavilion shops. You know I mean, there was still a Redevelopment Agency for that to fall back to, or whatever, you, you know. It's a server farm now but there was an agency that could recoup its investment. So what happens if ten years down the road since the proposal is a 30-year financing plan, or a repayment plan, what happens if it's defaulted, if there's a default on the loan?

>> City Attorney Doyle: There's still deeds of trust securing the loan, deeds of trusts on various properties. So there's security that you can go after if there's a default.

>> Councilmember Campos: Oh is it so would that come back to the city and the city would have to --

>> City Attorney Doyle: It would come back to the successor agency and the world is going to change in a couple of years because you're going to have one oversight board county wide and ten years from now I can't tell you what's the going to look like but the city as successor agency still will have to deal with it so as a default we do have security.

>> Mayor Reed: Think we're done with that one. We have a motion to approve. On that motion all in favor, opposed, I count one two opposed that's Kalra and Campos. Motion carries. That concludes most of the

agenda. We have open forum, Donna Hepp. Well -- well you come on down if you want to speak. Now, is the time and then Ross Signorino will speak. So you're Robert Pineda.

>> Yes.

>> Mayor Reed: Go ahead.

>> I want to speak about neighborhood services I want to inquire about, I go there for shelter emergency services. But I've had a lot of problems with the director over at the Envision. I complained about residents there physically harmed with physical results I even called the cops on some of these people and of course it didn't happen right away. But what happened was, as time went by, after the complaints, I was sort of 86ed out of there. By patrons that are causing hostility or environments that are unsafe. And I'm a carpenter and I'm not doing the trade anymore so I'm going to school now. I'm training and I'm getting back into the stream of, you know, going back to work. Well I'm providing some schooling and education over at some of the adult schools. I'm also gone to the Grace Center, Baptist Center. I've had another problem there with another city employee. It's sort of almost like the director at the Envision, her name is Laurie Collins. And I tried to speak to her, she wouldn't answer my calls. They told me to come back the next day or after 30 days. And then they told me that I was 86ed. And this was from other people from some of the workers there that communicated that to me while I was at other shelters. A copy of that so to speak I have the same scenarios over at the Grace Baptist Center with another employee. Her name is Donna Hepp. She's not a licensed clinical social worker. I thought she was but I called her in at the state agency and they said she's not. So I'm making a statement here to you that she is physically using her hands body to charge me and --

>> Mayor Reed: Sorry, your time is up.

>> Okay so I'm just asking for a little --

>> Mayor Reed: Your time is up. Our next speaker is Ross Signorino.

>> Mr. Mayor, members of the council I didn't get a chance to speak on that defibrillator thing, I think that's a good thing that you approved that. I'm going to jump the gun here a little bit, it will be in regards to Councilwoman Pyle, next week I believe is her last meeting here and I just want to be sure I have a word to put in in case I'm not going to be here, whatever the case may be but I expect to be here so don't hold your breath. Nonetheless Councilmember Pyle I want to congratulate you and how much I appreciate your effort what you tried to do up there especially that one summer when you tried to keep lake Cunningham open, what is it, Almaden, you did a good job to get donations, the effort you put in there was great. Also the great thing you should be done I don't think it should be overlooked, when you presented that ladies that sang and danced that song, hit the road, Jack. That's excellent. Good luck next to your last meeting that you do well. And we appreciate what you've done for the community and long before when you were teaching and so on. That's a hard enough job it was hard enough to do what you're doing up here when you were teaching kids. Good luck to you whatever your endeavors.

>> Mayor Reed: Before we finish I want to give Joe Horwedel a question about items 4.2, 3, 4 and 5 in the processing and turn around time because we don't meet for a while. We have a magnet for the week. We wanted to clarify we're doing a one-week turn around, just in case the public is interested.

>> Mayor Reed: 4.2, 4.3, 4.4 and 4.5. With that we're adjourned.