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Community and Economic Development Committee. Monday, October 26th, 2009.

>> Councilmember Pyle: Ladies and gentlemen, thank you for being here this afternoon. We are going to begin our meeting. We don't have a quorum as yet so we will not be voting on anything in particular but we will be bringing up as much as we can. So we'll begin by going over the work plan and with us here today is Kim Walesh. And Kim, I understand the consent calendar is off the table.

>> Yes, it's all being deferred to the 23rd, that's the only change.

>> Councilmember Pyle: Okay, and that would be item 2 and part D2, as well. The catalyst fund was deferred.

>> Exactly.

>> Councilmember Pyle: So we'll vote on deferring that when everybody arrives. So with that we're ready for our reports to the committee and the monthly verbal report which we really look forward to hearing.

>> Great, well, thank you, Madam Chair, for the opportunity at this section just to give a verbal report about some economic development highlights from the last month since the committee last met. I think it's important for the committee and the public to understand that even though Silicon Valley is losing jobs on a net basis, we continue to work with companies that want to locate in San José. A wide variety of companies we've worked with this last month from LED lighting manufacturer to security software company, data storage company, a national moving company, internet -- digital internet company. There continue to be just a lot of companies that want to move to San José or expand. So we work very, very hard to make sure that we can make those projects work. I think you also know we're really emphasizing new retail development and sales tax generation, and I'm pleased to report that staff is initiating a general plan amendment to allow for more than 300,000 new square feet of retail space to be developed in the Evergreen area, in Councilmember Herrera's district. In addition, the State of California has a new program through the California Business, Transportation and Housing Agency where the State wants to designate, they're called I-hubs, California innovation hubs. So they are going to designate certain regions in California as I-hubs, and those are sort of special places for accelerated partnerships, and hopefully more attention from the State as well as the region. So we were lucky enough to submit a letter of intent to be one of the I-hubs and received the thumbs up on October 16th that we will go to the next stage. So by the end of November we will be submitting comprehensive application to this program, working with many of our partners, private partners and university partners like San José State and U.C. Santa Cruz.

>> And that item will also be going to council phenomenon approval.

>> Yes, that application will --

>> Councilmember Pyle: Will it make it in December?

>> We will make the deadline. Yes, we need to make the deadline in order to qualify.

>> Councilmember Pyle: Ring in the new year.

>> So it's a November 26th deadline. So you'll be seeing it at council very shortly. We continue to have a lot of activity in the downtown. I just wanted to point out that this week, through the downtown coordinator, Lee Wilcox, and the commander of PD's vice unit, we're holding the second lead server training. This is training for people who work in the hospitality industry downtown, about really responsible hospitality. We had over 100 participants in the first workshop, so we're holding a second. And I'm also pleased to announce that the Responsible Hospitality Institute who we worked with several years ago on the plan for downtown has nominated San José for an outstanding achievement award. So Lee and some of the downtown businesses and representatives from PD will be receiving that award next week. So it's really recognition of the positive steps that San José has taken together since the acceptance of that report, probably nearly two years ago, now. So kudos to that -- it's a very large team. We continue to work on bringing international investment to San José. And we just received word a couple weeks ago that the Catalonia Trade and Investment Agency is going to be bringing six Catalonian businesses to San José, making San José the base of their U.S. operation. So that is just an example of some of these relationships we have with other foreign trade offices, that end up with companies locating here. We also continue to work the link between arts and economic development, and we have a program that is starting for eight consecutive evenings call the Business of Art. And again, this is the second time we've done this program. It's a very successful program. It's aimed at artists who are living and working in San José, as artists, but want training about marketing and business planning, financial planning, legal issues facing artists as they operate as a business. So we have 22 artists participating in that program. And I need to mention also in the cultural area the very successful San José Mariachi and Latin

Music Festival which, hopefully, that you all attended. The festival was significantly expanded, certainly in terms of its star power, with Linda Ronstadt, but also, in terms of touching on other areas like sustainable building and nutrition. They had a great partnership with ZeroOne, so there are all sorts of mad scientists running around doing fun things with kids, and the festival was financially successful. And the last piece I just want to mention is that our national-international media outreach efforts continue. We had tremendous coverage, mostly in the green area this last week. But I want to just reiterate the importance of that. You may have seen the article in the New York times yesterday. It says great that San José was covered in the New York times about our airport, but unfortunately it quoted yet another airline executive saying that no one on the East Coast knows San José. They want to fly in San Francisco. And so we continue to face that underlying barrier of basic knowledge, which is why the media outreach effort continues full speed ahead every opportunity we have. So those are just a few updates of activity the last month in the economic development area.

>> Councilmember Pyle: Thank you for all that good news. We need that. This is exactly what we need in these times, and thank you for all the hard work that led up to these successes. Are there any comments? Ash.

>> Councilmember Kalra: Thank you, and I agree with the Chair's comments that it's nice to hear some positive things. And I know it's been challenging with dwindling resources both from development and certainly from the redevelopment agency. But I still see a lot of energy and enthusiasm in trying to really -- the way I look at it is, you're certainly prepared as the economy turns around, we want to be the drivers, we want to be in a good position, particularly with the airport and hopefully moving with the convention center and so on. The question I have is about the I-hubs. What practical benefit -- I know, for example, the enterprise zone has a practical benefit to the employers. What are some of the practical benefit I-hub would have if we have a region or area designated as an I-hub?

>> Councilmember Kalra, I apologize. But we are unable to have a discussion of any particular item.

>> Councilmember Kalra: Oh, okay.

>> As I did mention before, it is possible for her -- for the report from the director to have discussion. However, the items were not agendaized for discussion. So you can ask that it be brought back, or anything else, but there can't be a discussion.

>> Councilmember Kalra: Then I'll just ask that. That in the future, if you can be meeting, when -- as you go through that process, we can have a public discussion about it.

>> Certainly.

>> Councilmember Pyle: And when is this on the city council agenda? I usually refer to this, as well, so by we'll probably know more.

>> It should be on a council agenda before it comes back to this committee, so that would probably be the place we can answer your questions.

>> Councilmember Pyle: Welcome. You're just in time to help us get a couple of things done here. We're going to go back and do a little bit of housekeeping. But as you can see on the consent agenda, that item has been deferred, as has item D-2. So I need a motion to defer those items.

>> Councilmember Liccardo: Motion.

>> Councilmember Herrera: Second.

>> Councilmember Pyle: Hey, you just -- It's like you practiced while you were -- all those in favor, aye, that is unanimous. So at this point we're ready to go on to something we're all excited about, really, really excited about. In fact, this was a part of the luncheon that I just went to with the chamber of commerce. Abi, you were there, and Ash was there, as well.

>> Abi Magamfar: As was Sam.

>> Councilmember Pyle: Sam was there, very, very excited.

>> Councilmember Liccardo: It was rich. A few, Abi, don't tell how many.

>> Councilmember Pyle: You can't get away with that, Sam, you're infamous.

>> Abi Magamfar: Madam Chair, members of the committee, the team of Kip Harkness, Dennis Korbiak and Lee Wilcox will make the presentation on the ballpark.

>> Lee Wilcox: Thank you, Abi. Lee Wilcox, downtown coordinator, and joining me today from the Redevelopment Agency is senior project manager Kip Harkness and program manager Dennis Korbiak.

At the April 7th city council and agency board meeting staff was directed to assess what steps needed to be taken to prepare the Diridon station for a possible ballpark and to prepare an outreach program to neighboring residents and businesses. Since that time staff has been diligently work intentionally and with a number of stakeholders on a potential ballpark. At the Community and Economic Development

Committee's meeting next month staff will be giving a more detailed presentation on the planning efforts currently underway on the Diridon station. Today we would like to give a brief overview of the steps being taken on the potential ballpark, however.

>> Kip Harkness: Good afternoon, Kip Harkness. All of you have seen the economic report, I want to give you an update. We've had a chance with the good neighbor committee to spend a couple of hours on the economic impact report and have had a chance to meet more broadly with the community since then. Just a couple of things to note. Pleased that the economic impact report was picked up by a wide wide range of local, regional national and indeed international media and for the most part that was very positive coverage. Obviously, some of the critics of ballpark deals came out, and also criticized it. But I would also note that some of the harshest critics actually gave it kudos in terms of the conservativeness of its assumptions and the broad range of our scope, specifically the fact that we included the alternative analysis as part of what we did. So some of the folks that are the harshest critics of these sorts of deals actually gave it some kudos on their Websites. So next, with the Good Neighbor Committee, as you know, at your direction we've formed that group. We've had a number of meetings where we've been able to identify the priority interests of the neighborhood. We've had a number of walking tours that have actually been so successful that we've done them again and again and again. I think I'm up to number seven at this point. That's given us a real good grounding on the neighborhood and the environment. What we've found is getting people out into the neighborhood, even those who live there, gives us a more robust perspective than when we just simply talk about it from a map or from memory. We've had a chance to discuss with the Good Neighbor Committee their vision and their goals, and to a person they've told us they want Diridon to be a great place. They want this to be a destination not only themselves as neighbors able to walk there but as the community as a whole. In fact they're challenging us I think very strongly to make this a truly century project. We've had a chance to discuss the economic impact report with them and now this week, or rather, yeah, this week we are going to do their favorite topics, parking and traffic. We'll have a chance to deal with parking and traffic multiple times, this is a very complicated project. This is the first whack at the pinata on parking and traffic.

>> Lee Wilcox: In addition to the committee project that we've been able to set up, there have been a number of individual and small group meetings. Kip and I really tried to set up internally an operation similar to a council office with constituent services. We are -- e-mail addresses, phone numbers, so we do get a lot of constituent work coming in and in a lot of cases there's phone calls, e-mails or Kip actually likes to go right to their house and talk to them to make them a fan of that project. So there's been a lot of interest on that front. In addition, we've moved forward with council district meetings. We've been able to get to Districts 2, 8 and 10. And everyone, most people at those meetings are heavily supportive of the project wanting to move forward in a quick fashion. In addition to the good neighborhood committee, those participants along with just the general community in and around Diridon have taken place or have been a part of workshops. The Diridon station planning area visioning workshop took place and then, in addition, the Alameda, the beautiful way, making sure that the Alameda connects to Diridon and how we incorporate that. We try to put as much information out there for the general public on the website which the redevelopment agency hosts, which is great. And we have been successful in collecting almost 500 e-mails. So there's is e-mails updates that come out on fairly a regular basis, kind of informing the general public what's going on.

>> Thank you. Back in 2006 the Planning Commission certified the EIR for the 45,000 seat baseball facility at that time. Of course, as you know, since that time the A's have said that if they're going to locate in San José, they want to build a smaller facility of 32,000 seats. So since the summer we have been going back through that original EIR and developing an addendum. The addendum simply basically says okay, has the facility changed enough to warrant any additional work. And so we've been going through the air quality, the traffic, the parking and everything else. And we are originally planning on releasing that document in November. Late this summer, we received word from Valley Transportation Authority, who develops the numbers and counts for the freeway segments. Now, a freeway segment is not an interchange. It's basically a portion of the freeway. So for example near the stadium you have say from Bird Avenue to Highway 87, that would be a segment. There were approximately 20 segments studied back in the 2006 EIR. VTA informed us that one of those segments, between Highway 87 and 10th and 11th Street, there was an arithmetic error on one of the numbers they gave us. So as a result of that, after consultation with the Department of Transportation, VTA, our city attorney's office, we have decided now to change that addendum to a focused EIR that will go back and do new counts on the traffic to make sure the new data does not conflict with some of the initial findings. We expect to have that focused EIR

released in January of this coming year and go through the Planning Commission, inform the good neighbor committee and all the neighborhoods about that, so there is extensive opportunity for the public to comment on that analysis. We expect to go to the Planning Commission and the council if there's an appeal from April through June of next year. Thank you.

>> Councilmember Pyle: Good work. I'm sure we have questions, though. Ash.

>> Councilmember Kalra: I wanted to compliment you for your work. I know that Lee, you were down in District 2, and I don't think it's a coincidence that the three districts outside the downtown are 2, 8 and 10. That the path of outreach for you, and I think we know how important, as does the rest of the council, which I think we want to certainly work with the rest of the council. Because eventually this goes to a vote. We don't want to just -- we want to get real meaningful output and information that's going to need but also meaningful input early on so that we know what the community's thinking. I certainly also would agree with Lee that the sentiment I get from my community on District 2 is good support. But the good thing about having the meeting was more than just about a ballpark. It was really about what the plan is for that whole area. And so I know that Councilmember Liccardo and Oliverio are doing a lot of the work along with you in really reaching out to the neighborhoods who happen to be affected, but there is certainly a great benefit to really reaching out early and often to the greater community, especially as we do the update from the EIR. And I apologize, I was on the Planning Commission, and I apologize for not catching that error that VTA made on the numbers, but hopefully, we get that all fixed too. I just want to thank you all for all the work you're doing, as well as Councilmember Liccardo and Oliverio, because I know that they, along with their staffs, have all been very involved, and I think that the rest of us need to be engaged, because it certainly is something that could affect our entire city.

>> Mayor Reed: Rose.

>> Councilmember Herrera: Thank you. Yeah, the ballpark's really exciting. I just returned from a trip with the chamber of commerce, and we were able to tour Fenway and hear about the way they updated their ballpark, and one of the striking thing was the lack of parking. Because of course, there's transit and other things, and they've been able to overcome it. So we should keep from our minds, challenging our assumptions about how many spaces we actually need as we're trying to transform. The other thing I just wanted to say is, I really encourage you to work with council staffs, and I'm sort of saying, in district 8 we didn't get the opportunity to work ahead of time. So I hope future meetings we will be able to work with you, because we certainly are very involved in what's going on in the district and would like to be helpful and would like to be sort of leading that, rather than sort of chasing behind it. So hopefully that's heard, and we'll have that kind of working together next time, next go-round, so thank you. Wait, I think I --

>> I just wanted to say I appreciate that comment and I want to make sure that councilmembers are not only the elected leaders but very much the eyes and ears in the district. We're looking forward to working very collaboratively. And if any and all of you would like a second round or future round on the Diridon Station area, ballpark, we're very much eager to do that as often as you would like..

>> Councilmember Herrera: Yeah, I guess, another thing is, there's more than -- there's many different groups out on the district, I know you're familiar with the group that you worked with, but there many different parts of the districts. So I'd like to make sure that our feedback's really encompassing all of the various interest groups that exist out there. And even though the sentiment is generally favorable, I think we need to make sure that we're hearing all of the concerns that might crop up, and that we can address those and get that public input.

>> Councilmember, I would deeply appreciate if you could direct us towards some of the groups that you think we should most pay attention to. At this point, by my count, I have hit 75 individuals or small group meetings, and I learn something at every single one. So I would look to you to guide us toward the ones where we haven't done the listing that we ought to do further listing. There's -- that list can go as high as it needs to go.

>> Councilmember Herrera: I guess one of the aspects at least in District 8 -- and this is true throughout San José -- is we have a lot -- it's a very diverse community, so there are a lot of ethnic groups. And I want to make sure if there is some input that we haven't heard from some of the other groups, that we capture that as well. My suggestion is that we work together to hold the meeting so it's not on a VTA night or some nightly when councilmembers wouldn't be able to come if they were serving on those boards, thank you.

>> Councilmember Pyle: Sam.

>> Councilmember Liccardo: Thanks. I thought Rose's point about parking was well taken. I know that we have challenges with parking generally, in those neighborhoods, and we want to address those as

squarely as we can. But hopefully we are going to move to a world where we won't need one parking space for every attendee. And for -- you know I look forward to that time when we can make that happen. I just wanted to thank Kip and Dennis and Lee for all your hard work on this. I know this is an enormous time to be spent in the community. Unfortunately, we have a small but feisty team in district 3 but we couldn't possibly take it all on and I'm really grateful for the things you guys are doing out there. The question I had, the focused EIR, I know the original EIR covered a 45,000 seat stadium. We're looking at a much smaller with 32 --

>> 32,000 that's correct.

>> Councilmember Liccardo: So is the focused EIR going to be incorporating that assumption?

>> Yes. The 45,000 is not part of the analysis anymore.

>> Councilmember Liccardo: Okay. That's helpful. Thank you very much.

>> Councilmember Pyle: Did you say 75 meetings, Kip?

>> Yes, ma'am.

>> Councilmember Pyle: Wow. Hats off. That's a lot. Are there any people from the audience that would wish to speak to this subject? And David Wall, I owe you a huge apology. We did defer the item that you wish to speak to. So if you wish, you could address this at open forum. [Off microphone]

>> Councilmember Pyle: Thank you, David. With that, we need a motion to accept the report.

>> Councilmember Herrera: Move approval to accept.

>> Councilmember Liccardo: Second.

>> Councilmember Pyle: All in favor, aye, thank you, gentlemen, for a wonderful job. We appreciate all your efforts, immensely. And we're now ready to move on to the downtown retail update.

>> Abi Magamfar: Madam Chair, members of the committee, Christine Velasquez and Hope Shapiro from redevelopment agency will make that presentation. I would like to mention that items number 4 and 5 will be covered under this presentation.

>> Councilmember Pyle: Thank you, Abi. You know I did a little extra walking about when the league of cities was here for the conference. I think our city looks great! Thank you.

>> Good afternoon, committee members. This update has been prepared for the first quarter, fiscal year 2009-10. The last we reported to the committee was in June so we're going to give you the latest updates on trail and office. We're also going to touch up on some downtown marketing activities that we have been putting together. First off, despite the market, we have continue to attract retailers and office in the downtown. And you'll notice on -- let's see -- here we go -- you'll notice on our first slide we had a fair number of businesses that opened in the first quarter. The first one is the market, which is Safeway's new upscale grocery store, which opened at the base of CIM's The 88 high-rise housing project. We are the proud recipient of the first location in Northern California. Our understanding is they're doing really well and they're really happy to be here. A project like this speaks volumes, when we attend our retail conference. So this provides us a lot of ammunition if you will when we're going out there and pitching to retailers to come into downtown. Carl's Jr. opened their first location on South First Street in the former La Taqueria site, and I know that there were a lot of people in mourning that they closed, but we're seeing more chains coming in, in term of fast food. People are looking for volumes and I know that they had a really successful opening just a couple of weeks ago on south first street. The Cheese Steak Shop which is a local chain opened their first location in downtown at the former My Burger place on Santa Clara Street, and they, too, are doing well. I went to their grand opening and they had a line out the door. Love's Cupcakes, on West San Fernando Street, right in front of The 88, opened. It's our first cupcakery -- that's what they're calling them today -- in downtown, and everyone seems pretty pleased with their pastries there. Maseo Brazilian Steak House and all you can eat chirasceria style restaurant opened at the former Melting Pot site, and if you haven't been out there already, I'd recommend you go there with an empty stomach, because you can eat as much meat and chicken and pork as you wish and a very nice buffet. And Fremont Bank opened in the former Kinkos FedEx site on West Santa Clara Street. I'm pleased to report that we have ten new retailers we are expecting to open by the first quarter of next year. First one on the list is Ross dress for less who will be opening a 25,000 square foot space in the current black sea gallery location on South configuration street. They have finished their landlord improvements and we should see some tenant improvements starting shortly. And they plan to open as early as March 2010. The pasta market, which is located in Los Gatos and also affiliated with Florentine's Restaurants as well as the former Ravioli site will be opening at San José Market Center at the former Askew Grill location. They just signed their lease last week, so we were able to add them to the report. Seafood Grill is going to move into the San Pedro Square area, they took the former Quizno's site.

It's backed by George Foreman. And they will offer healthy entrees to their patrons. Tea Grade Tea is opening in San Pedro Square as well, they're going in the former Cinequest office off of Almaden, and it will be one of our latest or newest tea rooms in the downtown. Yogurt keeps coming in, and we still continue to get calls for yogurt. Can't get enough yogurt. We have two of them going in, one of which will be going into the third street area and one at the downtown pavilion. Silk road Indian restaurant will be expanding and opening their second location on park avenue. The agency board approved a lease for flames to expand into the fourth street garage. They can provide more banquet room and we're very pleased about that. Morton's the steak house will also be expanding. They actually got their conditional use permit approved, for late-night use, they'll be open to 2:00 a.m. So they can accommodate more late-night events. And la Victoria will be expanding at San Pedro Square, so you can get your orange sauce until I think 3:00 a.m. Parking and more so, parking with ease, is an important amenity that consumers look for, and we now have central place garage which is at the base of the 88. It has over -- or it has 330 parking spaces with a state-of-the-art access control system. And we celebrated the new garage with a ribbon cutting on August 27th. As well as the opening of the Safeway, the market, that day. We believe it's important to continually check the health of our local retailers and personally reach out to our tenants, especially during this challenging time. And we've stepped up our retail retention efforts to provide support to our local businesses. This past quarter we've met with about 25 downtown tenants. We also walked the streets with Councilmember Liccardo, greeting downtown retailers and seeing what we can do to support them during this challenging time. We also retained a restaurant consultant, five star restaurant consultants, a well respected consulting firm to provide up to four hours of technical assistance to local businesses downtown and the neighborhoods. She met with eight downtown businesses this last quarter. We also worked with her on the restaurant, boot camp, one day seminar which was held at the entrepreneur center, the first of its kind in which workshops such as customer service, quickbooks, marketing and branding and food costing were presented to provide additional support to our restaurants. Enterprise zone hiring tax credit vouchers, we processed over 240 vouchers in downtown alone. It's a great incentive in terms of retention and attraction for our businesses, and we offered three, or we actually granted three small business loans since July to Britannia Arms, House of Siam, and San José bar and grill. The essence of our work is to strengthen our working relationships with retailers and with our brokers in order to position San José as a place of choice for retailers. And we continue to put San José's best foot forward as we attend local, regional and national retail events. The events we have attended this past year includes the international council of shopping centers, next generation program in San José was held at the loft in Downtown San Jose. The western division conference in San Diego, this is a great one that we attend year of, we find that tenants in Southern California are now expanding into Northern California, so our meetings have been fruitful. And the Retail Alliance program in San Ramon in which one of the topics focused on how local government agencies can support businesses and assist them with the ease of entry to our cities. We also conduct a broker presentation series in which we visit local brokerage firms and provide up-to-date information on retail trends and the things that are happening in downtown, and the neighborhoods. This go-round, we visited Collier's International and Richie Commercial. And we also actively participated in the coordination of a downtown San José retail -- real estate tour in which brokers and retailers take an bus tour of downtown San José neighborhoods. Because of this we added a fifth bus at our last tour, and we attracted about 250 attendees. And so we are gearing up for our sixth annual downtown San José retail real estate tour for spring 2010. Now, effective marketing is important for us to continue to attract businesses into San José. And I'm going to turn it over to my counterpart, Hope Shapiro who is going to share some of those prospects with you.

>> Thank you. So as Christine mentioned, we provide marketing and public space programming, as part of our retention and recruitment efforts. Primarily through our agreement with the San José downtown association, we have been doing that for years. And as all of you know, that was approved September 15th by the agency board. And some of the programs that are part of this agreement include a downtown branding campaign. This is really an effort to provide year-round branding and advertising, to promote downtown really as a regional, unique urban center. And to really promote the different amenities that we offer. Arts and culture which is kind of our first round of creative, high rise living, as well as dining, and this is an ongoing effort to not only change ongoing perceptions of downtown but also, to really increase the awareness of what we have to offer, because there are still a lot of people that are not aware of what we have. Another popular promotion was the dine downtown San José promotion. This is our first attempt at a restaurant week. This took place in June. We had 27 different restaurants participating, and all of

them offered a fixed price -- I'm sorry -- fixed price, prix fix menus. All of them were at different price points, 20, 30 and \$40, and for a lot of these upper end restaurants, this was incredibly affordable. So it was very, very popular. We had probably one of the most outstanding responses from the businesses in a long time. All of them want to return, and participate, and we will be bringing that promotion back. So we're excited about that. We have produced the holiday in the summer event brochures for the past several years, and this is really an effort to capture downtown when it shines. This is the one we've got during the holidays. We've got Winter Wonderland, Christmas in the Park, Downtown Ice. During the summer Jazz Festival, Music in the Park, South First Fridays, street markets, a lot of events that people may not know about, but when they come down here they have an incredible experience. So we'll continue to offer those. They list all the events happening during those seasons, they offer a map, and they also give a description of all our different districts. We also continue to update the downtown walking map. It's actually a totally separate piece and that's been really popular with residents and visitors. We have it distributed to the Convention and Visitors Bureau through our mobile concierge that you see on Segways through the Groundworks crew, as well as through the hotels. We will also continue to offer marketing assistance to the downtown association to promote their events: Music in the Park, Downtown Ice, Farmers Market, et cetera. In terms of public space programming, we had a really successful season. This all primarily takes place during the spring and summer months when it's warm. Starlight cinemas, this actually was a series that originated in San Pedro Square, I believe, Cinema San Pedro, and it was so popular that it had expanded into St. James Park and now we have expanded it into the historic and sofa districts. The historic district focused on classic films, so they had great attendance for films like Casablanca. I think the best attendance was for Sean of the Dead in the sofa district, which we had a prescreening zombie crawl, where people are encouraged to dress up like zombies and could even get their makeup done. And the park before they were guided through a crawl throughout sofa district where they could stop by participating restaurants and bars and get discounts. That got a ton of good press, we're really excited about that so that will be returning. Third space entertainment, that is our street musicians primarily. So they offer the entertainment, during the lunch hour in the historic district, in the evenings in San Pedro square, and sofa district as well and they offer everything from, you know, American, pop, jazz, Latin fusion, and it's been really popular, and that nice amenity I think with people enjoying their meals. Exhibits on display in vacant store fronts of local artists. So we will continue to do that. That has really enlivened those empty windows and created some livelihood there. The sofa street market, we put those on four times a year, in May and June, and August and September, and they coincide with south first Friday's art gallery walk, and they actually -- we invite the different independent and local artists to come down and sell their wares. We also have some of the favorite Bay Area bands on stage. We now have a stage in the middle of first street and if you haven't been, it's a great experience. It's like no other that I've seen downtowns. So we'll continue do that as well. And actually during south first Fridays as well as some other larger events we've been offering downtown pedicabs service which shuttles people around the different art galleries and around the different events. And finally, holiday carolers, we've had them for the past several years, really sort of brightening people's days during the month of December. And a quick update on our office program. As some of you may know we launched the downtown office Website. SJDowntownoffice.com I believe in July. And in this down economy we really feel like we want to provide as much information and resources online to these downtown businesses as possible. So we offer a list of all of our different incentive programs, the enterprise zone, the parking assistance program, it also has an office site finder tool and that's founded by Costar, and it offers whether it's tenants, landlords or brokers, to get on quickly and see what's available downtown. It defendant be features only downtown properties. It offers a map that is downloadable and printable. In the future, I hope to offer case studies, why people have moved downtown and hopefully will stay downtown. And finally, we've had several downtown openings, which is very exciting, especially in this commercial real estate market. Meecham Oppenheimer on the corner of San Pedro and Santa Clara. Where Starbucks is. So they now ouch the third floor and they occupy 4500 square feet. the law foundation of Silicon Valley as a nonprofit, they provide free legal advice to people in need in Santa Clara County. They moved into community towers, occupied about 15,000 square feet and have brought 30 jobs to downtown market. And finally Luma --versal, this I should mention is a startup. This since this went to print they now have six jobs. And they hope to actually bring in 75 jobs within the next six months. And they've taken 15,000 square feet at 75 East Santa Clara Street. So we're very excited to have all of them and with that we welcome any questions you might have.

>> Councilmember Pyle: Well, you two have been very busy. This looks great. I'm sure we have a million questions, however. And we'll begin on this end. Sam.

>> Councilmember Liccardo: I pass.

>> Councilmember Pyle: Rose.

>> Councilmember Herrera: Thank you. I look forward to continuing hearing about the great programs and results that you're getting and I think these things are really important. Just the zombie crawl movie event that you mentioned, those things can really differentiate a city.

>> Absolutely.

>> Councilmember Herrera: And have wide appeals and they're not hugely costly to add the kind of interest and excitement to San José. So I really appreciate what you're doing, thank you.

>> Councilmember Pyle: Ash.

>> Councilmember Kalra: Thank you about the report, I don't have any questions.

>> Councilmember Pyle: I have, first of all when you talk about the boot camp and the 85 restaurants, how do you do the follow-up? I understand she's fantastic, she can size up the situation, you need to do this, you need to do that, et cetera. What's the follow-up so we know what the parameters have been and what worked and what didn't?

>> Well, first off our restaurant consultant starts off with about an hour of consultation and really understanding what the restaurant's about, what their challenges are and what works for them and from there she provides insight and recommendations based on her experience. She owned and operated a catering restaurant for over 20 years. So she's coming in with real experience and expertise, experience. And we partner, and we assess what type of support the business needs. So for example, perhaps they're not taking advantage of the enterprise zone tax credit program or they are not taking advantage of the parking validation program, ways that they can save money, ways that they can tighten their business operation. So she again provides this initial assessment. And we've seen some success for example, there was a restaurant who realized that Monday lunch is a little slow for them so they took that time or they're taking that time to focus on marketing and focus on bringing in more banning banquets and focusing on catering . So they become part of our retail retention list, to continue to visit them, and check to see how they're doing.

>> Councilmember Pyle: Great, that's a tremendous service, it really is. And then the other question is, you talk about the plea fix A and the tours and that sort of thing. I olike to down into downtown more often and I think they would do it if they could come down on the light rail and there were choices set up ahead of time. I don't know quite how to do that yet but we will be in Dutch with you to see what we can do to provide some outreach. Sam wants more people down there, I can tell.

>> Councilmember Liccardo: The more the merrier.

>> Thank you for mentioning nap we've been in talks with some council AIDS about interviews that may be going into our interviews.

>> Councilmember Pyle: That would be great. Sam.

>> Councilmember Liccardo: I just wanted to add reply thanks to the anchor us. Hope and Ann, you're in this very, very tough time and I know we're all anxiously anticipating an RDA coming out. You folks are doing more and more with less and less so we really appreciate it. I had a couple of questions, one of them was about -- oh, yogurt. I think the ratio of yogurt shops to stomachs is rapidly approaching zero. .

>> Abi Magamfar: Wide available downtown. Obviously we don't discourage them but we provide them with the information that would help them to make that decision. At this point, it seems like there's a little more room in those stomachs. And --

>> What's interesting is that all these yogurt places call us and say that they are very unique. And they come in and say well, I'm self-service type yogurt and we say well, it's just categorized as yogurt. As Abi said, industry, carrying along the lines of yogurt example, we do let them know where those other yogurt shops are, there is more coming down the pipeline, but they're not scared. They want to hop on and take advantage so yogurt and lots of specialty foods and fast foods, fast food type chains are what are coming out. Grocery stores and discount stores. So if I may just going back to one of our ICC events in San Ramon, there was still a fair amount of retailers that were in expansion noticed. Ross was there, and happy to report, they're coming in. As well as the grocery stores. And Safeway was there and we're the recipient of the market. So that bodes well for San José. And I think our retailers will continue to consider us for a place of expansion.

>> Abi Magamfar: Yes, you can tell, when the unemployment rate goes up, there's a lot of entrepreneurs coming. And that's one way for people to get back on their feet. We wish them success but you are correct, ultimately comes to a saturation point where somebody or something has to give.

>> Councilmember Liccardo: I certainly appreciate their enthusiasm. I think if we had a magic wand to turn the yogurt shops into bookstores you'd have widespread success in downtown. I wanted to mention one thing on the public service programming. The RDA program at San José State was incredible. We had a week along the Televaughn, I'm trying to remember the name of that lawn. But anyway we had 23,000 people out to enjoy symphony of all ages, it was wonderful to see. Thank you.

>> Councilmember Pyle: Rose.

>> Councilmember Herrera: I have one other questions. On the enterprise zone, it says 240 vouchers were issued. Does that correspond to jobs that new employees that were hired or what is the?

>> Businesses have up to five years to apply for vouchers for employees. So it ranges from new employees to employees who have been there for up to five years.

>> Councilmember Herrera: Do we see any net new employees out of it, though, I'm curious, do you know?

>> We can provide that information to the committee for the department.

>> Abi Magamfar: We do have -- we're regularly finding new employers that took boulevard from this programming. Unfortunately, we don't have those numbers at hand.

>> Councilmember Herrera: I think probably one of the reasons we have is to probably encourage them to start hiring given our current situation with unemployment. If same thing about the downtown retail retention visits, it sounds like we met with 25 of them. Did they all decide to stay? Did they retain all of them?

>> Yes, we met with these businesses during the last quarter so been three, four months.

>> Abi Magamfar: Sometimes little things. Councilmember Liccardo and I do what I think is called walk and knock in a regular basis monthly. Sometimes little bit of confusion, a retailer may not be totally up to par house it works so a customer may have complained or misunderstood. So clarifying one of those things or when we have a change, that is not marketed or advertised to businesses, these are little things that would help them to retain their services and stay in place. Unfortunately there are to the extent that we can help if they are not totally done and under, there are programs that we can help them with. Like the small business loan program, and such, and unfortunately, with agency budget being impacted severely, you'll see later this afternoon, when it's released, some of those programs are going to be limited to what we can offer moving forward.

>> And I did forget to mention, Christine remind he me, Lumaversal actually chose Downtown San Jose over other municipalities, Sunnyvale.

>> I do the publicity about all the summertime events, the downtown ice and the zombie crawl.

>> Councilmember Pyle: You do have to fill out a card.

>> Councilmember Liccardo: Madam Chair, I want to thank Rick and others pop.

>> Councilmember Pyle: Thank you Rick. With that I need a motion to approve. All in favor, opposed, that's approved. Thank you very much. That was an uplifting report. We appreciate it. Now we're ready to move on to the San José medical center. Wow, quite a thick report. You two are everywhere. Welcome. Again.

>> Good afternoon, again, Kip Harkness account San José redevelopment here with Lee Wilcox, downtown coordinator with the City Manager's office. I want to very briefly walk you through an update on downtown health care and HCA site. This is a process that's been going on for quite some time and I put up as a reminder to all of us the literally barbed wire fence around the former hospital site as a reminder of the importance and timeliness on this. I want to give you an update on the county's process, community based provider and then the city and the agency's conversation west HCA regarding a potential donation agreement and hopeful future development of the HCA site itself. And then I'd be happy to take any questions that you might have. To give you an envelope of what we're looking at with the downtown health clinic, as you know in November 2008, the county passed measure A which provides \$50 million for funding for downtown health clinic. In October Jeff Smith the new county exec dealt with his hospital and health services body committee, and did a lot of actions that moved the processes long quite a bit. He confirmed that the city's desire to provide primary and urgent care. That's the first time they are on record for the urgent care, I think that's extremely important. In the work that we've done it is the primary and urgent care which are the significant gaps downtown, especially low income folks who are underinsured or uninsured. He identified a short list of sites and I'll go through that

in a little bit greater detail. And the county also issued an RFP, request for proposal to provide a community provider. As many of you know we have been working with Gardner Health clinic and they are going to be a very strong competitor in that RFP process they also expressed some concern about the budget and had some revised estimates, as far as their cost per square foot, as far as the discussed high scale for the clinic profile. What exactly are they looking for? First it's to be located in the heart of the downtown community. The total area of the clinic itself is probably within the range of 40 to 60,000 square feet. To give you an idea, Gardner's current facility is 50,000 square feet. This is a significant expansion for a brighter light Gardner. Of course they need to make sure they meet Oshpod write is the state requirement for the hospital, not a full scale hospital use but it still rks transportation, positive clinic identity, community based providers we said and again within the \$50 million that is available for measure A. Potential sites, we have been encouraging the county to look at the Chavez building for a while. The Chavez building is on 25 north 14th street. The county has let us know that is no longer an environmental with option for them, I'll go into that shortly, and then four other sites that the county has included on their short list. Chavez building, for those of you who are not familiar with the hospital itself, is often confused as the office building itself. The fact that they would be able to only use their bond funds directly for medical use and actually the building is so large that they were concerned that the remainder of the building which would be rent out would not be bond eligible. They're also concerned with the extent of renovation required and the usable loser of the building. We certainly understand the county's position, it is a disappointment for us, we had hoped that this would be the opportunity to isolate the space, and to bring back the presence along East Santa Clara Street. So some of the sites that are in play, there are a couple ever sites that are wholly or partially on the HCA site itself. On B, this is primarily vacant land at this point along the HCA main campus site. Primary issues with this site are that it would be difficult for HCA to then go go ahead and twop the rest of the property that would come back into play we've encouraged them to look at site A which is a site along 12th or 13th street which would require some assembly of land which would be a little more costly than a clear site but would allow them to meet all of their needs and, as well, bring back a presence along East Santa Clara Street. Some of the existing uses is a vacant parking lot owned by HCA, a vacant medical building privatory held, a four-public and the one that's most consistent is a retail use would have to be relocated potentially other places around east their street, the going quern. the other two sites the county has looked at are existing office buildings, some of them at least partially occupied, 96 north third street which is about 70,000 square feet and 140 park being spaces and 210 north fourth street which is about phrase thousand square feet and 120 parking spaces. So the clinic funding, as I mentioned there's \$50 million available from measure A. The county's most recent cost estimates are \$950,000 square not. At that amount they're going to need to limit their policeman to make sure they have enough money for acquisition of land. The bujtsd become really really tight. Kind of colloquially defined, FF and E, if you were to turn the building upside down it would generality fall out. The imaging equipment, dental chairs, all of those things that go into providing primary and urgent care. This brings us to, possibly doing a donation which would fill some or all of that gap around furniture, fixtures and equipment. We're also attempting to explore new markets tax credits to bring money into the county to expand themselves. Clear path for the fruch entitlement of the site. and this is completely schematic but I put it up for you to give you some sense of the scale of the potential development on the former HCl site. This is sold, San José blocks, the community has talked about making sure that it stems back into the existing neighborhood and would like very much to find ground floor retail, especially yogurt shops from one way to another.

>> It sounds like they had such large blocks, it is useful to realize that if this were in dowrchlt spoarlt, this wok nine city blocks. This is a very significant piece of development and we'd like to make sure that it is a great comaibd, and retail along east Santa Clara Street, we froitd them with this clear path forward on the development of the site. And with that, our next steps are to work with the county in identifying the community based provider, work with them again to coincidental their acquisition process. And then findize the development of the Clear path, site by HCA and with that we are available for questions.

>> Councilmember Pyle: Are you available? Rose?

>> Councilmember Herrera: Thank you for the opt. Update. Access to services for the downtown area, how do you envision handling emergencies that go beyond the urgent care?

>> For emergencies that go beyond the urgent care, it would basically be a 911 call or a direct call to an emergency provider, to get them -- that person to an emergency room. If somebody was a walk-in. So the immediate responders in the area of still fire station 8 right in the area and then the other balance services. The urgent -- as you probably know to have a true emergency room you have to be attached to

a hospital. You can't have a stand alone emergency room. What the urgent care room will provide, is access to urgent care that requires medical attention. If I can walk in and get that if I have a gunshot wound or a critical item like that that's a 911 emergency and those physicians at the emergency will be trained to do that trees an and immediately get whoever that is access to emergency room care.

>> Councilmember Herrera: Will there be higher level of triage and transition to a hospital in other areas since there's no hospital immediately around or --

>> Correct. Then you'd be seeing somebody going to regional or O'Con or oror vale immediate. Depending on the type injury.

>> Councilmember Liccardo: Kip, I just want to thank you for all your hard work with a lot of other folks. I know Paul Krutko and Joe Horwedel and a lot of other folks have been working on this since the day I got into office. I really appreciate the effort here. I know there's really been a lot of conversation with the county particularly lately, and I sense from my conversation with Jeff Smith yesterday that we could have a decision in the relatively near future. And so I appreciate you continuing to maintain that line of communication. I think they've, you know particularly on the county side, Ken Yeager has been a real champion for us and making sure that San José's interests are heard. And I think they really want to work with us. So I appreciate you continuing to do that. I guess -- well, I'll just leave it at that. Thank you.

>> Thank you.

>> Councilmember Pyle: I had a quick question. \$50 million is not going to be adequate, especially for the FFE and any other expenses that come up, and they always seem to. How much short are we?

>> Well, the Italians say, depende. The site to be acquired and the a clinic that can allow us to fit the \$50 million and the additional to quofer the FF and E and in addition, I believe again conceptually, city council and agency board, we hope to finalize that within the next several months.

>> Councilmember Pyle: We don't know at this point what FF and E would be?

>> The county has provided some estimates based on the clinics they're already completed.pps our intention would be to close the gap, because that's last thing we need is for General Fund to be drained for capital uses, no city or county General Fund uses for FF&E and the county facility.

>> Councilmember Pyle: That's a toughie. Are there any audience members wanting seeing none, can I have small wonders work plan for year 3.

>> Hard too believe, we've been implementing small wonders for two years now and we're thinking about the third year. And just to reiterate, this is really an incredible network of people and organizations that have been working together to make a lot of things happen downtown. So including the city and the agency and 1stAct but also the downtown association and many others. We have Lee and Eric ah Justice option from 1stAct.

>> PowerPoint presences. Thank you, joining me today Ekern and Eric ah Justice, building on Steven produce by the city and redevelopment agency in 2006, 1stAct released a compelling vision and set of the vision focused on arts and entertainment, shopping and dining, the work environmentalist, urban living and the public realm, bringing it all together. This vision also emphasizes the importance of both big deals and small wonders. Big deals are significant development projects that anchor the downtown core and draw people initially to the downtown. And small wonders are smaller scale projects providing trive gathering plagues, activating the street, and filling in between big deals, and yogurt shops, I mean, and keep people returning to the downtown. In the initial small wonders work program there were 20 projects identified. Over the past three years 1stAct, the city redevelopment agency, and other stakeholders have accomplished a great many of these projects. And to highlight the last three years I'd like to turn it over to Bill Ekern of the redevelopment agency.

>> Bill Ekern: Thank you, Lee, just a couple of slides to show the focus has really been in the south first street area . We picked an area that we can concentrate dollars and energy, trying to see in there was a way to demonstrate it was possible to get work done. And I think the pictures that you're seeing on the walls are really good exemplars of other things you can do with a collaboration between the private sector which I think 1stAct really has helped set the very high bar for us to keep pushing towards and then to engage the merchants in an area in order to succeed. The only thing missing on South first street unfortunately are yogurt shops. Anyway, I think it's worked out very well. A couple of key programs from the 1stAct that have gone forward are the murals, at the bottom a tremendous piece of work is a demonstration project to tie to show it's possible to expand to sidewalks, on a generally temporary basis to see that they work to test them to give businesses a chance to test their business models and allow things to move forward. The piece at cannel Carlos and south first street where original Joe's and cafe Trieste are, are very successful. We're looking for others to finish up with their sidewalk cafe permits, to

make those areas more active the tremendous amount of success has been through 1stAct and all the others downtown in pushing live entertainment. This was the big topic of discussion early with the 1stAct group to try and find ways to be innovative and get people downtown. So the subzero work and certainly this summer's west coast live I think were very good success programs and continue to help show what you can do in a confined area with a focused amount of energy. With that I turn it over to Erica.

>> First I just wanted to say on behalf of 1stAct, thank you to the redevelopment agency, I think we have some really good partners with us in our enterprise and I want to thank Rick Jensen who has been my partner in crime specifically in sofa industry the team in sofa of retailers and business owner and land owners who really have worked together to make some of these happen, things happen and will continue to work together to keep the district alive. So we with that team last year created actually a two-year implementation plan. So we're now in year 2 of that, in addition to the sidewalk extensions, some murals, the other projects, these are just a few of the projects we'll be working on going forward. The park lot under the 280 overpass is very critical am it is a great parking lot but it's a little bit scary. So we've been working on improving it through public art, working on the office cultural affairs, CalTrans, we hope this project will be going in by the end of the year working with an artist we we've worked with and with a few things like bike racks, the artistic footprint that we've been working on for a while, the banners, as the new banner guidelines have been implemented working on an RFP right now for artists to design some of the banners there pps and then 1stAct is really going to focus with our partners on activation over that next year. So we're working with Team San José to look at the theater at California courtyard, such a beautiful space, see how we can open that up and use that more and making sure those sidewalk extensions are really used effectively that are there. And we already have businesses in the second block that are wishing they have some of those. We'll see what we can do without moving forward. Future projects we'll be working on all together, core park and continued activation, in the next year 1stAct is going to offer an investment fund of \$100,000 to people in the district that they can bring their best ideas to us and compete for investment in their activation projects in the district. So we're looking forward to see what they come up with. Live music as you know is also one of our great focuses and so we'll be moving forward, caiffiting all the cultural facilities in the downtown making sure we get the best use of them as we can, the bike culture. And one the river park, I would say it's definitely a big deal but it is a conglomeration of small wonders that will make up that big deal. So I think pieces of that projects will also end up on the work plan in the future and as we continue to work together, and look at the overall vision for downtown, the work plan, we'll add other small wonders elements to it. And I am currently working on an update of the vision, and the last two years and the things that we've accomplished in all the elements of the vision we will be communicating that with our network before the end of the year. So I'm sure you'll see that as well.

>> Councilmember Pyle: Beautiful. Sam did you have a word or two?

>> Councilmember Liccardo: Yes, bravo, thank you for everything you're doing Erica. I had a question about 280 overpass, we already had a public art program there if I recall, in templetion of Chivas one word.

>> That's a different park lot.

>> Councilmember Liccardo: Different parking lot, want to reorient myself. We're going further west or east? I guess this would be east.

>> This would be east. It's right at market and --

>> Abi Magamfar: If I may, this parking lot is under 280 south of Reed street. Between market and wont.

>> Councilmember Liccardo: Okay. Maybe I'll --

>> Abi Magamfar: Or actually 1st and sect.

>> Councilmember Liccardo: Okay, I think we might have one there too. I'm talking about those one word --

>> That's a different lot.

>> Councilmember Liccardo: Okay, we're referring to another one.

>> That's.

>> Councilmember Liccardo: Okay. The downtown bicycle demo program was that solely focused on special event valet bike parking or was there something else to it?

>> Bill Ekern: I probably can't get the answer whown% right but part of it is with the bike lanes that are coming through the downtown we have a very aggressive bike rack program to have more places for

bicycles in the downtown and the special design ones we have down in sofa as well, so it's a combination of things beyond just the valet piece.

>> Councilmember Liccardo: Okay, because I see under the year 3 update it says complete. And I know I've been pushing a lot of bike initiatives downtown along with others, and I'm not sure what would be complete or what's --

>> I think that's ongoing work with the Department of Transportation.

>> Bill Ekern: The sofa is complete.

>> Bike ways, there's other ways to get bikes downtown.

>> Councilmember Liccardo: Great, thanks.

>> Councilmember Pyle: Rose.

>> Councilmember Herrera: Again, thank you very much for the report, these are things that will continue to make people want to come to San José and the people who live here want to be here. I want to learn a little bit about the quawb river park, the plans there, there is a chant chance visioning process with the friends of the Guadalupe river park board and Ken Kay who worked on our vision and the sofa project also helped, the knight foundation actually funded that effort. And so we are now designing a community outreach effort that will take that vision out to the community and take in their input and then leave in on some of the more specific ideas so you'll see that too.

>> Councilmember Herrera: Again on the Guadalupe river park, one of the things i've thought about is how can we connect that to the potential ballpark site, connecting that up, is that some of the visioning that you would be discussing?

>> Yes, definitely. But the location of the park is becoming more and more important as the downtown develops as so really positioning it as San José central park connecting everything.

>> And Councilmember Herrera, the Diridon station good neighbor committee has identified the connectivity of Diridon in regards to the Los Gatos creeb trail and Guadalupe river trail is one of their top priorities.

>> Councilmember Herrera: Great. And one other question, just looking in at the things that we talked about, when RDA was presenting the downtown retail and office space some of the public space programming. Is there any intersection or overlamb or do you leverage -- some of those activities sound very familiar or very similar to the things that you're doing in some of the small wonder projects. Can you comment on any overlap or how we leverage those things so we get more?

>> They're really supportive of one another. They don't -- we're not competing for the same space and the same dollars and at the same time, a lot of the stuff we've tried to do with wucts is let those programs work on their own, take those ideas we've taken some of the ideas and said how do we make them specific to the areas, sofa really being the prom focus over the last couple of years and so recognizing the sorts of things that have worked in other areas, trying to bring them to other areas of the city in the downtown.

>> Also I just add because of the downtown association is so involved in a lot of the programs and they're such a key partner with us in sofa and elsewhere.

>> Councilmember Herrera: And I also want to take this moment to thank the downtown association for all of their hard work in making this happen. Be.

>> Councilmember Kalra: You know, think that the positive impact on downtown has been dramatic, the frequent the customer dwrnt I certainly know this, the improvements that -- I've heard it also just anecdotally from friends and from other folks that frequent downtown, that the improvements dhar made specific to some of the programs that have been instituted through these properties and other things that are happening in downtown, so again, you know, the one -- the one area I think that we should always continue to work on, is finding ways to reach out to all the ethnic communities and make sure that they also, you know, some of the events, all of the events that I've been, whether it's weblghts life subzero, marketing to even if there's maybe, if there could be a way to interact, with you know the different ethnic communities to find ways that maybe they can incorporate some more -- some additional elements into some of these festivals, so I think they're fantastic for the entire community and I think that when you do that, when you add additional elements you're just broadening your scope and bringing in more folks. And so I think that there's always room for improvement but I think in the short period of time that these projects have been put in place I think it's been a tremendous success so I thank you for all your work.

>> Again every festival and cultural organization is really wrestling with that question. It's a very strong desire to want to reach out and connect. So if any of you ever have suggestions about how to do that, how to get the communications flowing both ways how to form partnerships we're very interested in it.

>> Councilmember Kalra: And some of it is for example in some of the festivals or some of the efforts in the plaza where you have live music acts. You bring in a couple, you expand the horizon on some of these acts and you bring in some -- you further diversify some of those acts, you bring in the other act, they're going to enjoy the vibe downtown. There's diverse crowd and still room for improvement. It's incumbent on all of us to find ways to reach out. We already know the different communities that have their different festivals and so on. Reaching out, to the organizers, can you say some you're going to see not just on the service but a much more vibrant festival and reality open it up even more than we already have so I think we certainly have, as we go forward, greater opportunities for that and I look forward to doing whatever I can to help with that too.

>> Councilmember Pyle: I like the cross generational approach because your future audiences are going to be younger, then they'll bring their children and the beat will continue. I congratulate you on doing a great job. Are there any others wishing to speak on this item? Seeing none, a motion.

>> Councilmember Herrera: Motion to approve.

>> Councilmember Liccardo: Second.

>> Councilmember Pyle: All in favor, opposed, that's approved. We have our last item, Mexican heritage plaza update. With that we are ready.

>> We have a special guest, Laurie McDugal, along with Lisa Echeverria and Peter Jensen. Had.

>> Councilmember Pyle: Welcome to you all.

>> Thank you, Madam Chair. Councilmembers, again, Elisa Echeverria, project director of the Mexican heritage plaza. We have exciting progress to report to you today. As you may recall, the last time that we came to update you on the progress of the Mexican heritage plaza we had a visit from former executive director of the Hispanic foundation, Theresa Alvarado, and she announced that we had raised the funds for the hiring of the facilitator for our process. And so we have Laurie McDugal with us, our facilitator, she came on board in July and our first meeting was held in July. We've had four meetings since then. Meeting one was on July 13th, and really covered introductions and I'd just like to add here that each of the committee members gave a heart felt expression of how -- their reasons for participating in this process, and really, their vision for what the plaza can be in the future. We also had a presentation from the city attorney's office on the Brown Act. And a tour, a complete tour of MHP so the committee could be aware of the current uses of the spaces. And then an important discussion about ground rules and how to best keep this process moving forward. Meeting 2 in August was an explanation of -- definition really of the business plan model. As well as a discussion of operations and maintenance, and rental data at the plaza, since the city took over the operations and maintenance in 2008. We also highly encouraged all the committee members to read the reports that came from consultant Wolf in 1995, before the construction of the plaza, as well as the report by Dr. Maribel Alvarez that came out in 2008. These reports really provide a foundation for the -- and really a framework for discussions on financial implications, operating scenarios, as well as community input on this process. The third meeting was in September. And it began with a report from the redevelopment agency on project happening in District 5 and particularly projects happening in the proximity of the plaza. The residence arts partners also provided a presentation. We have three residence arts partners, theater vision, the San José multi artists gills. These three partners provided information to the committee on their programming and their impact in the plaza as well as in the community. One of the important aspects to meeting 3, and really, to this educational phase, which was really the basis of the first three meetings, was a clarification of desired outcomes for the committee and their work. Are the desired outcomes really focused upon the concept of achieving the Mexican heritage plaza as a community arts and cultural center. This is important because this concept of the Mexican heritage plaza as a community arts and cultural center, came out of the visioning that was done by the community in both the -- in two particular community focus visioning sessions done by the mayor and Councilmember Campos in 2007 and 2008. It was determined that MHP should serve the community in both arts and culture. In order to achieve the concept, the community has guided that in terms of its desired outcomes of this process that it needs to define the constituency or constituencies that the program will serve. It also needs to define an organizational structure that will assure that the concept is administered properly. As well as it designate a governance structure, and the staff that will be required to fulfill this concept. There needs to be the creation of a realistic budget that details the cost to administer this concept. It's also important to identify realistic income streams, that will support the concept. And lastly, to develop a process for establishing a permanent governance structure and selecting an operator who can implement the recommended business plan by the committee. So given the complexity as well as the importance of these desired outcomes, a more defined time line has

been developed. So as you can see, we have our educational phase which began with meetings 1 through 3 July through September which I covered. We also just had a meeting two weeks ago on the 13th of October. And in that meeting, we finished up our educational phase with a discussion of for-profit and nonprofit models, focusing particularly on a successful model at the Hoover theater, at that time Hoover theater there is a quasipublic for-profit model that's working well, and it's right here in our community. We also discussed the committee's future decision making process. And particularly, from that discussion about decision making logistics, the committee decided that it would break out into a smaller subcommittees, to discuss operating scenarios. So they can meet on their own, at least if it has to be less than six of them but they can meet to discuss those offline and then report back to the entire group. So that would bring the committee into the prieght scenario phase, which is meetings 5 through 7. From there they'll begin to fill in or really look at the bones of what it's going to take to develop this business model. The ad hoc study group will of course meet to analyze different operating options then present to the full committee. And in the full committee they'll scuse the pros and cons of those operating scenarios. Then they'll phase into the business model preparation. They will select a scenario, they'll refine recommendations and they'll be looking to the arts commission for input on that final recommendation. And that takes us from February through April, meetings 8 through 10, with the final goal of presenting the recommended business model to the city council in May of 2010. Finally, I'd just like to biff you a short update on outreach, around this process in conjunction with the steering committee process. And it's really two-part. It's one, informing the committee, and also informing the public. So in terms of information given to the committee, we have the contribution and participation of our residence arts partners as advisors on the committee. So the executive directors of our residence arts partners have been joining in the meetings and giving information as necessary. We also have the participation of the Mexican consulate. Deputy council Henero Loretto has been joining us in the meetings and providing information as he sees fit. We also have our city department liaison, Office of Economic Development, and the redevelopment agency, and the San José there's also a public comment agendized item on the committee's agenda that falls at the end. So the committee listens to the public comment at the end of the meeting and takes note of that. There's also direct communication, both from myself and from the facilitator to provide the committee with whatever information they may need. In terms of informing the public we have a Website that is often updated and always contains the most recent documentation from the steering committee process and any kinds of things that are -- really anything provided to the committee is provided on the Website. I also have an open-door policy, I field the calls all the time with comments and questions, and really, if you hear anything or have any constituents that have questions, please send them directly to me. We also have a system of providing the agenda and meeting summaries from all of the meetings. And so alternative days before the subsequent meeting, I send an e-mail out. It provides the agenda for the subsequent meeting, as well as the meeting summary from the past meeting. And that monthly announcement goes out to the distribution list that were compiled from the community forums done in 2007, and 2008 by the mayor and Councilmember Campos' office. So that conclusion my update. The entire team is here so we'd be happy to take any questions.

>> Councilmember Kalra: Thank you. Well, looks like the team has done a tremendous job. The amount of input that has come in, the comments that have been garnered, looks like it will be a wonderful helpful to the process. you mentioned having the city department lee eight soon. I think it's important that we have all how we can maximize the space as much as possible. And so I have a question in regards to as you go through this transition process, are there -- is there some nimbleness or flexibility in how the plaza is being currently run so if there's some just some great ideas that are coming out of these discussions that it can be implemented almost immediately or some of the marketing plans or some of the outreach efforts in order to try to increase the usage of the plaza? Are these things that are being implemented as you kind of go along as well as creating this overall plan?

>> We're trying to do a few things. The way that we set up the budget to do OEM and the program was fairly minimal. The idea was to keep it alive as this process went. As we're starting to get more ideas and sort of on our feet if you will we are starting to look at what else can we do, ahead of whatever the steering committee comes up with. So we're trying look at what opportunities we have now. Elisa's been working with agencies and others on a community garden and those type of things.

>> Councilmember Kalra: Obviously, let the committee do its work and have it come back to council in the spring. If there are ever opportunities to sort of implement some of the thoughts, sound like there's pretty good opportunity for brain storage and suggestions to come forward. And currently in the operations there's an opportunity to then implement on a small scale some of those thoughts and

ideas. And I think it certainly wouldn't hurt and may even help on the long run in terms of when you finally come forward in the long run and present to the council and the committee.

>> Councilmember Pyle: Ruth.

>> Councilmember Herrera: Thank you for the report. It looks like we're moving ahead and doing some great work and looking at the future of this wonderful asset to the community. I remember I grew up in San José group up on the east side and I remember how many years was talked about the need for Mexican American cultural building. And it's of course progressed much farther than probably people thought about when they were talking about it but the community made it happen along with the city and a lot of other folks. It's a great asset and I look forward to seeing the community involvement and seeing this process unfold. I was talking to someone at an event downtown who was reminiscing about how they got interested in a particular culturally events that had happened in a part of the community they had never been in before, that was a associate of different demographic, ethnic area. And because it was happening, they started to go there. And it became a great place to go. I think we need to think big here, and it could be something eventually that people are coming from all over, not just San José but outside San José. So I'm excited about the possibilities for programming. I think the programming that's there is wonderful too. I've been there on many occasional and I'm just apaysed by the facility and the possibilities there. So I guess I had a question of what's the current status just in terms of how program -- how much programming's going on, and, you know, any kind of sense of the current status of the facility in terms of usage and --

>> Speaking to what Peter mentioned, we don't have a marketing budget so we're not actually going out and seeking new programming. It's coming to us. I would say that we are booked for weddings for quite some time, still. We definitely have our family events that come, private events that come on the weekend an that such. But in terms of I think there's definitely more opportunity, especially for use of our classrooms, so I mean, there's definitely room for more programming. We do have Teatro vision's season has begun. They will be utilizing their theater for their spring season, they have two more prohibition since May.

>> We do have prohibition, but we need more. We got good feedback.

>> Councilmember Herrera: I assume we'll be working with other agencies to leverage programming to this facility and working with the educational institutions. I wrote imagine that there's going to be that kind of ongoing work with Hispanic -- there's Hispanic university, San José State and other expwreacial institutions that could partner with the facility. So I know -- that's exactly what you're doing with this effort. And I wish you all the success and we'd like to be apprised, my office would like to be apprised, make sure we get on your distribution list because we would like to be afriesed of what you're doing. Thank you.

>> Councilmember Pyle: Sam.

>> Councilmember Liccardo: Alisa, I think we'd all like to see more thing happening I understand we don't have the budget but it seems to be very activated in the times I'm there and I know you've got a lot of stakeholders, who have a lot of different visions ped passions for what can map there and I know that's a very difficulty juggling act. So I'm glad you guys are doing it and not me. [Laughter]

>> Councilmember Pyle: And I'd like to compliment you on the Hispanic ball. That was absolutely fantastic. We had great fun, there was a lot going on, there was a lot to do, and a lot of special touches that I think will bring more people next year, that I imagine is a pretty good revenue stream. Yeah. are there any other comments or people from the audience wishing to speak on this subject? With that, I need an approval for the report.

>> Councilmember Liccardo: Move the error.

>> Councilmember Herrera: Second.

>> Councilmember Pyle: All in favor, opposed, we're ready to go on to our open forum. David, at last, you get to speak! If there's anyone else wishing to speak just please fill out a yellow card. Thank you very much. Great report.

>> David Wall: Good afternoon. It was an interesting meeting today insofar as, for economic and community development, there was nothing about the percentage of vacancies of all the redevelopment agency high-density living projects. Especially, how this -- these vacancy rates are going to affect the debt structure. And we also didn't hear anything discussed about inflation. And how that will affect all your economic models, for whatever projects that are here before us. The key word is not just regular inflation, but hyperinflation. And that's something that should have been discussed, but I have yet to hear even any of those discussed. In Kong conjunction, also, with the ongoing revenue loss to the city, this just isn't a

regular static type formulation. This is catastrophic what we're hear here. We hear nothing about pie in the sky from the Office of Economic Development. When in general, their funding should be stripped totally. generally, another month has gone by, we see talk about the restaurant help but nothing is planted out at the water pollution control plant and the farmland. You can't really plant anything out of there because of the plant, the only thing viable is sustainable agriculture. But commodity costs, next year is going to skyrocket. But have a good day on top of it.

>> Councilmember Pyle: David, did you wish to speak to the other subject?

>> David Wall: The other subject is the park development and impact fees. I do not believe that developers should be given any more breaks on this type of funding. Also, you're denying, since the majority of these projects are going after the neighborhood stabilization fund, i.e., borrowed money, these are for extremely low, very low and low income people that wouldn't be able to live here in the first play. But then you're going to deny them a park? What, is that another element to their shame? You're going to deny them a park? Because there is no money to build more parks. It's only going to come from these fees. So if you don't have the fees, you're actually denying these poor folks the ability to go out to a park and have some form of a good life. Thank you.

>> Councilmember Pyle: Thank you, David. If there are no other announcements or concerns, we are adjourned. Thank you very much.