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City of San José city council meeting.

>> Mayor Reed: Good afternoon. I'd like to call the San José city council meeting to order for April 7th, 2009. I'll start the meeting off with an invocation. Councilmember Chu will introduce the invocator.

>> Councilmember Chu: It is my honor to introduce the Zen master. Zen center is a branch of the monastery in Taiwan. There are over 90 centers in Hong Kong, Taiwan and the United States, to name a few. Large contingency from the City of San José and sponsor of Buddhist club from San Jose State university. Welcomes people of all faith and participating in all faith dialogue. The Zen center is all very environmentally conscious. It derives all its energy needs from solar power. Lecture of the Buddhist church, before joining the Zen center last year. Before teaching Buddhism at Zen center, he is also responsible for its daily operation. Let me welcome vice Abbott Chen Ling and also want to take the opportunity to provide us this little introduction, and the lucky charms. I have checked with the master Chen Ling, this lucky charm is less than \$50 so you don't have to report it.

>> Councilmember Liccardo: Duly noted.

>> Thank you, mayor, and councilman Chu and councilmembers. Today I'm here on behalf of the Zen center. The first thing I'm going to chant for you is a small part of the evening service held in the monastery. During the evening chant, the bell is rung 108 times. Leaving beings in a sea of sovereign experience brief moment of relief. And will eventually be liberated, translation of the chant is as follows: May our country prosper, may the world have peace. May our being embrace in wisdom. May our beings follow the free to form a cycle of rebirth. In the life of all beings hail to heaven forever be part of the ocean of suffering. [ Chanting ] [ Bell ] [ Chime ] [ Bell ] [ Chanting ] thank you. Thank you very much.

>> Mayor Reed: Thank you. We'll now do the pledge of allegiance. Please all stand for the pledge. [ pledge of allegiance ]

>> Mayor Reed: First item of business are the orders of the day. Are there any requests for modifications to the agenda? Councilmember Liccardo.

>> Councilmember Liccardo: Yes, thank you Mayor. Deferral of item 11.3 to the next evening agenda which I believe is the 27th. Is that correct?

>> Mayor Reed: I don't think it's the 27th.

>> Councilmember Liccardo: I'll check up on that.

>> Mayor Reed: It would be the 28th.

>> Councilmember Liccardo: 21st, I'm sorry.

>> Mayor Reed: 21st. I would note that today's meeting will be adjourned in memory much Reynaldo James Flores and Agnes Boales. Councilmember Campos has some additional comments.

>> Councilmember Campos: Thank you. We are adjourning today's meeting on behalf of two citizens. Agnes Boales, was at the cutting edge of something that we are now doing and was successful, strong neighborhoods initiative. Agnes is survived by her son and grandchildren. On behalf of my colleagues I would like to extend our condolence to the Boales family. Another community member, Reynaldo Flores, who passed away on March 6th after a sudden illness. He was a dedicated parishioner of St. John Viene church and an invaluable community member. We are honored to have him family here, Andrea Flores Shelton, his son Matt who works for the City of San José. I believe he has other family members if they could please stand up. On behalf of my colleagues and myself in the City of San José, we want you to know that our deepest sympathy goes out to you and your family and we know the teachings of your father and father-in-law and uncle and he was a grandfather, as well, he has two grandchildren, will be carried through your leadership in the City of San José so thank you. [applause]

>> Mayor Reed: Thank you. Any other changes under orders of the day? We have a motion to approve orders of the day. All in favor? Opposed? None opposed, those are approved. Closed session report is our next item.

>> City Attorney Doyle: Mr. Mayor, the council met in closed session pursuant to notice this morning. There's no report.

>> Mayor Reed: Next we'll take up our ceremonial items. I'd like to start by inviting Tim Kirby, Dawn Perry and three students to the lower podium. This month we're trying to draw attention to the youngest members of the community, declaring April the month of the young child. We just happen to have three young children here. San José is the only city that has a commission to support our youngest residents with quality care and early education. We recognize that zero to five are important years for children's social, emotional and intellectual development. Through our early care and education commission, we've added early care centers throughout San José, to help ensure the health, welfare and education of these students. Councilmember Chirco isn't able to join us today but she did send gifts for our young recipients

here. The month of the child activities culminates this Saturday, this year's theme is growing up green, showing no matter how young you are you can support the Green Vision for the City of San José. I thank our early care and education commissioners who are here today. Thank you for your work. [applause]

>> I want to thank the city for its continued investment in early care and education services. I wanted to my light that the month of the young child helps us during these economic times, highlight the value of early care and education services. The creation of spaces for childcare that the city does, creates jobs now for caregivers, gives parents the opportunity to work through, because they know that they have childcare available, and finally, the children who are in these programs, we know that over the long run, they benefit and become -- do better in school and become productive members of our community. Sow I know Councilmember Chirco would say, if she were here, a community never stands as tall as when it stoops to help a child. So I want to thank the City of San José for its continued investment in this area. Thank you. [applause]

>> Mayor Reed: Now I'd like to invite councilmembers Kalra and Nguyen and mark tran to the podium. Mark tran won an award for his film, "all about dad" at the San José film festival last month.

>> Councilmember Kalra: Thank you, Mayor. I'm very pleased to be here along with councilmember Madison Nguyen and the mayor, to honor this man for the wonderful things he's accomplished. Mark, where did you go to high school? Go to college here, okay. But he is a product of San Jose State university. And he at 22 -- well, actually he's been making films since he was 16 and directed over 30 short films including the award winning the fisherman's troubled odyssey. At 22 he wrote and directed all about dad which was shot on a shoestring budgets of less than \$100,000. And this movie is a heartwarming comedy about an old world father and his new world kids which had its world premier in San José, California this February at our great Cinequest festival in San José. Won the award for the best narrative feature, personal note, you know, Asian American, first generation raised here, it really spoke to me, both in my experience as well as the experience of my parents, not only do they have a generation gap but also a cultural gap. So I think it speaks to many of us throughout the community, not just the Vietnamese American community. I'm also pleased, I wanted to make an announcement here that I just learned on April 17th that the movie will be opening theatrically, for a 1-3 week run at least, it depends upon people watching it. I hope have you the opportunity to see this great film. Now at the age of 24 he's excited for his next project which actually he's going to be going down to L.A. to direct a \$2 million. I'm very proud mayor if you would please present Mark tran with the commendation. [applause]

>> Mayor Reed: I did confirm that his dad liked the film. Just checking.

>> It's an honor to thank you very much, Ash, for coming to the screening and awarding the commendation. Thank you San Jose State, for helping nurture my creative side. Not only did I fill out biology my freshman year but the staff was there to pick up the pieces. Thank you Jeffrey for helping us fund this project through donations and grants through local San José residents as well, Cinequest of course for being our world premier. I'm very happy to do the world premiere of all about dad in my very home town where I was a citizen for about seven years and it's been my home for seven years and just thank you all for being here today, and being here with me while I receive this great honor. Thank you. [applause]

>> Mayor Reed: Next we'll take up the consent calendar. I'd like to pull item 2.3, that's the agreement with TSA for terminal B for some discussion. Anything else to be pulled for discussion? Motion is to approve the balance. I have one card requesting 2.14 to come off. Motion is to approve the rest. All in favor? Opposed? None opposed, that's approved. Item 2.3 is the agreement with the transportation security administration for terminal B checked baggage explosive detection system. I wanted to pull that off for discussion because of the amount of work that's been put into this with the staff along with the TSA to make it possible for us to get a substantial amount of funding for this project at our new airport terminal project. It's awfully hard to do this while you're under construction, it took a lot of tight time lines, it took a lot of hem from our congressional delegation, Zoe Lofgren and Mike Honda but our airport staff did many, many things in order to make this happen. But I wanted to thank our TSA folks, some of whom who worked around here for a long time but some of whom are around here occasionally. Calvin Yuen, Dennis Laudermilk, Gail Ricedes and Steve McQueen, the western area deployment manager and lot of staff from city attorney's office as well as our airport staff who deserve a lot of thanks. It was on the top of my list on several trips to Washington, D.C, working with the Washington office of TSA. TSA helped us redesign the project and they're helping us redesign the project. Are it's a great success. It's a project under construction and this new baggage system is going to be a terrific system. We are the first airport

to be built after September 2011. This baggage system will be the state-of-the-art explosive baggage system. Councilmember Pyle.

>> Councilmember Pyle: I think you answered this question. This is the only airport in the United States with this security system.

>> Mayor Reed: I don't think anybody has it yet. We just happen to be the first one in construction.

>> Councilmember Pyle: That is something to be proud of.

>> Mayor Reed: If I've got that wrong Bill Sherry will correct me. That's correct. With that do we have a motion to approve? We have a motion to approve 2.3. All in favor, opposed, none opposed, that's approved. 2.14, I have a card from Ross Signorino wanted to speak on that item. That's Work2Future lease amendment.

>> Ross Signorino: Mr. Mayor, members of the council, it's always good to see something on the agenda when it's concerning libraries and that we're progressing in that area. I think that -- I hope, I think, like to think that my vote on measure S sometime back, had something to do with community libraries. And this is some of the fruits that we're gaining from that. And I think it's a good thing to have these community libraries. I see a lot of people bringing their children to libraries, and how they teach them and instruct them into what's going on. I think it's always a great investment to the future of this city, if not the nation. Thank you.

>> Mayor Reed: That concludes public testimony. Have a motion to approve, Councilmember Pyle. All in favor, opposed, none opposed, that's approved. That completes the consent calendar. Now I'll go to item 3.1, report of the City Manager.

>> City Manager Figone: Thank you Mr. Mayor, members of the council. I have three items to report on. First a very good news item. I want to call tower attention an information memo that was distributed earlier today and that is that fire chief Darryl Von Raesfeld has appointed Teresa de Loche as assistant fire chief. It is truly a pleasure when one of our own rises to the top, especially is as a result of a national search. That was the case for Teresa. She has a long career so far with the fire service with the City of San José 23 years. She rose through the ranks to the position of fire captain in 1994 and then battalion chief in 1999. She's been serving as acting deputy for the last several months. And during her career she has continued to work at her education and she will complete her bachelor's degree in organizational leadership I think this semester. As you know Teresa will work on many issues with the chief and I do hope you'll lend her your support. Congratulations again, Teresa. [applause] Second point of note, this admonishing you may have noticed in the Mercury News, there was a column about history San José and its financial position. I did want to let the council know that we have been actively working with history San José on their various issues around management of that important nonprofit. We had previously taken steps to help them in their cash flow, and that is one of the problems described in this article. We've also done a very thorough financial analysis and we will be bringing back to council, as you directed, a new operating agreement, Peter Jensen's been working with history San José on that agreement. So that you should expect in the next couple of months. And then the last report is our own fiscal news. You did receive two information memos last Friday that I wanted to briefly highlight for you. Because the news continues to worsen. On the front of property tax, as you know the assessor will be lowering property tax assessment, which will lower property tax receipts, the City of San José right now our estimate is that our 9-10 problem will worsen by close to \$15 million. So what that means at least at this point in time is that we're moving from balancing to a deficit of \$63 million from \$63 million to about \$78 million next year. Additionally, there's been some very preliminary information discussed at the retirement boards around the impact of the loss in value to the City's pension portfolios, which will actually reveal itself in '10-'11, beginning in '10-'11. But very preliminarily, the potential hit to the General Fund in '10-'11 for the police and fire plan alone is right now at about \$30 million. Now, there's still a lot of work to be done at the board level and actuarial studies and the like. But it's not too early to start thinking ahead about what that's going to mean, as we not only work hard to close next year's budget gap but continue to look at the five-year forecast. As of right now our very preliminary estimates would indicate that for 10-11 we could be looking at dealing with over \$100 million shortfall. So not good news but I do think it's news that we need to keep out in front of us. That concludes my report.

>> Mayor Reed: Thank you, City Manager. I think we've said this before. But it's certainly extremely important now for everyone in the city to work together to address these budgets problems. I want to thank our employee groups and managers, more than 2500 so far, who have stepped forward and offered to forgo a general wage increase in the year ahead. It's now clear that a general wage freeze will not be enough to save us from major layoffs. So I want to encourage every employee to increase their efforts to

work collaboratively with us to solve this deficit. And given these new difficulties, I think the City Manager and the council should hold an immediate discussion April 14th, next week, to consider the two years ahead and the impact of these problems on our budget options going forward. We have to reexamine how we operate, review every aspect of our budget. Unfortunately we need to discuss those immediately. So I'm going to ask Rules Committee tomorrow to agendaize a discussion for next week so the manager can flesh out some of the information that she's already given us so that we can be up to speed and the public can be aware of what's happening. And as a final note, I do want to thank the people of San José approving measures J and K. Without those measures the City of San José would be in significantly worse circumstances. I will go to Rules tomorrow and ask that we get this as a separate agenda rather than doing it as part of the City Manager's report. Thank you, that includes item 3.1. Move to item 3.2. Motion to approve the report of Rules and Open Government Committee for March 11th, 2009. All in favor? Opposed? None opposed, that's approved. Item 3.3 is report of Public Safety, finance and strategic support committee for March 19th. Councilmember Nguyen is the chair.

>> Councilmember Nguyen: Thank you. The minutes have been circulated. If there are no questions I move for approval.

>> Mayor Reed: Motion is to approve. All in favor, opposed, none opposed, that's approved. Item 3.4, total health and disease management contract.

>> City Manager Figone: I believe we have a presentation, Mr. Mayor.

>> Mayor Reed: Okay.

>> Mark Danaj, director of human resources. The item before you today is to authorize the City Manager to negotiate and execute an agreement with Med experts to become a partner in our wellness efforts and to negotiate confidentiality agreements with our health care providers, Blue Cross and Blue Shield. We have a short presentation for you today. We will do three things. First we want to just provide you an overview of the road map and show you the totality of efforts that are underway to make us healthier as individuals as well as the impact of the cost of health care that the city provides. Then the bulk of it will be focus on med experts and return on investments. This slide admittedly is busy and a work in progress. But showing the plethora of efforts that are underway to help control health care costs in San José. If I could draw your attention to the bottom left, the yellow circle that says where we are today. This represents where we're today, our health as individuals, those that are on the plans that San José funds and the current health care cost trend increases that we like many organizations confront. And there are three different paths that we are undertaking at once to achieve what we're trying to go. Let me draw your attention to the upper right-hand side, which is that blue box which is where we want to be. Better health as individuals and organizations, and to confront the health care costs that we face. The first path if you look at the blue boxes focuses on general health and wellness. This is activities that just raise the profile of wellness, that PRNS has made available, nutritional classes. That will be the subject of the rest of the presentation, med experts. I'll get to that in just a minute. The third path we are also taking is health plan development and evaluation. These are like plan design, the co-pay issues that we've talked about in the recent years, also the initiation for the first time rewards programs, incentive programs, in our currently health plans, Kaiser or Blue Shield, there are a variety of efforts that we can partake in and receive incentives, health risk incentives. \$50 gift cards made available to people. All three avenues we are moving forward on. The topic today is the vendor name med expert. This particular idea, they will become a significant effort in us achieving health care costs. Providing personal health risk assessments, and healthier lifestyles. This is a pilot program that is going to be offered to all the individuals who are covered by our health plans. These are active employees, and our dependents, there are retirees that have health insurance through our programs and their dependents as well. This is a service that they'll be able to engage in to help focus on better outcomes. The first is the health promotion, the second item is health management. This is where they'll be focusing on chronic conditions that we pay have so whether that be asthma or diabetes, special management programs, coordinate care and referrals to particular physicians and facilities. And the focus here is all on a better outcome. And a better outcome means that we as individuals are better consumers of health care. So it's to provide advocacy for us as individuals. As we engage in that health system. So that best outcome is achieved by again giving us more information as consumers so we can better navigate the inefficiency in the current system and also focus on getting better outcomes. This is a slide from med expert and I think as any one particular slide that sort of focuses on the services that they provide and the business model that they've successfully provided other organizations, it's this. It is what they call the medical information gap. And this is over essentially the last 100 years and it's been put together through a variety of different foundations and the focus if you look

starting on the left is the amount of time that a physician used to spend with someone and how that time over the years continues to get smaller and smaller and smaller. On the right-hand side have you the amount of medical information, advancements in medicine that happens over the years and how it continues to grow. But the access of one particular physician as good as they may be to keep up with that is increasingly creating this medical information gap. Every year there are thousands of peer articles that are published, a variety of stories that come out in any particular discipline of health care and increasingly creating this gap for physicians and providers of health care to keep up on those particular areas. What this particular partner is going to do, med expert is they have physicians and staff on board to review these peer articles. These are the things that end up being taught in the medical schools, focus on the volume of medical data that's available keep up on it and provide you with that information. If I as an individual call in with a particular issue, voluntarily participate on this survey, they will focus on my particular problem and provide me with what's available stand peer articles saying that is the best thing to do for what I might have. That gives me more information. Again it's my choice how I want to use it but it gives me choice as I interact with the doctors and variety of different facilities and perhaps a particular condition could have a treatment plan that has a surgical solution. But then they also have a physical therapy or a prescription solution. And what are the pros and cons for example of those particular paths. That is to provide us information, better consumers of health care and as a result, end up with better outcomes, translating into healthier individuals and employees and also impact the long term trending increases. So for example, when we go out to the marketplace for health insurance, the providers in the marketplace look at the experience we have as an employer and did kind of medical experience that we're incurring. So for example, if the individuals that we cover that are diabetics, only 40% of them sort of follow the prescribed routine that one should have whether it be regular medical exams, regular eye exams, foot exams, the idea here is to better arm our consuming public, ourselves, the people that we insure to have more information to follow those protocols more closely. One day we go back to the market, we show that now 40%, 50%, 60% of our employee population or dependent population are participating in the things that they're supposed to be doing. And those are the things that we can better do to impact trend cost increases that we're provided and bring those costs down. Lastly a couple of comments on return on investment. This slide, the slide actually is showing you the total cost of health care. As I know many of you are aware but just to drive home one more time the cost to this organization of health care and how it has drastically increased in just a relatively short period of time. The focus here is that these types of services are estimated to receive a return on investment of four to eight for every dollar spent. So conservatively we're estimating a return on investment of 4 to 1. It is a pilot program so at the end of this two-year period we will either determine that it is in a position to save us money or not. We are very much focusing on outcomes not just as individuals but obviously how to impact the cost to the city of health care. One last closing comment is that we have received a note from the San José firefighters, IAFF local 230 and they have notified us that they would like to meet and confer over the pilot program and as such, wanted to have it offered to their members at this time. So at the beginning of this pilot program it will not be offered to local 230 members but we look forward to sitting down with them and seeing if we can address their issues and bringing them into the fold. That concludes my presentation and I'd be happy to take questions.

>> Mayor Reed: Councilmember Pyle.

>> Councilmember Pyle: Thank you, mayor. So I have a quick question. Without the confidentiality component, probably employees wouldn't be that willing to step forward, because they're really admitting or they're -- well, I guess I'll have to stick with the word admitting, that they do have a problem that needs to be addressed or that they need some help with. Can you use the statistical data, however, from what you said it would sound like you're going to be compiling something to let us know whether we're getting our bang for the buck. Because we're talking about a little over half a million dollars. So can you tell me how we can get some bang for the buck with this or what do you anticipate?

>> The return on investment is really focused on when the program gets up and running. It's currently a two-year pilot. The industry trends are that you need to be in a program like this actively engaging in it for two to three years to start to see a significant payoff. The payoff will come in our own experience so people realizing a better outcome. So for example, I have a problem with my back, I could have a surgical procedure, for example. That might not be the best way to proceed. And you'll see on the city's experience multiple activities related to that, a physical therapy and prescription option would result in me being healthier sooner. You will see that on experience, the city is rated on its experience. Again the focus is on its health experience and how we're impacting that. And again it's focused on a better

outcome as opposed to just letting it be free. It's providing another resource for employees to get to a better result. That result comes at the end of any given plan year where Blue Shield or Kaiser comes back to us and says, here is the amount of money you've saved on health insurance. Impact the cost of health insurance and make them less than to the general public.

>> Mayor Reed: The City Manager has something to add.

>> City Manager Figone: Mark, we should see our rates increase less than what we would expect, is that a tangible outcome?

>> When Kaiser increases our rates, there is a component in there, one is natural increase, but another one is experience. To the extent we have very good benefits, we use it a lot, they demonstrate what that is. At the end of this program we would hope to be down at 4% as an example.

>> Councilmember Pyle: Which would be great. This is a holistic approach to help entire individuals, the city in return, that is a bang for the buck.

>> That's right. It's focused on the city and individuals.

>> Councilmember Pyle: Are you aware of others who are doing this?

>> Not many governmental agencies are in a relationship like this or at this level yet. They're starting to get there. This is more prevalent in the private sector. This is sort of the last frontier of cost containment. Very aggressive in transferring costs over to employees so significant co-pays, plant design type activities. They've done it to the point where they have actually reached the point where they feel they can't do that anymore. The focus is on disease and wellness management, away are you doing to impact the underlying cost drivers and the cost drivers are the use of health care.

>> Councilmember Pyle: Thank you, I'm glad that you're using good vision on this, no pun intended and that we'll all benefit greatly, thank you.

>> Mayor Reed: Councilmember Kalra.

>> Councilmember Kalra: Thank you, mayor. I appreciate your clear report and I appreciate the council having the foresight to go that direction. I have one question regarding the report that talks about the ranking. This company was at the forefront. I have a question as to where they did better, to the extent of the others, local enterprise preference, small business preference, the city agreement should be incorporated into other organizations, government organizations they either have it or they don't. Can you speak for a moment just upon how they did in terms of the different categories?

>> Yes, I don't have each specific category with me. But I will tell you it's sort of their overall approach, it's something that is offered to everybody. Obviously it's on a voluntary basis. We need to volunteer to participate in it but one of the key items is it's a program that's offered to the entire ensured population. And secondly they were very competitive on the costing side relative do significantly more competitive on the costing side than some of the other vendors.

>> Councilmember Kalra: Their strength was in the cost as well as the actual program they were able to implement?

>> Yes.

>> Mayor Reed: Councilmember Liccardo.

>> Councilmember Liccardo: Thank you Mark for the presentation. Forgive me if you described this already, but I wasn't clear. What was the stated reason for local 232 for participating?

>> They haven't shared it with us. They said they wanted to meet and confer over the program. The office gave the bargaining units notice of the time that the city was participating in this pilot program and note if they wanted to discuss it. Local 230 was the one group that decided they wanted to meet and confer over the issue.

>> Councilmember Liccardo: It's not a no, it's we're thinking about it?

>> That's my understanding.

>> Councilmember Liccardo: Okay, thank you.

>> Mayor Reed: Councilmember Constant.

>> Councilmember Constant: Just a few questions. I had the pleasure to get the entire presentation of med experts as a part of the federated board. The return on investment quite often is seen a number of years down the road. Not during the two-year pilot project, not in our first or maybe second experience opportunity, but after that we'll start to see hopefully a change in our rates. So my question is, I know we have to start sometime. And I think these are great programs. But given what we're facing with our immediate short term deficit this year and next year and knowing that our deficit decreases and hopefully will go away at the end of a five- or six-year period, why now? What's the reason for us to vote yes, today, to commit a half a million dollars or more, if we're not -- if we don't know if we're going to see the return on

investment for maybe, I don't know, four to six years, versus saying we're at unprecedented deficit levels this year, and even worse next year. Why not wait to put this in the third year out? So that we aren't spending more money when we're trying to figure out if we have to lay off employees?

>> I would answer this. We need to start somewhere and we need to start soon. It's sort of an evolution of thinking are we just a consumer of health care or are we part of the health care marketplace? And I would submit to you that we are part of the health care marketplace. We ensure 10,000 lives when we add up the totality of active employees, retirees and all the respective dependents. Other than going out to the marketplace on a competitive basis which we do as a regular basis but it's a very consolidated marketplace or plan design changes that's really all we're doing as an entity. So the costs go where they go. This is an opportunity of experimenting with the idea of trying to take some control over our own destiny and these costs. A lot of the items are things that the med expert will provide us are things that are being talked about on a national level, to help navigate those inefficiencies, to better arm consumers so they have these choices and help reach those better outcomes. It is a difficult decision like any other resource decision but this is a significant expense. We spend over \$100 million a year in this at least relative to that figure of 100 million a year this is a small investment to try to see if we can try to take some control and actually influence our future as opposed to simply being a part of it.

>> Councilmember Constant: Do we have any best-case, worse-case scenarios of what we think we're going to tangibly see as a fiscal difference, three years out? Five years out? Ten years out? I know it's hard to project. I'm just trying to figure the cost-benefit analysis of now, or 24 months from now?

>> Well, the biggest impact to the cost-benefit analysis of now versus 24 months from now, is that you won't have 24 months as experience to decide if this is something that working phenomenally and we should continue on an ongoing basis and or augment with additional resources or perhaps move in a different direction. Now versus three years is a reflection of your point that it actually takes time for this to start. So when the switch is turned here it's not as though we're going to be impacting costs in an aggregate immediately. It will take time for people to understand these services, buy into them, use them on a regular basis. If you think of medical conditions they start and go over many years, so it's a matter of getting us started now to try to see that return on investment sooner than later.

>> Councilmember Constant: Thank you.

>> Mayor Reed: Councilmember Herrera.

>> Councilmember Herrera: Thank you mayor. I appreciate your presentation. It is heartening that we're looking at health care in a bigger picture. Something that would concern me if I was an employee and you've addressed here is how is med expert compensated? Would it receive less fees if we were more well? It is a significant investment right now. I have the same concerns Councilmember Constant has, is this what kind of savings or benefits would we see in the pilot program? A half a million is a significant amount of money. Although I think it's definitely the right past to go on, and I think the kinds of savings we're going to see we may -- I'm wondering if we could anticipate even greater savings if we start seeing people who would have been on a chronic disease path towards a heart situation or chronic back problems or diabetes or all the different chronic situations take a different path because of this program, we might see even greater savings. But I struggle with the numbers to invest in it today. Thank you.

>> Again, councilmember, that's a very good point. I'm not going to be in a position or I'm not in a position to tell you specifically how many dollars we're going to save. But I can tell you that it is commonly understood that wellness programs will return at least four to one if not a lot more. So for every dollar spent, \$4 back in savings. You know, a 1% increase in our health care trend is \$1 million just right off the bat. And this program has been successful. They have a very strong client base that continues to renew. They cover thousands or if not hundreds of thousands of individuals and there are private corporations every day that continue to invest in this type of services. This is a leap of faith, that's why it's called a pilot program for our organization. But the alternative is to do nothing. This is try to do something, to be an active participants, to influence our future as opposed to accepting what's there. It is a pilot program, it's two years. It will give us the opportunity, I think, in a -- not to diminish the total dollar amount but in the totality of the \$100 million we spend in health care, it is a small opportunity to experiment to try to help influence our future.

>> Councilmember Herrera: I had one more comment. The other thing that excites me about this is that it covers everyone. Retirees, employees, everyone. And I think that's very, very important, that everyone would be able to participate in it.

>> Mayor Reed: Councilmember Liccardo.

>> Councilmember Liccardo: Thank you. I'd like to follow up. I know there are understandably concerns about making investments like this in times that we are in such serious straits fiscally. But the old Chinese proverb is the best time to plant a tree was a generation ago. We don't have that choice, so the next-best time is today. And this is best time to move forward with something we know will benefit us enormously in the future. It seems to me that now is the time for us to stop being passive about the ballooning costs that we have whether it's in medical care, or other kinds of benefits that we are providing, and now we have to really be assertive. So I just really want to comment you Mark for taking this step and I think it's the right thing to do.

>> Mayor Reed: Any other questions? I have no cards from the public on this. Is there a motion? We have a motion and second. To approve. All in favor? Opposed? None opposed, that's approved. Item 3.5 was renumbered, we're going to take that this evening, that was the A's baseball stadium. 3.6, land use designation of former San José medical center site. I do have some cards to speak on that. And there will be, I don't know if there will be a staff presentation on this or not.

>> City Attorney Doyle: Mr. Mayor, there is no staff presentation. The resolution is really a follow-up to earlier council action and direction. We had been working with the Rules Committee to come back with a draft resolution that would sort of pass muster through the Rules Committee and recommend to the city council and that's what's in your packet.

>> Mayor Reed: Councilmember Liccardo.

>> Councilmember Liccardo: Thanks, mayor. I wanted to thank Reneé Gurza and the folks at the city attorney's office for their work. I wanted to acknowledge and thanks the members of the coalition for a downtown hospital are here. I wanted to make a motion to approve with one amendment and that was, the amendment was to include every HCA owned parcel in the area bounded between the streets south 12th, south 17th, St. James and East Santa Clara. I'd be happy to explain that amendment in a moment. Thank you.

>> Mayor Reed: Okay, we have a motion and a second. Councilmember Liccardo.

>> Councilmember Liccardo: I think inadvertently, some parcel numbers were left out. I'd be happy to present them to the clerk, if that would be all right, alternatively the City Attorney could fill in the blanks.

>> City Attorney Doyle: That would be fine. I would want to confirm that the general planning zoning designations apply to those as well.

>> Councilmember Liccardo: Fair enough.

>> Mayor Reed: We have a motion. I think I'll take public testimony at this point. Please come on down when I call your name. Roz Dean, Greg Miller, Nancy Hickey.

>> Thank you for finally having this on your agenda. It's been a while, but it got here so that's good. I appreciate your support on this. There's just one item I want to mention and that is: It was included, I believe, in the original memo of the mayor and city councilmember Liccardo on March 18th, and that was the establishment of the city-county task force. That wasn't included in this memorandum, and I would really appreciate, I think it's necessary that another memorandum maybe come back supporting that, as well. The committee has finally started. It's had one meeting. But I think the city council, showing their support for that, would be very beneficial. I want to thank you. We support the amendment. Support the resolution. And I want to thank all of those particularly Sam Liccardo and his staff, who were so very significant in moving this forward. Thank you.

>> Mayor Reed: Greg Miller, Nancy Hickey and then Gary Shanehauer.

>> My name is Greg Miller, I'm a registered nurse with California nursing association, nursing committee, I currently work at Kaiser Santa Clara. We urge passage of the confirmation of council's support of the land use designation of the former San José medical center site. HCA's closing has not only left a population with no access to acute care, it has also placed an extra burden on emergency rooms and the nurses who work there at every other area hospital. We think this resolution is a step in the right direction, to ensuring the best possible transition of the former med center, and thank Councilmember Liccardo for his continued commitment on this issue. We have been working for years to fill the void created by HCA and look forward to prompt passage of this resolution. Thank you.

>> Mayor Reed: Nancy Hickey, Gary Shanehauer, Ross Signorino.

>> Good afternoon. I would like to make a friendly amendment to Roz Dean's presentation and point out that the March 18th memo was not March 18th, 2009, but March 18th, 2008. We have been working on this for quite a long time. Okay. We're currently working towards establishing a clinic but no future site has been established yet. A clinic is not a hospital. Accident victims are attached to hose, not to clinics. The downtown area is slated for significant increase in population and in fact that's already underway. The

Zaretski reports indicate that these increases will result in a shortage for hospitals for this increased population by 2015 to 2020. That is really a very short time frame in which to meet this need. We have few parcels both large enough and well located enough to meet this need. Therefore we must not release the zoning on the current parcel until we have one to replace it. Thank you.

>> Mayor Reed: Gary Shanehauer and then Ross Signorino.

>> Thank you, mayor and members of the city council, Gary Shanehauer planning consultant to HCA, property owner. While we don't believe this resolution is necessary, we've communicated that to the mayor and city council, we have had an opportunity to review the latest draft and the draft as written. The revised draft as written. We can live with. However, if there are any amendments to that with any additional language, we would certainly want to see any written language before the council takes any action. Thank you. If you have any questions, I'd be happy to answer those.

>> Mayor Reed: Ross Signorino, our last speaker.

>> Ross Signorino: Thank you, Mr. Mayor, members of the council. I remember when this was brought up on the Rules Committee on March the 11th -- March -- okay. Nonetheless, I thought I understood it at the time, but as I'm reading what's on the agenda here, I don't understand it completely. And listening to some of the speakers, that helped me along a little bit as to whether it's going to be a clinic there, are we going to have enough room for the hospital? I think that you should clarify whether it's going to be what you're looking for, whether it's going to be a clinic or a hospital? As far as I know, I don't think San José is in the business of having hospitals. Maybe a clinic, medical and so on, where people can go for a quick medical treatment. So I think that should be clarified. Because one of the speakers didn't mention that, that you don't feel that they have enough room there for a hospital. And I think that's kind of misleading if we don't understand, at least I don't understand it. I think a clarification would be good there and just plain, simple language in this general plan. Thank you.

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

>> Councilmember Liccardo: Maybe I could offer a little clarity, because I know several folks made some remarks regarding hospitals. We have begun the process, in partnership with the county and some community members, in helping to identify future sites for hospital development. It is the -- my understanding is that that task force is going to be making recommendations to the general plan task force to incorporate in the general plan. That is not a condition of what we're doing today. What we're doing today really focuses on this particular site, and ensuring that it remains zoned for public, quasi-public use until there are medical services provided in the downtown area.

>> Mayor Reed: We have a motion to approve, make sure we have the correct parcel numbers otherwise, the language is not being modified, is that correct, on the motion. All in favor, opposed, none opposed, that's approved. Our next item is 4.1, report of the Community and Economic Development committee, April 23rd. Councilmember Pyle chairs that committee.

>> Councilmember Pyle: Mr. Mayor, I move to approve. All the information is in the packet and I'd be happy to answer any questions.

>> Mayor Reed: Thank you. I have a request to speak on this item. Mr. Wall.

>> First off, good afternoon to you all. This issue comes forth from a memo from the director of housing, which is replete and rife with too many problems for implementation at this time period. It creates a sense of false urgency. You have 18 months to implement it. I would recommend you do not go forward with the plan as put forth. But take the money, study the man and come up with something a lot better. Initial problems are \$450,262.64 in admin cost when city staff is already on the payroll. So it looks like it's double-dipping. Not all the properties are foreclosed yet, so there's an issue of unjust enrichment for somebody. The data that this plan was completed is obsolete. Foreclosure is happening with an alarming rate. Which means if you go forward with this plan you could negate further properties that you could acquire. If you also utilize the RDA, the redevelopment agency is the sole agency for the acquisition and demolition of these properties, you invoke living wage, which in itself chews up costs. And there's no accountability in this plan as put forth from the director of housing. Now President Obama is not going to want the same old business models for these allocations of this serious debt. This is debt money from the federal government. I'd say take the money but have no admin cost, be wary of federal auditors who would come back and look at this. This is a very, very poor plan. I can't stress enough. There is not time for me to go into program 1 or program 2 that is set North here.

>> Mayor Reed: I'm sorry, your time is up. That concludes the public testimony. We have a motion by Councilmember Pyle. All in favor, opposed, none opposed, that's approved. Number 4.2, sidewalk cafe update. Take it away, Joe Horwedel.

>> Joe Horwedel: Thank you, Mr. Mayor. The staff has returned with the assessment of the sidewalk cafes downtown, that we've prepared a supplemental memo that addressed some questions that had come up about the code enforcement inspection of the sidewalk cafes, as the council may remember, we have implemented recently inspections of the bars and night clubs downtown with code enforcement staff that are working until midnight on the weekend nights. And working with the police department, staff has also been looking at the operation of the sidewalk cafes to make sure that the sidewalk cafes are one, not creating problems, for our -- the safety of downtown, additional service calls, and we're very confident that we're not seeing that program activity, we've ensured that the sidewalk cafe businesses are maintaining their kitchens, so it is not a drinking establishment on the sidewalk. We have verified that and appear to be operating pursuant to the sidewalk cafe ordinance. Does give essentially the director of Planning the ability to revoke those permits without hearing. If there's a problem going on. That's part of the relationship working with the police department that if we are seeing problems going on that are attributable to the sidewalk cafe that we will go through and deal with those immediately. So staff is asking the council to approve the report that we've brought forward and we're looking forward to opening more sidewalk cafes downtown.

>> Councilmember Liccardo: Councilmember Liccardo.

>> Councilmember Liccardo: Thank you, mayor. I just wanted to thank Joe and your team. I know you spent a lot of time on this. Also certainly want to thank Lee Wilcox coordinating all this. I know he's been taking a lot of bullets and appreciate that, Leslie Garcia and others, I'm grateful for all the effort. With that I'll make a motion.

>> Mayor Reed: Motion is to approve the recommendation. Councilmember Kalra.

>> Councilmember Kalra: Thank you, mayor. I will be supporting the motion and I want to second the thanks that Councilmember Liccardo just gave. Page 2 of the report, moving forward section, as we look forward to more of these sidewalk cafes coming on the scene, as I mentioned at the committee meeting as well, and particularly in regards to the comment that we had -- it's appropriate to remain vigilant against patrons passing alcoholic beverages outside the boundaries of the sidewalk cafes, as we remain vigilant, we want to make sure that these sidewalk cafes don't wall off, you know, section of the cafe to basically cut the sidewalk in half and become uninviting. We want them to become open and inviting and maintain compliance from the business owners as well. So as soon as we go forward I just want to put that forward as a thought to make sure the sidewalk cafes add to the activity of the sidewalks while still allowing both the security of the establishment as well as the police department to maintain some order, as well. Thank you.

>> Mayor Reed: Councilmember Oliverio.

>> Councilmember Oliverio: Thank you, mayor. My comments are similar to my fine colleague from district 2 in that there are specific examples of the patios that have come forward with San José bar and grill and Tres Gringos, which have more of not a viewable type of patio versus McCormick and Schmick's bar and grill, by the paseo by Cesar Chavez park. As we go forward, I want to make sure that they are much more open for viewing. Because part of the beauty of the sidewalk cafes, seeing people out and about, versus a compound wall. And I understand some of the fear by some of the owners that they built the wall because they were afraid of being set up to pass a drink and get in trouble. But I think we have to alleviate that fear, because we are changing the policing downtown. I want to see open patios rather than closed. Thank you Councilmember Kalra.

>> Mayor Reed: Councilmember Campos.

>> Councilmember Campos: Thank you. I agree with most of the comments that have been stated about making sure that as we move forward, in creating a downtown, that is vibrant, that it is also inviting. So with that being said, Joe, how do you anticipate being able to internally determine whether a license needs to be revoked? Because you said it doesn't have -- it is -- it seems as though there are no checks and balances. And I don't want -- I mean if people are afraid to create a patio that's open because of what they think may happen, there's got to be some type of checks and balances so people have something to look towards and not be afraid that you're going to come and close them down because you don't like the way it looks or what you perceive to be out there and it's not a reality.

>> Joe Horwedel: That's a very good question. As a part of how we have been implementing the inspections with code enforcement staff, we started that with an education process with the club owners about what we would be looking for and what our expectations for success, what success looked like. We have been very pleased that that has been working well, that the club owners where we've identified something that maybe wasn't per the use permit, or sidewalk cafe permits, have been very responsive in

resolving that, so that we haven't had to resort to compliance orders. It's one that, if there is a major safety issue that's going on there, then I think staff will go and move very quickly on that. If it is something where it is -- there are violations or issues that are going on, but they are kind of minor in nature, then that's something that we are going to take a very different approach for. I don't want to be standing in front of the downtown association defending a closure of a sidewalk cafe on technicalities. It is something that is just not how I look at the world and how my staff looks at the world. So it's one that, in the same way we had the conversation about the deemed withdrawn process, is we have a management where we walk through that, and that's the same sort of thing I'm anticipating here, where I'm going to sit down and talk with Lee, talk with the chief, about what are the issues, and what does the path look like in terms of success instead of just bringing a hammer. That is really how I would approach that some before pulling someone's permit. Because that is -- we're not shutting down the business but we're shutting down a visible part of that business. We want to make sure we're very diligent and deliberate about doing that so we're just not going on a enforcing technical source of violation.

>> Councilmember Campos: The other question I wanted to ask you is, I know you mentioned you don't want to go before the downtown business association. Are there other associations? I know that at one time, the restaurant entertainment association was very active with this policy. Are you communicating with them? Are you communicating with each restaurant? I'm not clear with that.

>> Joe Horwedel: My staff is meeting with each of the businesses that have the entertainment permits, doing with the on-site alcohol consumption. One of the rationales for creating the position that Lee Wilcox is in, is to be the city's one voice, with all the different relationships, having the relationships with the clubs, having the relationships with the different associations and trade groups that there are, so there is extreme clarity with how the city is moving forward on implementing our roles.

>> Councilmember Campos: I think he answered it but if you want to elaborate on anything else Lee please.

>> Sure, Lee Wilcox downtown coordinator. This is one of the things that the downtown advisory committee is going to be look at on these items moving forward. One of the important things that we've started to do, now that there's someone in the managers office in the position is looking at the various enforcement tools we have downtown and centralizing them and meeting as a group. As Joe mentioned it's never gout on a technicality, even if we did have a business that had multiple violations, there's an early assistance team now within the manager's office that would go and work with the businesses downtown to help educate them in how to get things right, rather than an I gotcha enforcement mentality. So there's an avenue of tools in place to make sure we don't go in on technicalities and get someone for just a small little violation.

>> Councilmember Campos: Thank you, those are all my questions.

>> Mayor Reed: Councilmember Herrera.

>> Councilmember Herrera: Thank you. I just wanted to join the chorus of thanking the staff for all the work on this. I think it's really important as a resident of San José, I know residents are very excited about having sidewalk cafes. This demonstrates a commitment to businesses in our downtown and shows that we're really moving things forward so that they don't have to continue to come back to get the permit renewed, that we're moving more at the speed of business here. And I think that's good. So it's a win for residents and businesses and the city.

>> Mayor Reed: Councilmember Nguyen.

>> Councilmember Nguyen: Thank you. And again, I'd also like to join the chorus in thanking Joe, your staff and also Lee Wilcox, for your work on this. I have a couple of questions, though. I wanted to follow on Councilmember Campos' questions regarding, Joe, your ability to revoke the permit immediately, do you find that these businesses aren't complying with the certain conditions, have we worked into the possibility of issuing a citation first, some kind of warning rather than going straight to revoking the permit?

>> Joe Horwedel: We always have the option and that is what I was trying to differentiate. I have the ability to go on-site compliance orders, I can go and deal with revocation. I have the ability to suspended the permit also. And since the sidewalk cafe furniture is supposed to be taken in overnight, the ability to say, don't put it out for the next two nights, I think there are tools of how we would choose to implement it, it's a progressive enforcement type thing but we're not going to go to the neutron bomb of revoking it without going to the other option. Unless there's something how it's operating that there is something that was so over the line we do have the ability to deal with that end. But I think that's the one half of 1% where that would be used.

>> Councilmember Nguyen: And wanting to follow up on that, too, in a situation where a business loses its permit, do you have the chance to reapply again?

>> Joe Horwedel: Sorry, but the acoustics, the door banging --

>> Councilmember Nguyen: I'm sorry, once the business loses its permits or permit, do they have an opportunity to apply and get another one?

>> Joe Horwedel: Yes. There's not a prohibition for reapplying.

>> Councilmember Nguyen: Okay. Final question. It states there in the memo page 2, the memo talks about the -- how these permits, these cafes have contributed to the revitalization of the downtown. I was wondering do we have a benchmark that serves as a basis for this claim? Are we talking about just more people around these businesses? Are we looking at the increase in sales, are we looking at the increase in tax revenues, what kind of benchmark do we have?

>> Councilmember, I wouldn't say at this point in time that we have a benchmark to measure the businesses. It's been part of the small wonders workforce, and attempt to establish more of a presence out on the street, rather than just in the clubs, people walking downtown and wealthy environment with the possibility of getting more residents downtown. With 1stAct, residents downtown have seen downtown as a huge success. That's the benchmark we use.

>> Councilmember Nguyen: Finally, last question, have we seen patrons generally drawn to establishments with these cafes more so than just regular restaurants or are we catering to a different type of clientele?

>> Joe Horwedel: I think that's really a question that I would say we would have to ask the club owners and the restaurant owners. We do have 13 or 14 of the businesses downtown that now have gotten approval for sidewalk cafes, just a handful actually have entertainment permits. I think it helps activate the street which is the goal for the small wonders. So that in the evenings, all the activity was not in the building, it was kind of in the street or along the street. I think just with our weather here, it is such an amenity to be able to take advantage of that and add to the likeliness of downtown. So that's really how I look at it, is it really, you know, bringing life to the street and more eyes to the street as opposed to just people kind of walking by.

>> Councilmember Nguyen: So then I assume that we haven't really received any complaints from establishments who haven't got sidewalk cafes then?

>> Joe Horwedel: That was part of the one-year look-back. Are we having problems that are attributable to the sidewalk cafes and we haven't created an additional burden to the city.

>> Councilmember Nguyen: Thank you.

>> Mayor Reed: City Manager.

>> City Manager Figone: Joe, you might have mentioned this already. You commented on sort of the back end of the process, where the club might be getting in trouble. But are you going on any sort of orientation where the owners might get off on the right foot?

>> Joe Horwedel: I think it's in December where we met with the businesses, where we walked through with all the permits that are attributable to their property, sidewalk cafe, their entertainment permits and walked through kind of line by line with them of how the city was going to measure success or compliance with those permits, helped to answer questions that they had about what it meant. That was something that we brought a coordinated team so it was not just code enforcement staff. We wanted to make sure they got the full benefit of the city team that was involved with those permits there. And then as a part of the work that Lee's been doing, the ongoing dialogue with the business community downtown, again as we're finding out things then we share that with the other operators. So that each benefits from, if there's something that we find that you know, a best practice, then we go through and share that with the others so that we're able to take advantage of that. And one of those is the issue kind of from us of process improvement. The concern was raised about the banners on the sidewalk cafe poles. Kind of that delineate that area. Kind of thinking of it as a two dimensional basis, where does the public line go, where is the pieces of the tables and chairs. We didn't look at the vertical piece of that, to make sure that in fact it has that open feel to the street, that it's got an appropriate separation but it isn't something that walls it off.

>> Mayor Reed: I think that concludes our questions. I think we've got a motion, City Clerk, right, we've got a motion? Any further discussion of it? All in favor, opposed, none opposed, that's approved. Our next item is 4.7, historic lands mark nomination and Mills Act historical property contract for the McMillan house. Councilmember Liccardo.

>> Councilmember Liccardo: I just wanted to thank the property owner, in this case Michael Rendo, president of the south university neighborhood association and been very active in working with neighbors there on 6th and 5th and nearby forming a Reed historic district in the area, a neighborhood watch program. This is a neighborhood that had been historically plagued with problems of crime and blight and there's an extraordinary transformation there. I invite you to walk over there to the beautiful Victorians that are being restored. With that I'd like to make a motion to approve.

>> Mayor Reed: All in favor, opposed, that's approved. 4.8, historic landmark nomination for the Lynwood apartments. Motion is to approve. All in favor? Opposed? None opposed, that's approved. 4.9 is historic landmark nomination of Mills act historical property of the Kimura residence. Motion is to approve. All in favor, opposed, none opposed, that's approved. 4.10, historic lands mark nomination and Mills Act historic contract for the Miller residence. Motion is to approve. All in favor? Opposed? None opposed, that's approved. Item 4.11, actions related o to the asset management principles and key activities. Ed Shikada will lead this.

>> Ed Shikada: Thank you, Mr. Mayor, members of the council. I'd like a few slides that I'd like to note for you, or perhaps not. Well, I'll proceed. As noted, the items before you are principles related to asset management, and particular, findings of surplus, declarations for a number of remnant properties. Just to quickly go through the elements in the staff report. First, would be to adopt a series of principles. This action is a key implementing action related to the structural deficit elimination plan, where a recommendation for the development of a rigorous asset management program is on our work plan. And as presented to the city council in December, at your study session related to structural deficit, a foundational concept that underlies the principals that are before you is to begin managing our Real Estate portfolio or Real Estate assets as a portfolio of investments. Second, the item -- second recommendation is to direct staff and the city attorney's office to come back with amendments to the municipal code, to implement principles, third, to implement specific opportunities and follow-up actions related to significant real estate properties for the remainder of this year, 2009, and we'd come back in January with an additional list of properties to be reviewed. And then fourth, to declare 16 specific properties as surplus and authorize sale. With that, Mr. Mayor, I'll dispense with the other slide. We do have additional, if it would be helpful to respond to any questions. Would note that the council may have received a communication from the Silicon Valley council of nonprofits. We have worked with the Silicon Valley council and appreciate their engagement. Their recommendations are very consistent with what staff has proposed and see no problem with accommodating their request.

>> Mayor Reed: Thank you. Councilmember Liccardo.

>> Councilmember Liccardo: Thanks, mayor. Ed, thanks for the report. I wanted to begin where you left off, which was, what do you anticipate the schedule being for implementing a notification process for nonprofits? When can we likely see something like that in place?

>> Ed Shikada: Specific to the value of the below market leases, we've actually with the public implementation staff, we'll be prepared to do that shortly. It may take a little bit of time in order for us to drill down. We want to make sure that the information doesn't come as a surprise to the nonprofits, so we want to deal with those individually. I suspect that could be done over the next couple of months.

>> Councilmember Liccardo: Okay. It sounds as though you're probably referring to the third bullet point on Patricia Gardner's less relating to when there might be a change in disposition. Regards to I think the annual process that she's suggesting or pushing for, understand there's been ongoing conversation with city staff for the last couple of years, when do you anticipate it's likely to put an annualized kind of notification process in place?

>> Ed Shikada: Mr. Prince suggested there's no problem meeting the date she suggested. Just to be sure it can be incorporated in timely manner to their own tax information.

>> Councilmember Liccardo: Great, thanks Ed. Had a question about page 10 in the report. Understand when we had the original list of 40, we've pared it down greatly. In August of this year, relating to the remaining parcels, we're going to come back. Does that include the list of six significant properties to be evaluated that's referred to on page 8 or is that just the 40 that are less sort of controversial?

>> Ed Shikada: It's really the less controversial, less significant properties. The major properties we anticipate will take their own time line, each one of those will be handled individually.

>> Councilmember Liccardo: Okay, great, I'm sorry, I just had one other question which I wrote down. You know, I must have misplaced it. I'll come back to it. Oh, you know there was a general question I have. I know we're devoting a lot of resources here to studying what the potential market might be for any of these parcels, obviously a terrible time to be looking for buyers. But I know this is consuming

a lot of staff time and resources. At some point does it make sense for us simply to be contracting with a broker and say here, you handle this?

>> Ed Shikada: I would say definitely including contract work where it makes sense on a property-by-property basis, where it's definitely part of our work plan. So it's part of the mix. We're currently putting together some organizational aspects, and I think you'll see it will reflect that philosophy, a process of in-house staff, as well as expertise from the real estate industry, that will help us ensure that we've got a nimble approach.

>> Councilmember Liccardo: Sounds like you're talking about pushing it off property by property, not bringing on a consultant who can say here is our portfolio of properties and this is most economic way to dispose of these?

>> Ed Shikada: At least in the short term we would look at it as property by property. Because until we get this up and running we really want to ensure that as noted in the fundamental principle that the real estate holdings are supporting the core city services. And quite frankly, the work involved in the front end for a broker would be significant in order to cull out which ones do fit that category and which ones don't. So I think that's an important task for the city to take on.

>> Councilmember Liccardo: Okay, thanks Ed.

>> Mayor Reed: Councilmember Campos.

>> Councilmember Campos: Ed, I just wanted clarification on site number 12. And I'm not sure if my staff talked to you or someone else in your department. But I know that under the community input there was concern about the Sierra grande way, and a portion of the property retaining -- the city retaining it as an emergency access easement. Is that correct?

>> That's correct. Any sale of the property would include the city maintaining the easement for the access.

>> Councilmember Campos: Is that so eventually when times are good we can eventually pave that into a road? It's going to remain status quo but it's for emergency access? Good that's the plan at present. Only part of the parcel would be of use to the adjacent property owner.

>> Councilmember Campos: Okay, thank you.

>> Mayor Reed: Councilmember Kalra.

>> Councilmember Kalra: Thank you, mayor. Ed, thanks for the report and thanks for the affirmative response to the council of Silicon Valley nonprofits, in addressing their concerns, at least what they would like to see happen. With that I'm happy to make a motion to approve.

>> Mayor Reed: Okay, we have a motion to approve the staff recommendations. Anything else, Councilmember Kalra, Councilmember Pyle?

>> Councilmember Pyle: Thank you, mayor. I had a custom of questions. When you say in number 3, all city real estate holdings to be reviewed or at least every five years, sounds kind of labor-intensive, especially when you're talking about well over 500 properties. Why would it have to be done every five years?

>> Ed Shikada: I believe under attachment A, under general principles. It really does underlie or reflects a belief that we do need to periodically look at the overall inventory. It buys us quite a bit of time. It ensures in some cases a pretty cursory review such as for the City Hall building itself to verify that it's still in keeping with serving city services.

>> Councilmember Pyle: Okay, and then there's going to have to be an increase of staff in order to do this. But how does that juxtapose to what we would get out of the properties?

>> Ed Shikada: Sorry for the pause there. We are not anticipating an increase in staff in order to implement this program.

>> Councilmember Pyle: I thought I read that somewhere.

>> Ed Shikada: We hope not.

>> Councilmember Pyle: Okay, next one is from page 4. Will we ever have a list of any of these properties? I realize the city operated ones at 565, we probably don't need those. But of the leased properties and the vacant land and structures we do have some of them but I think it was only about 11 of them.

>> Ed Shikada: The lists exist in variety of forms so based on whatever the need is, our staff is often provided that we haven't tried to roll up entire list ever the over thousand that there is. Quite frankly, many of them don't even have addresses or parcel numbers because the parcels for street widening or what have you.

>> Councilmember Pyle: So the value is not going to be that substantial?

>> Ed Shikada: It varies, we've got large parcels such as the old City Hall and strips as small as a couple of feet along the right-of-way. There are a variety of circumstances. Our interest is to relieve the city for maintenance responsibility for those rights-of-way. So simply cleaning up the books is our objective.

>> Councilmember Pyle: Just one more, a couple, actually. What is the approximate cost of establishing a competitive process? In other words, the cost factor?

>> Ed Shikada: I believe you're referring to the competitive process, as employee market leases come up in renewal?

>> Councilmember Pyle: Yes.

>> Ed Shikada: That could be as simple as a general notice to parties who might be interested in a lease to a more rigorous RFP as we have done recently for a number of properties. So again, it could really vary and we want to retain some flexibility depending on the property, the likelihood that other organizations might be interested in it and fundamentally the likelihood that there is a potential revenue generation from the site.

>> Councilmember Pyle: I can see that, especially with the nonprofits who are renting for very, very, very, very low cost. Even if that was boosted up. Without the nonprofits' services we would be sadly lacking for a constituent, and then do you have any idea how soon the properties would be ready to be marketed?

>> The approach reflected here focuses on renewal. So as those properties come up, as their leases expire, and come up for renewal, so that could take actually a number of years. A number of existing leases or actually on hold-over, again, depending on the significance of the property since many of them are on, some of them are on park property. Not all of them lend themselves to renovating for income purposes.

>> Councilmember Pyle: Would we be better off some of these waiting until the market bounces back?

>> Ed Shikada: Yes. The principles reflect an interest to lease rather than sale, recognizing the potential long term interest that the city would have in any given property. But certainly to your point with the market being as it is, we certainly would want to have the focus to time this for the best advantage.

>> Councilmember Pyle: Thank you.

>> Mayor Reed: City Manager.

>> City Manager Figone: If I could build on that. Ed, is that not the logic behind the portfolio approach? If you could comment on that.

>> Ed Shikada: That is absolutely the focus. Having over a thousand properties in our portfolio, having the flexibility is critical, at the same time, not to be locked into sale of a given set now, given the state of the market.

>> Mayor Reed: Councilmember Liccardo.

>> Councilmember Liccardo: Mayor, sorry to jump in with another question, I appreciate your patience. Ed, I know that some of the properties in my district that have been identified are near free ways as is much of my district. And the one that strikes fear in every neighborhood leader in my district is CalTrans. So I know there are concerns, for instance at 4th and Reed where you've got an offramp, and so forth. That that land was simply transferred to CalTrans. We're going to be destined, to be sure that weeds are cut and whatever blight doesn't suddenly come in. What my hope is that as we're looking for partners and if we are, in fact, selling these parcels, that we're mindful that CalTrans doesn't have the means to maintain the properties that it has along the freeway.

>> Ed Shikada: Understood.

>> Mayor Reed: Councilmember Herrera.

>> Councilmember Herrera: In terms of economic opportunities, how do you evaluate that in terms of your principles, how does it sit in, when you would sell a property, when you would look for joint venture opportunities, as was pointed out it might not be a good opportunity to sell, but there might be an opportunity to generate income on those properties.

>> Ed Shikada: Sure, of the significant properties that we do have on our list for the remainder of 2009 which would be on page 8 of the staff report, we have former City Hall, and the E lot, singleton and Story Road, and two properties on the water pollution control lands, in all those areas, we are looking in order to, loose term, joint development opportunities, whether it be with a developer or energy generating company, that would take advantage of our asset which is the land but also beneficial uses that benefit

the city organization as well as the community as a whole, and noting specifically energy generation in the case of a number of these properties.

>> So you're particularly interested in opportunities that would be more beneficial, as things you would look first. I do see the ones you have identified. I guess I was wondering looking at the other properties, what was the philosophy, what was going to be your internal philosophy in looking at those?

>> Ed Shikada: The other properties really do reflect remnants, by and large. In reference back to Councilmember Pyle's question, in seasonal cases they are holdovers from prior city projects and therefore looking to release those from the city books, where there may be interest from adjoining property owners for that parcel.

>> Councilmember Herrera: There might be additional --

>> Ed Shikada: Through the remainder of the calendar year, yes. The way the work force was structured, we'd come back in January with additional property recommendations, to look at for additional opportunities.

>> Councilmember Herrera: And my last question is, on the thousand or so properties in inventory, is it your intention then to have those in database so we could access those, I understand they're not readily available right now but it would be really good to be able to browse those and have access to those.

>> Okay.

>> Mayor Reed: I have some requests from the public to speak on this item. I'll take that now. Brian Padilla and David Wall.

>> Good afternoon, Mayor Reed, councilmembers. My name is Brian Padilla, owner of Brian's welding located in Downtown San Jose since 1985. I'm here with regard to property number 4 on Coleman. Parcel 29922093. I understand the city is trying to navigate through these trying times, we as small business owners are as well. And I would like to ask that a lease or potential revenue be reasonable. I'd like to enter into agreement with the city on purchase of this property. It is completely land locked. This property is directly behind three properties located on Ryland Street. But CalTrans to one side and Coleman to the other. The only beneficial purchases would be the people located on Rhine Street or the city continuing to hold and keep that property. I'd like to thank you very much for your time and consideration in this matter.

>> Mayor Reed: Thank you. David Wall.

>> I'm of the opinion that Councilmember Pyle alluded to. It's easy to take a quick fix to try to sell properties you're not using right now. But I wouldn't sell any of these properties. I think future councils will say bad things about you, if you did. Especially the first four properties. All these properties that you've listed in my opinion -- I'm only going to accommodate comment the first four. They're worth far more than \$250,000. Far more. Now, how much more? I would say at least four times that amount. Especially with the one that butts up to Clayton Avenue. Because the county owns the back side of that property. They haven't touched it for the 20 years I've been in the neighborhood. The other, Taylor at 87, very, very valuable property. The city is going to make a big mistake by giving that property up. That's with all the properties. I wouldn't sell any of them, I'd keep them. Lease them, don't sell them.

>> Mayor Reed: That completes the public testimony. We do have a motion to accept the staff recommendation. Any further discussion? All in favor, opposed, none opposed, that's approved. Item 5.1 is the report of the neighborhood services and education committee.

>> Councilmember Campos: Thank you, Mr. Chair. Judy Chirco chairs that committee but I will move for approval.

>> Mayor Reed: All in favor, opposed, that's approved. We're a little bit ahead of open forum schedule. I have no requests for anybody to speak on open forum so we'll ask again at 3:30 or so. So we'll change the agenda. Go to redevelopment agency items. We'll have a little staff-switch. We'll do that, consider the redevelopment consent calendar is the first item. Is there anybody who wishes to pull anything off of the redevelopment agency consent calendar for discussion? There's a motion to approve the consent calendar. All in favor? Opposed? None opposed, that's approved. Item 6.11 is matching grant funds for CalTrans community based transportation planning grant. Motion to approve by Councilmember Oliverio. Seconded by Councilmember Liccardo. All in favor? Opposed, none opposed, that's approved. We have a joint item which the council, and agency, to consider that's 8.1. An amendment to the agreement with Sonoma State University for archaeological services for Japantown corporation yard projects. Motion is to approve. All in favor, opposed, none opposed, that's approved. Item 8.2 is a purchase and sale agreement for acquisition of 456 Autumn Court.

>> Councilmember Liccardo: Mayor, I will be recusing myself.

>> Mayor Reed: Councilmember Liccardo will be stepping out. We have a motion to approve the acquisition of 456 autumn court. All in favor? Opposed? None opposed. That's approved. Taking us to item 8.3. We have to do a series of things with 8.3. I've got a little script to make sure I don't mess it up. Because it's a little more complicated than our other items. 8.3, we're taking up today was continued from the March 24, 2009 meeting. This is the report to the council on the amendment to the redevelopment plans for the merged project area tax increment limit and bonded indebtedness limit increases. We took public testimony on March 24, 2009. But we are -- we continued the meeting to this date. Is there anyone who wants to speak on this item? I do not have any cards requesting a chance to speak. There are no requests. But to this date, the council has received four written objections to the amendment. If anyone else wishes to submit a written objection, please give it to the City Clerk before we close this public hearing. And we will now wait a minute. I don't see anybody here that wants to speak. No one wants to file an objection. Okay, I'm going to close the public hearing at this time. And we need to take it up at the council for discussion and action. I'd like to start by thanking, acknowledging and thanking the efforts of our city staff, redevelopment agency and city attorney's office, in particular. Of course Harry Mavrogenes, Rick Kern, and Patty Degnan, have been working on this, it's taken a long time to get here. I'm pleased that we've been able to work this out with Santa Clara County so that they have not filed objections to this. I want to thank the members of the Board of Supervisors that I've worked with over the past 18 months to try to make sure that we got to this point without objections. Particularly I want to thank supervisor Gage who was the chair of the board when we started working on this. And then new supervisor David Cortese and Ken Yeager who worked on it this year, and of course, Dan Ravel, county counsel, Pete Koutras and others who worked on the county side who tried to make sure, as we did this, it was good for the city and the county. This is a very important step we're taking to continue the ability of our redevelopment agency to do the work that we've seen with great accomplishments in our neighborhoods, our neighborhood business districts, our industrial areas. And downtown, which we can directly attribute to the redevelopment agency. I know the city council wants to continue that and this is a very important step and I'm pleased that we've gotten to this point. And now I think that we've got all our staff here who may want to speak to this, I'm going to turn it over to the executive director, Harry Mavrogenes.

>> Harry Mavrogenes: Thank you, Mr. Mayor. We're very pleased to present this today. And again, thank you, mayor for your leadership, in getting this agreement with the county put together. We have made a presentation at the last meeting, that was rather extensive on the benefits to the extension. And we wholeheartedly recommend that you proceed with this today, open the hearing again. We are also in receipt of several letters. There was a supplemental informational report presented to you earlier today by the City Attorney, Mr. Doyle, and we will respond prior to the second reading, which will be April 21st, there's a correction to be made on the memo, related to all of those -- the letters that were submitted. With that, Mr. Mayor, we have no other comments. We will be ready to answer any questions you or the board may have. We thank you all for your support on this.

>> Mayor Reed: Can we just review for just a minute the series of actions we need to take? I want to be sure we include all of them.

>> City Attorney Doyle: The public hearing I guess has been closed now. And so once the public hearing's closed, the staff is going to go and, as mentioned, there were four oaks filed. But staff will come back with responses to those four objections between now and the second reading. The second reading is Mr. Mavrogenes indicated is scheduled for April 21st. So now, the board and council are to consider, to the approval of the report that's in your packet, to the council on the amendment to the plans, and the approval of the ordinance for publication which is the first reading of the ordinance.

>> Councilmember Pyle: Move for approval.

>> Mayor Reed: We have a motion to approve, I think Councilmember Pyle got the motion. On the motion, Councilmember Liccardo.

>> Councilmember Liccardo: Just wanted to thank the mayor for your leadership in making this go by any standard, relatively smoothly. There was another day when the lawyers would have been involved to a much more, I guess -- far less constructive extent. And we know that we've been through a very difficult period in terms of our relationship with the county in recent years. And I think this is it's wonderful to be able to see us move forward and all the residents be able to benefit from the cooperative relationship between the agencies.

>> Mayor Reed: Councilmember Kalra.

>> Councilmember Kalra: Thank you, mayor. I wanted to thank Harry and Rick and as well, the comments you made about the staff, the number of folks who put in an amount of time. I also wanted to thank the county Board of Supervisors, mayor thank you as well for your leadership. And I do want to help, as Councilmember Liccardo indicated, hope this is a new day and that we can continue as much as possible and working collaboratively for the county and try to make this community better for all of our residents. So thank you, mayor.

>> Mayor Reed: Thank you. So we have a motion to approve with the two recommendations, specified in the staff report, second reading will be April 21st. And between now and then, staff will prepare written responses to all the written objections, so that we can consider them before we take final action on the adoption of the plan amendment. Is that right? Got it right? Everybody says okay. Further discuss on the motion? All in favor? Opposed? None opposed, that's approved. Congratulations, redevelopment agency staff. We'll be back in a couple of weeks.

>> Harry Mavrogenes: Thank you.

>> Mayor Reed: I think the only thing we have left, is the open forum. It's now one minute past 3:30. We can take up the open forum. I have no cards at this time. Anybody wishes to speak? We're going to recess until our evening session at 7:00 p.m. [ Recess ] City of San José evening session.

>> Mayor Reed: Good evening. I want to call the San José city council meeting back into session. We've had a long day of work, but we've had a chance to break for dinner. If you have conversations please take them outside. I'd like to note if you want to speak this evening, fill out a yellow card so we can figure out how long it's going to take us and I can be a little more organized. A couple of things about our agenda tonight. We have a ceremonial item that will take, and then we've noticed the agenda to have the A's stadium in San José item first on our agenda. We've also had a request from the applicant on item 11.2, that's an administrative hearing regarding an appeal, the applicant has requested to withdraw their appeal so that item, 11.2 will be dropped. So we have, on the land use part of the calendar, which we'll hear later, only one item left and that's on the consent calendar. And then we have item 4.6 left over from this afternoon's agenda, the annexation of Story Road. We'll dispose of it officially and get it off the agenda, we'll start with the ceremonial item. I'd like to invite Councilmember Chu and Yennie shyu to join me at the lower podium. All right, tonight we're going to commend Yennie shyu for writing the lions international peace poster contest. Councilmember Chu.

>> Councilmember Chu: Thank you, mayor. Present the award to Yennie shyu. Each year lions club around the world sponsor the lions international peace poster contest in local schools and youth groups. The contest encourage young minds worldwide to artistically express their feelings for peace. Yennie, a 12-year-old district 4 resident, of course, is 24 international finalists were selected out of 350,000 students from more than 200 countries. Yennie's poster was chosen for its originality, artistic merit and portrait of this year's contest theme, peace begins with me. Yennie's poster symbolize a child's hope for peaceful existence and exemplify the intelligence of young minds around the world. Yennie is an inspiring young individual and has promoted cultural understanding for the betterment of the community through this contest which will inspire multicultural understanding in the community and worldwide. So at this point, I'd ask the mayor to present the commendation to Yennie. [applause]

>> It's my honor to receive this achievement water from the San José city council. I'm proud to be a resident and student of San José. This high tech place gave me the idea to create my peace poster. I hope that our youth will not only go online to chat and play games but to share the message of peace. I want to thank this opportunity to thank Councilmember Kansan Chu and the San José city council, you Mr. Chu, offend joined our school's activities and communicated with many students, teachers and parents. He really cares about our youth and schools. I also want to thank all those people, like the lions club, my school and my teachers who helped me, encouraged me and supported me while I joined this meaningful peace poster contest. Thank you. [applause]

>> Councilmember Chu: Thank you very much. I also like to recognize her parents, the principal and the vice principal from Sierra mount. Thank you very much for joining us.

>> Mayor Reed: Next I'd like to invite Councilmember Nguyen and Chu back to the podium. For the community improvement awards recipients who are here. We're going to give out some award recipients. So I'd like to have those award recipients to come downtown, the San José keep San José beautiful community awards, West Evergreen neighborhood association, Eastridge mall security department, cry out Christian fellowship academy and Slonaker.

>> Councilmember Nguyen: Good evening, I'm proud to announce the winners of the keep San José beautiful awards ceremony. As the council liaison to the keep San José beautiful committee today, I'm

proud to honor these individuals. The recipients of these awards have help beautify schools, neighborhoods as well as public and private properties throughout our city. This is a great example of civic engagement and I bear witness that these volunteers do this because of their own commitment to our city without any monetary compensation. I'd like Mayor Reed to present these commendations to these award winners -- which he's doing now -- and I believe Joe Emilio I will speak on behalf of the recipients.

>> My name name is Joe Emilio. These recipients did an excellent job to keep San José beautiful. [applause]

>> Mayor Reed: I need to clarify what I was trying to say about the agenda order. 11.2 we will not hear because that is being dropped at the applicant's request. The one we will hear immediately is 11.1, consent calendar, 11.1 A, regarding property at Coleman avenue at Taylor. I have no cards from the public wishing to speak on that. Motion to approve, all in favor, opposed, none opposed, that's approved. All right, now, it's time to talk about baseball. So we will convene the redevelopment agency and the city council here for joint consideration of item 9.1, the A's stadium in San José project. Before we get on with the staff presentation, this is opening day, yesterday and today are opening day. We're talking about baseball so we got to work on all our baseball metaphors. So I want to caution the councilmembers to not mix their met aforce. Don't talk about football, talk about baseball. I want to start with my favorite philosopher, Yogi Berra, like déjà vu all over again. Those of you know we've taken this a time or two, starting with 1992, at least this is how far I went back with it, we had a ballot measure, that we didn't get a baseball team. Then starting in 2004, I'm sure Harry will let us know, the council started again on another effort to get a professional baseball team to San José and did a lot of work for several years. Doing environmental work, economic analysis, all, well, did a lot of work. Didn't get much result out of it because we had this little problem with the territorial rights. And so Lew Wolff and the A's organization had to go looking elsewhere, after years of trying to work San José out in Oakland, they spent a couple years and a few million dollars, actually more than a few million dollars trying to work something out in Fremont. When that came to a halt, Mr. Wolff decided it was time again to consider San José. I've had quite a few conversations with him. It's quite clear that the decision belongs to major league baseball as to whether or not the A's can consider moving to San José. Now, it should be no surprise to anybody that San José is a great market for baseball, soccer, football, that's why we have teams that want to be down here. Great corporate presence and tremendous corporate opportunities, as well as very high household income in terms of the major cities in the country. So the market is here. The fans are here. And the excitement is here. But we still need to get permission from major league baseball to move ahead. So our mission tonight, is what I've asked the council to do, is to let's get to work again. Let's put the staff back to work beginning to figure out what we need to do, and how we deal with the issues and the problems that we've already identified in order to put ourselves in the best place possible so that if major league baseball decides to give us a look that we're ready to go. So the last couple years, to use my sports metaphor, last couple of years we've been in the stands watching the game. What we're going to do is get the uniform out of the closet get out the cleats, get out the bat and be ready. We're still sitting in the stands but we're ready to play at a moment's notice. That's what I'm saying tonight, get to work and be prepared an move it along. With that I'll turn it over to Harry Mavrogenes. Executive director of the redevelopment agency about the work that has been done and has to be done. Harry.

>> Harry Mavrogenes: Thank you, Mr. Mayor, members of the board. This has been going on for a while. It was October 2004, that the city put forth a resolution that we should be freed of the territorial rights and be considered for major league baseball. Subsequent to that we started work on several fronts, we prepared conceptual plans, prepared a site, an environmental impact report was done, technical analyses was done, to verify that we had a site that could work for major league baseball. The aerial that we put up before you now shows the site. This is the corner of Montgomery and park. It is situated adjacent to the railroad yards and could accommodate we believe very comfortably an urban baseball field, which would have a tremendous view of the downtown, as well as being a location where it could take advantage of almost 14,000 parking spaces that already exist within reasonable walking distance to take advantage of the various rail options that are adjacent to it, including CalTrain, currently the light rail, BART is going to have a station here, and high-speed rail looks like a very good possibility, as well, along with bus routes and the ability to build additional parking as well as needed. A facility that could complement the arena to the north and could prove again to the community that, with proper management and operations, that a large facility like this could be an asset and not a drawback to the surrounding area. The -- another aerial shot shows the relationship of the yards and the surrounding

areas and path to downtown. Five parcels have been acquired already. The areas in red are owned by the agency. Another major parcel South of park avenue is already owned by the city. The blue parcels, one small and one larger one, are in the negotiations right now. And we are considering and studying whether or not the PG&E parcel, which has a station there, is even necessary for the acquisition. So we're working very closely with PG&E on that, and other possibilities. The site was being acquired for the possibility of baseball or other major development. It is an excellent site for corporate headquarters, as well, so we pursued this, even though baseball wasn't looking as good the last several years, because it does make sense as a site that could hold a major company that would add jobs to the community.

So there were other options looked at, as well. The environmental impact report was completed and certified by the San José Planning Commission in 2007. The scope did analyze a much larger facility of up to 45,000 seats. As you may have heard, the current proposal that is being put forth is for about 32 to 33,000 seats, a smaller facility, so we believe it can easily be accommodated here and potential parking impacts can be significantly less because of that size. There are major improvements that are going to be necessary, again, whether or not you have baseball here, our environmental impact report for the downtown has identified a connection of autumn street from this area northerly to Coleman and Interstate 80 which is necessary for proceeding with major development in the future. So whether or not baseball occurs, this is an improvement that has to be done. This is not an additional cost to the city. We are working for the engineering plans for autumn to the north, in fact we acquired one parcel earlier today for that right-of-way. So we are making other preparations for the infrastructure as well. Things have been moving along. That completes our preliminary presentation. Staff is here from the agency, from our office of economic development, and from the Planning Department, to answer any specific questions you may have, and we look forward to an opportunity to have the dialogue with the community and to address any concerns that may come up. Thank you.

>> Mayor Reed: All right, I've got quite a few cards from people from the community who want to speak to this item, see what people have to say. I think our first speaker ought to be a former mayor. I know we have at least one former mayor in the audience tonight, Janet Gray Hayes. Not here yet, we're going to get to her. We'll let her speak when she arrived. How about Michael Mulcahy. Michael is co-chair of pro baseball for San José Inc. and has been organizing on that issue.

>> You almost said basketball, mayor, that wouldn't be bad either.

>> Mayor Reed: That will be for another day.

>> For those of you in the audience that have hats on I'll take my mine offer. Mayor vice mayor who is not here the evening, councilmembers good evening. My name is Michael Mulcahy, San José resident, founding member of San José 1, and founding member of San José baseball Inc. A catalyst for San José baseball. I've been full of pride as a San José native these past few weeks as major league baseball and others around the nation have taken notice of this issue, and others jockeying for position as the true value and future of San José shines very brightly. We believe baseball is right for San José and San José is right for baseball. And according to our sources John chambers and Cisco still agree. They are even more committed now that as the largest corporate employer in San José their state-of-the-art sports facility which they want to be the best in the world, could be in their home town. It is critical that we develop a plan and work hard to control our own destiny. We are here tonight to support the mayor and city council, on the list of task force and directives we hope you will approve this even. Mr. Mayor, thank you for your leadership, Vice Mayor and city council, thank you in advance for your tenacity and courage to go for it and so with the adages here, pro baseball for San José is already on the field and we are ready for our season to start.

Thank you. [applause]

>> Mayor Reed: Now we'll hear from former mayor Janet Gray Hayes followed by Patricia earnstron and Don Gagliardi.

>> As accustomed as I am to public speaking I'm very happy to be here tonight. I would like to tell you that originally I was opposed as a neighborhood advocate to the arena downtown. But I was proved wrong. They addressed the parking issues, the traffic issues and it's just worked out just beautifully. I am here to support the recommendation for the stadium. I think it would be a great boon to our economy, even though I play tennis, I would certainly go to this. I'd rather have that. But I hope that you will consider it very favorably tonight, and I'm here to speak in favor of it. Thank you very much. [applause]

>> Mayor Reed: There might be a way to play tennis there, I'm not sure. Patricia earnstrom.

>> Good evening mayor, members of the city council. We have a great opportunity to bring major league baseball for San José. Representing San José for the San José sports authority I have an opportunity to

work with individuals and organizations around the country. We have seen it time and time again that the creation of facilities and ball parks centrally located and clustered together has not only become the norm but to steal a phrase has become a home run in major markets like ours across the country. We have seen the evidence of community pride that brings cities together to celebrate a team that bears the name of their city. But it is more than a game. It is proven demonstrated economic development that creates national and international recognition and a demonstrated good idea in our future as evidenced by the recent economic impact study what HP pavilion has meant to the citizens of San José. We have an incredible opportunity before us. We urge everyone involved to do what we need to do to bring this to fruition, the A's to San José. Thank you. [applause]

>> Mayor Reed: Don Gagliardi, followed by Larry Stone and Jackie Hefner.

>> I'm Don Gagliardi, we have been supporters of bringing baseball to San José for five years now, ever since our inception and we're happy to say baseball San José folks gave us their support as well when we were trying to bring soccer back to San José. We whole heartedly endorse this effort and we wish the city success and are here and prepared to help with that effort along the way. Thank you. [applause]

>> Mayor Reed: Larry Stone followed by Jackie Hefner and Dan Orloff.

>> Mr. Mayor, members of the council, then mayor Dianne Feinstein asked me to bring the giants to San Francisco. AT&T park was a home run for an economically struggling San Francisco neighborhood. The same potential is within reach here in San José. The potential to bring another major sports franchise to San José is not just a home run for baseball but it's a home run for San José. When the sharks play at the HP pavilion downtown comes alive. The sharks has done more to put San José on the map than all other teams combined. They've been successful in Denver Phoenix Pittsburg and others. The San José A's would be great for local businesses and surrounding neighborhoods. This also means more business for local merchants and tax revenue for local governments. It is reported that the giants pay 4 million in local property taxes and 6 million in other taxes not to mention other areas. To be a major league metropolitan area you need many often unremitted things. The arts, hospitals, universities, a world class airport and convention center, public transit retail restaurants and public parks. You don't need to be a senior citizen to know that senior centers are important. The HP pavilion is a regional asset whether you've been to the sharks game or not. I've been in politics for 31 years, and time and time again I've watched the naysayers, ball parks are very complex complicated hard deals to do but San José, now is the time to show your determination. I urge you to move forward, and be ready, when the time comes. Thank you. [applause]

>> Mayor Reed: Jackie Hefner, Dan Orloff and rich Kojenjen.

>> Good evening mayor and city councils, I'm Jackie Hefner, long time resident of San José and founder of San José baseball part 2. We have also started a Facebook group and we have as of today almost 700 members of people in our area who are supportive of bringing baseball to San José. Tonight, I have a short little poem I've written for you. Our time has come, the day is here. We have waited for far too many a year. All the while, our numbers have grown, and yet we have no major league baseball team of our own. Take me out to the ballgame. Make it right here. Regardless of any claim. Let's take the light rail to arrive at the most perfect place to hear that bat crack. Crowds will descend on a warm summer night. Families together enjoying the sight. Of our downtown San José basking in the light. People working, having fun, amazed at what downtown has become. Now, our honorable Campos, Chirco, Kalra, Pyle, Liccardo, Constant, Chu, Herrera, Nguyen, Oliverio, and of course Reed, we ask what you do what you need to make our city big league. Build it and they will come to see what our city has done. Our citizens will thank you, businesses will grow, our city which thrive but we can't do this unless we have the drive. We must work hard, and heed the call, no strikeouts no balls, this time we want it all. Hit a home run, San José, play ball. [applause]

>> Mayor Reed: Dan Orloff, rich Kajangian.

>> Dan Orloff. That is a very hard act to play. From my front door I can see the left field foul ball pole. 20 year resident of Downtown San Jose, near 20 year business owner, former marketing manager, City of San José. I've worked on every arena and ballpark campaign since the '80s currently a member of the San José arena board of directors. I say of that because this is our time. This is our time to grab this mantle. I live in Downtown San Jose because I seek the kind of downtown stress that an urban environment should bring. I know it would be good for downtown San José and I also know it will be good for property values. And I think about what some of the naysayers may say in our neck of the woods, Georgetown and Cahill. What's happened in San Francisco around China basin, those of you who will say

this will negatively affect my property values, there are 50 others that will buy that property tomorrow. I strongly urge your support. Thank you very much. [applause]

>> Mayor Reed: Rich Cajanjian.

>> Good evening ladies and gentlemen, thank you very much for allowing us the time to speak. My name is Rich Cajanjian. I live in Santa Cruz, California and I came here specifically for this event. I know I'm personally connected to hundreds of people not only in my area but all around northern and central California that are desperately wanting the A's to be here. This is the perfect city for it. Aside from all the reasons I could state that many people are already going to do about property value and corporate interest, I can tell you that this helps in many ways, more ways than I might even be able to speak about. Being the capital of Silicon Valley means a little bit more than a poster or a slogan. This is pardon the pun, the epicenter of technology culture for the entire planet. And I think now more than ever considering our economic situation, it's very important that we take a bold step forward in letting everyone know that this area is not atrophying, it is only going to get better. This particular sport, baseball as evidenced by the world baseball phenomenon, would bring notoriety to Silicon Valley. I've been to every 50 states and I can tell you that San José is often overlooked. People know where I live on the map more than they know where San José is. I think this would bring a lot of notoriety, this is important to San José, to California and quite possibly more people than that. Thank you very much.

>> Mayor Reed: Matt Ross.

>> Good eke. My name is Matt Ross and I'm a citizen in Los Gatos, California. I'm a huge fan of baseball and it would be incredible to have a major league baseball team come to San José. I know my family would go to a lot of the games just because it's closer than Oakland and we're just huge fans of baseball. I'm currently in little league so I play as well. And I hope you guys can do whatever you can to help us bring major league baseball to San José. Thank you. [applause]

>> Mayor Reed: Michael Robertson, Michelle Brent and Adele furnish.

>> My name is Michael Robertson. I'm a homeowner in the Georgetown community, adjacent to the planned site. I've been in the Bay Area for about ten years, a transplant from Toronto. I saw firsthand what the bluejays did for Toronto, from that first game in the snow at exhibition stadium through the skydome and two World Series the city got behind the team and it was a fantastic thing for the downtown where I had a business and for the community, the restaurants, the businesses so I wholeheartedly hope that we get the team and you do everything you can to make that happen. Thank you. [applause]

>> Mayor Reed: Michelle Brent, Adele furnish and Larry Aimes.

>> Hi, my name is Michelle Brent, I'm a resident of San José. We are a baseball -- we're baseball fans. We have no opposition to a baseball stadium in San José and as a matter of fact, we fully support the one we have. We're very concerned about what will happen if the San José giants have to move. It is a very family-friendly environment. Where I can take my kids and not have to worry too much about their safety. I can't say that about taking them to a major league stadium, and that's my big concern. Can I share my time with my daughter? She's got a card but --

>> Mayor Reed: Go right ahead.

>> My fame is Anna McSorley. The stadium is a very nice place where kids can go free and wild. But the most very small thing I'm -- is that we, what we like as kids cannot want to go there again. Thank you.

>> Mayor Reed: You still have time left if you want to let the other one speak.

>> Well, here we go. Yesterday, we were fortunate enough to get to go to the San José giants and meet all the players. Silicon Valley used to be known as the valley of heart's delight and we grew a lot of things and in at least municipal stadium we grow ball players and it's nice to see. Thank you very much.

>> Mayor Reed: Adele furnish followed by Larry Aimes.

>> My name is Adele furnish I live on C-lease avenue. I understand the proposed A's stadium is being championed by Mike Mulcahy. Mr. Mulcahy did run for mayor in 2006 and has name value. He came in on the left, people of San José did not like what he stood for. I wonder why you are so excited about this proposal. The City of San José could use some money and I'm sure you have seen data sheets about how many financial benefits this stadium will bring. But as most of us are now all too aware, numbers can be designed to make anything look good. Are you going to fall for it, when the people of San José have already, number one, voted the stadium down, and contrary to popular belief, not everyone voted for it because they would want to fund it and some people didn't vote for it because they just didn't want it. And number 2, people of San José voted Mulcahy down. Why is it that Campbell and Los Gatos which have no large businesses or industry that I can see have better parks and community centers than San José? The business community, which has brought the citizens of San José -- have not brought the

citizens of San José a cornucopia of prosperity, citizens have contributed just as much by being intelligent people who have worked for them and made their businesses prosper. While the stadium may fill the coffers of its residents, choke our downtown streets with traffic, a lot of people still drive to the arena. I was on the arena oversight committee for four years prior to when the arena opened and I will guarantee you that there's no one in this crowd that will be spending the amount of time that the citizens of my neighborhood spent making that arena work for residents.

>> Mayor Reed: I'm sorry, your time is up.

>> Thank you.

>> Mayor Reed: Larry Aimes, Paul Higgins and Michael Besellen.

>> Hi, I think I could support a baseball stadium at Diridon station. I think it's great to plan it around a major multimodal transportation node. We can even have the BART bring the fans to the stadium, me, I will take the Los Gatos belt if you ever get it built. One of the purposes of an EIR is to collect community input on a project. The current stadium EIR was done a couple years ago and it was roughly about two-thirds done when they decided to go to Fremont instead and so the EIR became moot. As a result the community stopped participating and the report was just kinds of finished sort of pro forma. It needs to be finished with community participation. It needs to be updated to reflect the current situations. The high speed rail will affect the stadium plans and also the stadium plans can affect the high speed rail. For example, what happens if the fire training station just next door on park avenue? It might be possible to realign the high speed rail within the freeway right-of-way thereby avoiding considerable negative impacts on historic communities. But such an alignment might be precluded if the stadium plan does not include the high speed rail. So what I'm asking please is do the proper update of the EIR and develop the comprehensive plan, the downtown BART parks communities and the high speed rail. Thank you.

>> Mayor Reed: Paul Higgins. Michael Busselin and then Paul silvergate.

>> Thank you. The A's broke my heart in 1989 when they swept the San Francisco giants to win the World Series. Watching the bass brothers pound forearms was a sight that made a young fan grimace. While I am an A's supporter, I do root against them when they play against my giants. However, first and foremost I am a San Joséian. Which is why I'm so excited about the prospect of the A's coming to San José. We are supportive of a major league baseball team coming to San José. We understand the economic benefits it would bring to San José, through job creation and business creation, additionally, it would bring an additional recognition of San José. We do believe that it should not incur any additional, work with residents who would be affected by baseball stadium being built in their neighborhood which is happily addressed through the mayor's memo and I thank you for this. While I understand that this is only the beginning of this process and that other hurdles still loom clearly you are moving in the right direction and showing residents the ownership of the Oakland A's and major league baseball that San José is serious about their desire to have a major league baseball team in their city. I look forward to make our dreams a reality. Thank you. [applause]

>> Mayor Reed: Michael buselin, looks like a crowd, Paul silvergate.

>> My name is Michael buselin and I'm the 2009 chair of the San José Silicon Valley chamber of commerce and president of Macafee. From the paving of our streets and the creation of our sewer and wastewater plant, the Mineta San José airport and soon BART and high speed rail. Christmas in the park. It's clear the chamber has been long standing members of the community. However these take leadership on all fronts. That's why I'm proud to be here tonight, honored to stand on the shoulders of chamber leaders current and past, to help the mayor land the baseball team. I'm here with the current and past president, Pat Dando is away in China, but is here in spirit. Let me be clear, there is no greater anchor tenant to a downtown than major league baseball. 81 nights a year with over 30,000 people, that's 2.5 million new people coming to Downtown San Jose between April and October every year. Imagine the positive impact to our local small businesses, not to mention San José's General Fund. Add those visitors to over 44 nights and this year many more of sharks hockey and other arena ballpark events and Downtown San Jose becomes the Bay Area's most vibrant destination. But this isn't about games or the actual stadium. This effort will be the catalyst of hundreds of millions of private investment to San José's downtown core. That's thousands of jobs in Downtown San Jose that helps our families our neighborhoods and our business community. I'm proud to be here this evening as part of a long tradition of the chamber stood before San José city council that push for big thinking big ideas and big change. On behalf of the chamber's 2,000 members, you can count on the chamber being a strong advocate until the first pitch is thrown and beyond. Thank you. [applause]

>> Mayor Reed: Paul silverglade, Josh Russell, Eric Clabert.

>> Good evening mayor, members of the city council, my name is Paul silverglade, I'm a partner with Deloitte and Touche. I'm here to speak for Deloitte in favor of bringing major league baseball in San José. We have almost a thousand employees in the Downtown San Jose area, which makes us a top 5 employer. The average age of our employee is 25 years old and one of our surveys, our employees cited downtown connectivity as a major reason to be downtown. Highly in support of major league baseball in San José. Thank you.

>> Mayor Reed: Josh Russell, Eric Clabert and Stephen Burbank.

>> I'm director of communications for 1stAct Silicon Valley. Something that aligns so well with 1stAct's collective vision of San José. Big deals and small wonders has been presented over 100 times. Thanks to the city's efforts to date will be surrounded by the ever growing small wonders which all help to build a true sense of place. As you know both sports and the arts are incredible tools for building community and in addition to baseball the stadium can have the flexibility to serve as a venue for other types of community programming and cultural engagement opportunities. At the convergence of three transportation hubs, it is a region that is increasingly desirable in the retention and attraction of a creative community. This opportunity shows how far the city has come. We want to recognize the mayor, the city council for your continued leadership, and finally something you can't forget is that the A's in San José fits perfectly with the green vision. Thank you.

>> Mayor Reed: Eric Clabert.

>> I'm a resident of Georgetown place. I have a little park you can see right there. Looking forward to getting out my baseball mit and hopefully catch a foul ball. I look forward to baseball coming to San José. I work for Cisco systems and when friends and family come to visit me I would like to have a reason for them to stay and not go up to San Francisco for something to do. I think a baseball team here would help support that. The Diridon station as it grows and becomes a connection to Oakland and the high speed rail, from Sacramento all the way to San Diego, I think the baseball team here would give people a reason to actually stop and get off the train, as opposed to just keep on going. We need something in San José that actually has people getting off the train, so that when people see our city, watching it on TV while they're watching the ballgame, they can say hey, you know, the Silicon Valley is more than just computers. We actually have beautiful sunny skies, you don't see that when you're watching a hockey game because it's all indoors. So I'd just like to say again I'm a local resident. I'm going to be able to see the lights and I would love to see the lights here in San José. Thank you.

>> Mayor Reed: Stephen Burbank.

>> Hello, Mayor Reed, councilmembers, thank you for allowing me to speak. I'm Stephen Burbank. I live directly behind the Sobrato tower there. I wholeheartedly support a stadium in San José, specifically for the A's. I think that to echo what most other people have said, it's a boon for the city. And to those who may say that you know, traffic's a problem or there are problems remember this is a stadium that with 81 games per year, there's less than 20 or about 20% of the year, and even with other events, I don't have the exact numbers on AT&T but I wouldn't imagine that they use it more than 100 or 150 days a year, so again, even if traffic is an issue, it's less than half of the year. Being a downtown resident is very, very important. Or it's very important that we voice our opinions, because I wholeheartedly support it and I think that it is exactly what the city needs. I've been an Oakland A's fan for about 25 years. I've been to the World Series games in Oakland. I would relish the fact to be here at a World Series game here at San José and I hereby nominate myself to throw out the first pitch. Thank you very much. [applause] Approximate

>> Mayor Reed: Pete Colstead.

>> Hard act to follow. I'm Pete Colstead. We're not representing the organization itself tonight. Take a little informal e-mail poll. The vote came in 15 to 2 in favor of the stadium. 50 e-mail addresses is all we have in our database. We did meet Sunday with Jodene Perris in the Delmas park neighborhood. The issues over there are not surprise, parking noise, I'm sure you've heard them before. We have a lot of identity to that because over in the convention center we have a lot of those same problems. So what we did is Sunday night asked for a revote. What if we moved the stadium over here to the blue tent at that time convention center what would you guys vote now? The vote on that came in at 7 to 5. Some people did not revote. Some people did switch their votes if it's not in our backyard. Everybody's for it it is a good idea but the practical matter, if it's in your place, if you guys could take care of that little bit, I think there would be no resistance whatsoever.

>> Hi, I'm a downtown resident, I would relish the thought of major league baseball in San José. I'm a giants fan but I would probably get to A's games if they were that close and convenient. I'm one of the

market Almaden neighborhood residents who changed their vote when the proposition was what if it was where the tent is or in our backyard? I would have some misgivings and mostly about congestion, noise, traffic the impact on the immediate area so I in general support the idea, but I would ask that if it goes through that you give a strong voice to the residents of the Delmas park neighborhood and listen to their concerns and take them into account. Thank you.

>> Mayor Reed: Tony marisi followed by John Pastiere and Eric Carston Smith.

>> My name is Tony Marisi and live in the rose garden district for in excess of 60 years. San José is an emerging as a major city as to population. Major cities have diversity of culture, diversity of economic, diversity of entertainment and culturally events. San José has the ballet, the symphony, the Mexican heritage, opera San José, San José rep, museum of art, HP pavilion and many others. San José must continue to add these types of major events and activities to the City of San José. It is emerging as a major city. It needs to have everything and a diversity of everything. HP has been most successful with the major element being the San José sharks as a catalyst to make it work along with a divert entertainment for it all. This has worked thanks to the hard work of the City of San José and the sharks. The city has put in a tremendous effort to make that HP pavilion work. The A's can do the same. When I think of New York I think of skyscrapers Wall Street plays and the New York Yankees. When I visit Chicago, I visit Wrigley field, the home of the Chicago cubs. Again diversity. San José can take its place among major cities by adding another piece of the puzzle. The A's and other amenities. San José is now the center of Silicon Valley known all over the world. When I'm asked, where is San José, by Los Angeles, that makes me wouldn't whether we have done our job to distinguish our job as a major city. We need to further identity, the A's will assist us. Like the Yankees or the red sox.

>> Mayor Reed: Your time is up.

>> I urge you to bring the A's to San José. Thank you.

>> My name is John pastir. I was the founding architecture critic to the Los Angeles times, where in 1973 in my first ballpark article ever, I complained about how bad the Oakland coliseum was to have a World Series. Recently I published an article on major league ball parks. Camden yards in Baltimore, Safeco field in Seattle and petco park. When you finally land that territorial exemption it is a significant urban design opportunity. A fine wail to bolster an extended downtown that is still not complete. It's also an opportunity to not just capitalize on six present and future modes of public transportation, but also to contribute to their ridership. This effort is worth pursuing on many levels. Not only is it economic symbolic and entertainment opportunity, as a regional amenity but also as a way to solidify and expand the urban core of the Bay Area's largest city. Thank you. [applause]

>> Mayor Reed: Derrick Carson Smith.

>> Eric Smith parks and recreation commissioner, City of San José, district 6. Recently it came to the commission's notice that this has led to no sports fields constructed. I think the time for studying the plays is over and it's time to play ball. We have a golden opportunity here to create not just a grand sports stadium, but to provide an adequate place for our youth to play sports. We're constantly told that the youth are headed out of the city to Fremont, to Livermore to adjacent cities to play sports. So I ask of you, let's look into the partnerships, let's look into having a sports field for our youth. Community serving sports fields, alongside this major league sports stadium. A place where the youth can play and then look to the future. To keep them off of the streets. Out of trouble. Give them a place to throw a ball. To play soccer. To play field hockey, to play the sports that is needed for their strength, and their charisma and their stamina. So I beg of you please don't leave our youth behind in the pursuit of a singular vision of a major league park. Thank you.

>> Mayor Reed: Frank Fenrose, Debra Rants and Laurie bird.

>> Thank you mayor and city council. I won't reiterate what's already been said because it's a given. What we need to move to go forward we'll get there. At the end of the day, I want to say this. It's about what's best for the team. We're talking about the San Francisco giants here. When we talk about territorial rights what is that about? Economics. What's good financially for the team. I just want to remind people here that it goes beyond the population of the neighborhoods and the city and all that. That's here. This is about corporate sponsorship and I just want to remind everyone here that when we look at what we need to do to move forward, at the end of the day it will be territorial rights. There are enough corporations, there are enough businesses here that can support each team. The A's, the giants, it's more than Yahoo, it's more than Cisco. By mentioning those first level companies that are there, there is a lot more out there and we need to make this opportunity available for the other corporations that are out there. So again corporates sponsorship I think is one of the keys that we're going to need to look at when

we're talking about territorial rights and there's enough business to go around. Let's go out to the ballgame. [applause]

>> Mayor Reed: Debra Arantz, Laurie bird, Yolanda Legedza.

>> Hello, thank you very much for having us. My name is Debra Arantz. We respectfully request that a series of highly publicized open community meetings be conducted to review the EIR and development plans concerning the proposal for a major league baseball stadium located at park and Montgomery streets. The EIR is currently outdated, significant changes have occurred since its acceptance and changes in the surrounding area require that the proposed mitigation be reevaluated to determine their adequacy for the San José environment. In the light of San José's current budget challenges to assure that this plan will not negatively impact the needs of current and future competing needs for city financing. Thank you very much.

>> Mayor Reed: Laurie bird, Yolanda Legedza.

>> My name is Laurie bird. I'm from the Shasta Hanchett neighborhood organization. I'm concerned about the ballpark's affect on the RDA budget. Residents need to know that their tax dollars are being spent wisely and on the highest priority items. Today many of our neighborhoods are in distress. The foreclosure melt down has devastated many areas, roads are in poor shape and public safety spending is not at desired levels. Our parks and communities centers and libraries are seriously underfunded. Does this project represent the best use of scarce taxpayer dollars. What impact will it have on the General Fund and does the return on investment make sense? And if a ballpark is built will there be jobs that offer reasonable pay and full time employment opportunities? These are some of the key financial questions that must be answered. Thank you. [applause]

>> Mayor Reed: Yolana Legedza, Leroy winters, Jeff waite.

>> I live in the neighborhood less than half a mile from the proposed ballpark. And I'm glad to have the high speed rail and light rail in my backyard. I have three questions about the ballpark plan or proposed plan. If we really want to create one of the world's great transit stations as a gateway experience that attracts visitors and residents to Downtown San Jose, then we need a room around the restaurants for hotels, shopping arcades, some kind of square or plaza, not to mention BART and bus terminals. Where are all of these things going to go with the ballpark taking up 15 precious acres? Right now arena and train station area is a depressing dead zone except during game times. Similar to the dead zone around AT&T park and the San Francisco train station. This doesn't make for an alluring gateway to the city. What is going to be so drastically different about this arena development that will turn our dead zone into an aluring area that will draw people? What are the residents of these neighborhoods who have invested in San José for the long term getting in return for paying this high price? If you don't have anything in mind yet I have two suggestions. Additional large parks, potentially one above underground parking and getting CalTrans to give up the right-of-way to the Alameda so we can turn this grand area into the beautiful place it was meant to be.

>> Mayor Reed: Jeff waite, Terry blander.

>> Hi. My wife and I bought our home so she could commute to San Francisco. World class city such as San José deserves especially not if the high speed rail is funded. The development around the station should be carefully planned, using 12 of the few available acres to put in a stadium for just 80 home games, I don't think that amounts to that. What is at stake tonight is not allow for baseball but to create a livable neighborhood, comprehensive plan that interweaves future BART, high speed rail, park land, high density rail and possibly a ballpark. The focus should not be on baseball but on transportation, integrated into a community that therefore should be walkable as opposed to be focused on parking structures for ball parks. And just like the giants, probably we'll get something in return for giving the A's their territorial rights, major league baseball or the A's could negotiate something with the city council, so that we get a deal that would also benefit the neighborhoods that will suffer the negative impacts from such a stadium and it just doesn't just benefit the baseball fans. As two examples of such concessions that the Alameda could be reshaped from a state highway is dangerous to cross on foot to a pedestrian friendly grand boulevard with shops, grocery stores, diagonal parking and a three-line median, second, similar to Wrigley field force a higher percentage of day games, so we don't hear the noise of fireworks and jingles and after sitting in gridlock ballpark traffic to get home from work, the first step should be to update the ballpark EIR how it fits into a comprehensive plan for the Diridon area. Thank you for your consideration.

>> Mayor Reed: Jeff Waits. Terry blandra, followed by Richard Nissit.

>> Mr. Mayor, councilmembers, thank you for your time. I know it's getting a little bit late. My name is Jeff waite I work at springsoft a company here in San José, located adjacent to the airport and as of about six

months ago I'm also a resident in San José. I live in the new KB home community at the old Del Monte cannery site. So first of all let me thank you for the planning there. There's a VTA line that's going to go right through there, as soon as they open up the station I'll have one stop to go to the new proposed stadium. So I'm very excited about that. I don't have a whole lot to add except that as yet another neighborhood that you've heard from in the vicinity of the proposed stadium I wholeheartedly throw my support in for this plan and I hope can you do whatever you can to do to make this work for us. Thank you very much. [applause]

>> Mayor Reed: Terry Blandra, Richard Nissit, Helen Chapman.

>> Why are we going through all this expense, discussing the feasibility of a new stadium, unless we know the certainty of at least three items, one that the San Francisco Giants territorial dispute can be resolved and a team agreement can be approved by the commissioner of baseball and major league team owners, two, what are the A's willing to bring to the table for San José support, what's their offer besides a very long guaranteed contractual stay in San José? Three, are you certain that the FAA will grant the city the building mass heights permit? Why are we spending more money and energy, before we know this will happen? Why how do we build and fund a citywide multimodal interconnected rapid transit system for all the transit oriented development that has been approved and being built, finish the light rail system and stations, build a high speed rail system complete with a new multilevel new train station and a new stadium all in the relatively same time frame with much of it taking place in the same space downtown? The city needs to stand back, take a deep breath and realign its fiscal priorities. Let us strengthen our existing deteriorating infrastructure system to improve our quality of life to our existing residents who have chosen to remain here, only then can we have sound fiscal responsibility. Thank you.

>> Mayor Reed: Richard Nissit, Helen Chapman, Charles McNair.

>> Good evening Mayor Reed, councilmembers thank you. I've lived in the Hanchett park residence area for about 15 years, and also work downtown. Despite promises to find alternative uses for this land we are sadly back at the same point we were two years ago. And a very many of us are not happy about being asked to review this major league ballpark plan yet again. However, considering that this project may be good for San José, suggests that a new due diligence is reasonable. But it should only be done if it is a proper and open process, and is allowed adequate time to expose, discuss and resolve problems. Having been involved, I feel it was a severe stretch for the original EIR to adequately mitigate the issues raised two years ago. Since then the general and specific plans have been amended, resulting more pressure on environmental concerns such as parking, open space, noise, lighting, safety and quality of life. Plus we now have a high speed rail which poses significant environmental challenges. We are here asking that the EIR be redrafted, the open mindedness to decide whether this is really the right project for this location and this time. Thank you.

>> Mayor Reed: Helen Chapman, followed by Charles McNair and Ross Signorino.

>> Thank you. I thought I'd show you a picture that kind of gives you an idea of where the ballpark is and the residences that are within close proximity of this planned development. Good evening Mayor Reed and members of city council. My name is Helen Chapman, president of the Shasta Hanchett neighborhood association. For full disclosure, I grew up in the East Bay, and I'm an A's fan, just ask my husband who is a Giants fan. How did we happen to live through battle of the bay? I would like to invite the council, mayor's office, redevelopment to hold a town hall meeting to address the deficiencies, we are only allowed a few moments, we really haven't had time to have an open dialogue about many of the questions that have been raised in this document. There are hundreds. I am pleased to see so much energy and effort to bring the A's to San José. However as a former park commissioner, I agree with commissioner Carson Smith that as much energy should be spent on youth sports fields also. Please revisit the EIR so that many of the questions raised by many of the community members are answered. Thank you. [applause]

>> Mayor Reed: Charles McNair, followed by Ross Signorino and Feruz Masnordia.

>> Thank you Mr. Mayor, council. My name is Charles McNair and I've lived in San José all of one year. I have heard other people talk. They have covered most of my thoughts, however, I will bring this up, I lived in San Francisco and lived there for 30 years. My first job was peanut and chocolate malt vendor in candlestick park. Selling chocolate malts was not an easy job. A lot of folks are having a difficult time in a ballpark, I urge the mayor and council to move ahead with this project, thank you.

>> Mayor Reed: Ross Signorino, Feruz.

>> Ross Signorino: Mr. Mayor, members of the council, it seems like I'm the only one that's properly dressed here tonight. I got this tee shirt from Jim Kineen when you had that really, that famous really at Cesar Chavez plaza, that's when I got it, that's when councilman Williams made that famous remark, if you don't remember, I'll remind you, we have a constitutional right to have a baseball team in San José. Those words echo in my mind. But nonetheless, tonight I hope you vote in favor of it. Of having to write in the baseball commissioner, trying to have him change his mind about the giants territorial rights. I think you have an uphill battle on that one. I hate to see tears in your eyes but none of the less, there are a lot of issues al might take with speakers here. I keep hearing what great business model, as Pat Dando as head of the Silicon Valley chamber of commerce. Says what a great example, business example the arena is. But you know, we don't see what the books are, what the arena is doing out there. We have no privilege to see that at all. So we don't know really what they're doing. You know another thing too, if the A's want to be a good neighbor, there is a lot of concern by people who live in the vicinity, is to dome this stadium. Put a dome on it so you don't get all the light and the noise. Then the other thing that I fear if you name this stadium or the sponsor may want to get the name and name the stadium Cisco, like they tried to do there in Fremont, I think it's going to get the nickname, the Cisco kid stadium. I don't know if you are going to like that or not.

>> Mayor Reed: Your time is up.

>> You sure?

>> Mayor Reed: Yes.

>> Ross Signorino: Okay.

>> Mayor Reed: Peruz Ferudnia, Sam Clark.

>> My name is Peruz Macsudnia, I've been a San José resident for almost 20 years. At a time when we're dealing with shortages in infrastructure, we're standing here speaking about bringing a major league baseball team to San José. We've all heard this story before. Big business and sports franchises bring revenue to San José. Why do we have a record budget deficit. Why is our police force not being funded properly and why are the roads in such bad condition? Could it be possible that the tax revenue is not paying the real expense that we're incurring or do we need a more balanced approach to allowing businesses into our communities? Sports franchise owners make billions of dollars each year yet expect taxpayers to pay for their stadiums and Your Honor write the cost of repair. We must look at the real cost of bringing a sports team to San José. Free lunch discusses how not only do stadiums redirect but cut funding for other services. Major league losers, a book by prominent professor Mark Rosenthal, major league parks produce little effects in the community and leave cities with huge loses. Let's not forget the debacle with the raiders that cost taxpayers hundreds of millions of dollars. Ladies and gentlemen, please take into consideration the real cost to our community because once the game is over we are the ones who are left to deal with the increased crime, increased traffic, and cuts in city services. Thank you. [applause]

>> Mayor Reed: Sam Chuck. Followed by Kelly Schneider and Scott Knies.

>> Good evening, my name is Sam Chuck. I'm here, I'm a local attorney, I'm with a law firm located on the Alameda very close to the proposed park. I'm a resident of Willow Glen and I was believe it or not raised in Gilroy. Short and simple the reason I'm here, there are so many countless reasons people have raised tonight as to why the ballpark is good. The economics are obviously, the ripple effect on the local community, of course. Two elements I wanted to add. One is as a business person actively involved in transactions that go throughout the country, it is time and time again that people don't recognize the City of San José or where it is. I looked up today at the top list or the list of the largest cities in the United States, San José is 10th. You can go all the way down to the 30th city, except for San José, and one other, and they all have major league sports. Usually, two or three teams. Now, the NBA, major league baseball, football, those are considered the big players. NHL kind of on a second tier. Look at what the sharks have done alone for San José's image nationwide and worldwide. If we had major league baseball, America's pastime, it would be one of the name recognitions for this city. You can't say the word sharks and not think of San José. Unfortunately we have been enveloped in Silicon Valley, which is a good thing acknowledge when you say sharks, you say San José. I think major league baseball with all of its economic benefits would be phenomenal for this city. We all know it's one of the best cities around, it's why we live here and why you are actively involved in the city council. It's one step forward. It doesn't solve everything but it's definitely a big symbol for the city. Finally family. There is nothing more American than major league baseball. I dream of the day that I can drive with my kids or ride on our bikes to a major league baseball park and have our own team. I'm tired of rooting for the San Francisco team.

>> Mayor Reed: Your time is up.

>> I appreciate your vision.

>> Mayor Reed: Kelly Schneider, Scott Knies. [applause]

>> Mayor Reed: Followed by Aaron Ross.

>> Hi, thank you. My name is Kelly Schneider and I am a homeowner and a resident of the Shasta Hanchett neighborhood. My husband and I live with our two boys. And we'd love love love to be able to walk downtown and go to baseball games. We only make it up to the giants stadium once every season because of the schlepp involved. But we make it to the shark tank more often. It would be awesome now that the boys are getting older. I totally agree with mayor Reed about the EIR and closing that up. I would encourage you to remember if Mr. Wolff is successful in getting the territorial rights, and the stadium can come to fruition, with Cisco or someone else as a sponsor, for all the economic and socioeconomic reasons that many of my fellow citizens have outlined but it can be a green vision for San José beyond the green colors. It can be a truly -- a truly efficient stadium, it could have all sorts of cool technogadgets, it could reduce the carbon footprint and all of that stuff and so we should probably look forward and expand our vision and make it one of the coolest outstanding stadiums if we're lucky enough to get it. So thank you very much. [applause]

>> Mayor Reed: Scott Knies Aaron Reese and Matt Will XBox.

>> Scott Knies, executive director of San José downtown association. Wow, that is one beautiful photograph. It already looks like a landmark. It's absolutely the most important project we could go after. The recipe of success, in North American cities, is downtown baseball stadiums. I remember going to Denver, in the early '90s and the Lodo district, their lower downtown district and going back after Coors field was absolutely the catalyst that transformed the LODO scene. Petco, we've been compared to San Diego lately. Just southeast of the gas lamp district is the ballpark district down there. You go to Phoenix, you go to -- we all know what happened in China basin with AT&T park. Time will tell. When we look back at the making of the city, the decades that it takes, if this is one of the significant milestones. We certainly hope so. The San José downtown association, our 1700 members, want to help you in any way we can to make this a reality. Thank you. [applause]

>> Mayor Reed: Aaron Ross then Matt Wilcox and Cyril Isnard.

>> I'm Aaron Ross. We are huge baseball fans and my family have been to a lot of A's games. It is a long drive and we'd like it if you could just bring it down closer. [ Laughter ]

>> So please do everything you can so we can enjoy the A's.

>> Mayor Reed: Thank you. Matt Wilcox followed by Cyril Isnard.

>> Good evening, Mr. Mayor. Like my friend Matt, I also live in Los Gatos and play little league baseball and is a huge fan of major league baseball and the Oakland athletics. And I would really like it if we could just go to San José, and not drive to all the way up there and have the hassing of paying gas and stuff like that. All right, thank you. [applause]

>> Mayor Reed: Cyril Isnard.

>> Mayor Reed, councilmembers, my name is Cyril Isnard and I'm the chair of San José hotels Inc. which comprises 7,000 hotel rooms that need to be filled every night. 50 -- over 50 restaurants, many retailers, many lounges, and we would encourage, we encourage your support of the construction of an A's stadium in San José. You would get the support of the entire hotel community, the restaurant community, the parking owners community, and also, there is one thing that would make our concierge at the Fairmont and our staff at the Fairmont, to be able to say, the A's stadium, you can walk to it and be there in five minutes. That would be the greatest gift you could give the hotel community. Thank you very much. [applause]

>> Mayor Reed: Katherine Matthewson.

>> Good evening. My family has lived in the same Hanchett home since 1950. I'm a former university professor. I support having a San José A's ballpark but not near the Diridon station. To be a gateway the land usage around it should attract people 24 hours a day, 360 days a year. A ballpark with walls and parking lots never will do this. A ballpark creates urban land spaces, because it is only used occasionally. The sharks stadium also creates such a space. Our future cannot afford two similar spaces on either side of our entry train station. My San Francisco office was three blocks from the balm park for 20 years. I watched the change of land use with removal of quality restaurants, small businesses and walkers leave. Less than two months ago, San José's office of economic development released a press release titled Diridon station to be focus of Harvard design group. It stated in San José light rail bus ACE, CalTrain Amtrak and a future BART extension will all converge at the Diridon station with an estimated

1200 bus train and light rail arrivals each day. Will rival Eastern Europe. If San José's goal is to build one of the world's great transit stations, high speed rail at Diridon will be the front door to San José.

>> Mayor Reed: I'm sorry your time is up. If you want to submit your statement can you give it to the clerk.

>> Thank you.

>> Mayor Reed: Mark Morris, Richard Zepelli and Karl guardino.

>> I'm Mark Morris, I'm a long term San José resident. I think the perspectives are wrong. The Diridon transit center is far more important than a baseball stadium. It must be seen as more than a convenient way to get fans to the baseball stadium on a few days a year. Catalyst of major commercial center with lots of full time well paying jobs nearby housing and accompanying retail services. A truly 21st century city hub. Stadium is one potential land use near the transit center and it's not necessarily the best one. Contrary to the widespread myth, stadiums do not generate significant economic development. Independent studies that demonstrate this. Some real world examples, Detroit is a disaster, San Diego is bankrupt, Indianapolis is struggling, St. Louis is not getting the transit station built. Can clarifications to make these efforts more robust than meaningful. Point 1, proposed an outreach process but that could be very weak. Is not nearly enough to have an meaningful dialogue. Sharing input and getting information is insufficient community interaction for a project of this scope. Point 2, analyzing the opportunity should include lots of community interaction and revisiting the EIR, reviewing fiscal and economic impacts, and should include evaluation of alternative land uses for the stadium site. Finally, establishing a Diridon good neighbor committee is a weak and inadequate substitute for creating the Diridon stadium process. That is the only way to get this good planning process for this very, very importantly part of the city. Thank you.

>> Mayor Reed: Richard Zepelli. Followed by Carl Guardino and then hitting cleanup tonight, former mayor Susan hammer.

>> I'm a member of the Willow Glen board I live in Willow Glen and I'm very proud of Willow Glen. I'm also proud of the weather we've had. San José has perfect baseball weather. Boston has it, San Diego has it, we have it too. We have a lot of things that San Diego doesn't have, a lot of little leaguers that will support the stadium and the economy as well. There is a problem coming up and, this is not the time for it tonight. When we finally get to the outreach portion of it and we start talking about the infrastructure and how we're going to get people to the stadiums especially from Willow Glen, we have a trail that's not completed, natural walking path to the stadium. The Tamien station parking lot is already packed. We need a bigger parking lot there. There is the Visona stadium, needs to be completed, the Almaden people coming to Willow Glen as well, I think the timing to discuss these things is in the outreach meeting. I congratulate you for what you're doing tonight. .

>> Mayor Reed: Carl guardino.

>> Apartment my appearance, I by-commute. I want to let you know about how you always care about the driving communities of Silicon Valley. So we polled our members. We have 285 members who provide a little more than 2 of every 4 jobs in Silicon Valley. This consisted of two questions out of four questions. We were amazed we had 120 responses. The five questions we asked I believe have been sent to you. As of tomorrow I believe these will also be available on our Website for people in the audience and broader community to see as well but we asked if people felt that the City of San José should be the home of a major league baseball team. And the response was 70% yes, 10% no, the other 19% and change either had no opinion or a different response. The next question was, we asked companies if they had a relationship sponsoring or advertising with the San Francisco giants, and for those who did, would they support the A's as well, we were pleased to see it is not an either-or decision but overwhelmingly they would do both. We asked a similar question about companies who may hold season tickets or luxury boxes with San Francisco giants if they would support the A's. Once again it was not an either-or answer, it was both, good for both teams here in the region. And then finally, we'll have on our Website as well, those companies who took the time to respond, so mayor and council, we know have you big decisions based on many factors. We would just hope that weighing in with the views of our driving industries might be of value to you. We don't have a formal position yet. We will now take this to our members for the formal position. But the 120 that spoke up seem to be speaking loudly. We thank you for your leadership and transparency. I'd be glad to answer your questions about the survey.

>> Mayor Reed: Thank you, I don't think we'd have any questions at this point.

>> Thank you, Mr. Mayor.

>> Mayor Reed: Maybe later. [applause]

>> Mayor Reed: Last but not least, former mayor Susan Hammer.

>> Batting cleanup. Mayor Reed and members of council, I'm very, very pleased to be before you to let you know how excited I am about being part of this effort. I thank you for asking me to become involved. I think if I hadn't said yes that maybe I wouldn't make my 49th wedding anniversary. My husband is a number 1 baseball fan. He's been to most of the -- all of the major league parks in the United States, many of them more than once, and I have visited some of those with him. It's certainly as fun to go to a different city and see what a downtown park, and as has been said, can do for bringing people into the city. As you all know or most of you know, 17 years ago, I led the effort with a whole lot of community support, many of whose members are with us tonight, to bring the San Francisco Giants to San José. That didn't work out, but I since that, that this effort may be different. And I'll tell you why I think it's going to be different. I think it's going to be different primarily because people now see what the sharks, a major league team, can do for this city. And I thought of that when I was driving down here with former mayor Janet Gray Hayes, when we, that people were gathering at the sharks arena for sharks game, and you know, it took us maybe two minutes longer to get from our homes in the rose garden to the council chambers. So I think that people who oppose the effort in 1992 probably realize now what a great thing that arena is, and having the sharks here. And I hope that this is going to work out. You know, I was going to make some other points all of which has been said. I mean, economic benefits are just terrific. All you have -- or tremendous. All you have to do is be downtown, try to get into a restaurant or get a drink or something before a game or after a game and they generally are packed. I don't need to tell those of you who are going to be responsible for making the decision to go forward. But the huge challenge it is. And I really believe that with the support that has been shown tonight, with the good work that Michael Mulcahy and our committee have done up to now, and we will continue to do that, to bring major league baseball to San José, that we're going to be successful this time around. I feel very confident about that. And it's really wonderful to look at each of you up there and see smiles on your face and hopefully all of you will be out doing whatever needs to be done to achieve this goal. And mayor, your leadership is key and it's a pleasure to get to work with you on this. Thank you all very much. And thanks to all of you who came to support this effort and those of you who had suggestions and have some questions about let me just say that they were good comments and I'm sure the mayor and the council will take those into consideration. Thanks again. [applause]

>> Mayor Reed: Thank you, thank you all. That concludes the public testimony on this. We need to come back for some council discussion. I'd like to start by trying to get a motion on the floor. Councilmember Kalra.

>> Councilmember Kalra: Thank you, Mayor Reed. And if I can just indulge you and the rest of the council and the rest of the audience for a moment prior to that. And there was a comment or a question that was posed earlier, why are you so excited about this proposal. You know, I'm first of all so honored and humbled to represent a district in the city I grew up again and few weeks ago I had the pleasure of throwing out the first pitch at two different little league games. I heard thousands of, countless people without saying a word asking about whether we're going to bring the A's to San José. Heard it from kids, from parents, heard it from parents that had been laid off, something that was giving them something to root for, something to be excited about. And I see that here today. Now, it's not just about excitement or hope. It's about real economic development when I consider the opportunity here. About bringing a stadium that's supposed to be privately financed, not even thinking about use General Fund money but rather thinking of a way to really attract real business to downtown, to get something for companies to highlight as they try to attract talent to our community, I've spoken to countless downtown businesses owned by small business owners that are struggling that are dying to get people into their store fronts, into their restaurants and into that are establishments. We have a real opportunity to at least explore the possibility of bringing a major league baseball team downtown. I happened to be on the Planning Commission when the EIR was certified. And with all due respect, to some of the comments regarding whether it was done part-way and so on, I took it very seriously when that EIR was presented to me. I know there were community members that was there, it was a very thorough EIR. I would not have voted to certify it unless I thought it was sufficient. Frankly it was sufficient for a stadium for 45,000 people. When we talk about other things that might be coming into the community, high speed rail or BART or whatever, that will have to be taken into account. But for a stadium up to 45,000 which is much larger than what we're proposing or what's being proposed here, it was sufficient. I want to make clear to everyone, including those that have concerns and those in the neighborhoods and the surrounding area, that we're in the beginning of this process for this new opportunity. Although baseball has come by an

opportunity in the past here's a new opportunity. And we must follow deliberate step of outreach, analysis and preparation, as the mayor says in his April 2nd memo, to put ourselves in the best position possible if major league baseball decides to authorize the A's moving to San José. And as stated in that same April 2nd memo, I appreciate and would like to highlight a couple of items in there including the mayor making it clear that building support with neighborhoods, business and labor, is critical. Also, that there needs to be a good neighbor committee as well, and that outreach is just beginning now. It's not a matter of not listening but quite the contrary. That for all of us here, those in support, as well as those who have concerns, as well as those who are against the stadium being built, all your concerns are going to be listened to and considered and mitigated and we're going to do everything we can. But right now it's way before we get to that point. Right now we want to be in a position to at least be prepared for the opportunity and make sure that all concerns are met but this is a think of over a million people and we have to keep that in mind. And so I do want to thank all the folks who came out here. Particularly mayors Janet Gray Hayes and mayor Susan Hammer and particularly mayor Hayes, for acknowledging that sometimes you can't always predict and for you to be honest enough to admit that you may have been wrong in your predictions, I think that is definitely refreshing to hear. As I said, we're a city of over a million people and we have to consider making decisions today that will make our children and grandchildren proud and that will make the City of San José proud long after any of us, we're long gone from serving up here, we have to make sure that's something that makes our city proud and that's good for our city and all of our city. What's said earlier, San José it's now time to show your determination I couldn't agree more. And with that mayor, I'd like to make a motion to approve the recommendations as stated in the memorandum, forwarded from the Rules Committee as well as the recommendations as stated in the memorandum from April 2nd, that you put forth.

>> Mayor Reed: Okay, we have a motion, with a series of recommendations, seconded by Councilmember Constant. Discussion or questions or whatever, for the staff, et cetera, up to you, councilmembers. Councilmember Constant.

>> Councilmember Constant: Thank you, mayor. Ash said everything very eloquently, so he took a lot of my comments. But I think the important thing to emphasize here is that we are making preparations for an opportunity for the City of San José. And I think Mayor Hammer made an excellent comment too, and that is, that a lot of very important questions have been asked. And that's exactly why we're taking the approach that's outlined in the mayor's memo, so that all of those issues can be vetted and addressed and that we can make sure as the leaders of this city that we do what's right for the entire city and we do things that will make San José a great place to live. I know myself personally, growing up, going to baseball games with my dad at tiger stadium in Detroit, are some of my fondest memories. And for the AV guys, can you put my computer screen up there? And I want to show you one of the reasons that I want this to go forward. Because it's not just about us. It's not just about the individual people here making the decision. And those of us here, it's about the families. It's about the future and it's about building memories for our kids who are going to be able to think back to when they went to their A's game at the San José A's stadium, Cisco park or whatever it may end up being called. And it's about those little leaguers. I think they had to go home and do their homework, they can't be with us. But we had several of those little leaguers express to us what it meant to them. If you can't get it it's no big deal. It's important for our city, I like forward to the day when I can take my five kids, hopefully not all at one time, to baseball games here in San José and I take them through an area that's vibrant and bustling with economic vitality and knowing that we made the right decision tonight and in the subsequent decisions we're going to make. So thank you very much.

>> Mayor Reed: Councilmember Pyle.

>> Councilmember Pyle: Thank you, mayor. This has been a wonderful opportunity and I've really enjoyed all the remarks from the audience. I would like to say? Too, that San José is currently home to some of the world's driving industries. It's an innovative 21st industry city. We need a 21st century ball stadium that will help create an international image, as well, as a national one. This image of this vibrant baseball stadium will enhance the our position as a global leader, in fact this will give us name recognition which the sharks has already gun to do. It will affect the creativity of all 120 that Carl guardino has put up tonight. It will prove that we could do that. When the arena was opposed there was concern about gridlock in the neighborhood streets. Those problems were begun in reference to the solutions. We address them, we must keep in great contact with the adjacent neighborhoods and I believe there are four contiguous ones. But the ballpark is a grand construction that is complementary to the arena. It has been a tremendous boon to our economy. There will be impacts. I have faith that our city and

redevelopment staff will face the neighborhood concerns honestly and openly but most importantly will work to find creative solutions to address these concerns. And the three A's, the boys that were from Los Gatos wearing those A's caps said it well, if they basically said, if we build it, they will come. And so will kids from other neighboring cities. We will become a magnet for these areas. And with that, I'm very, very happy that we're -- you put forward the proposal, and I'm very much in favor of it. Thank you, mayor.

>> Mayor Reed: Councilmember Oliverio.

>> Councilmember Oliverio: Thank you, Mayor Reed for your leadership. And thank for the memo that supports outreach to the adjacent neighborhoods, establishing a good outreach, I want to thank Mayor Susan Hammer and Michael Mulcahy for being great San José boosters, and thank Mayor Janet Gray Hayes for her historic testimony on the neighborhood perspective. I want to thank neighborhood concerns, at the Diridon station, baseball 81 days a year or intense housing and commercial 365 days a year, something's going to happen there. I also want to acknowledge one of the adjacent residents, Aloy Wooters. Aloy lives in the neighborhood immediately adjacent to where we're talking. During the 1987 process, he entered comments and since then he has entered comments and I thank him very much for that. It is unclear and unknown whether the A's would move to San José and the conversation is premature of an actual proposal however it's good to be prepared. Final approval for me really depends upon financial numbers and the impact on the surrounding area, how we manage the neighborhood, genuine neighborhood issues that we did with the San José arena. I appreciate all the members of the audience that joined us tonight both here and on TV and on the Internet. I hope that while some of you enjoyed watching your local neighborhood in action, you enjoyed it so much you'll come back on a nonsport evening, and help us balance the budget. But I'll be supporting this memo, thank you.

>> Mayor Reed: This is a lot more fun than balancing a budget, that's for sure. Councilmember Herrera.

>> Councilmember Herrera: Thank you, mayor. I feel so proud and honored to sit here and listen to the wonderful comments from all our speakers tonight. It was great to see Mayor Hammer and Janet Gray Hayes, former mayor Janet Gray Hayes and I want to thank the mayor. I think what I feel when I sit here and I'm a native of San José, remember going to the ballpark, been a Giants fan, going to the ballpark with my dad, Candlestick Park sitting at the very top row and he would bring a transistor radio so he could hear the play by play. That's what I remember as a child. My son now lives here downtown and they just had their first child so I'm a grandmother. I look forward to my son being able to take my grandson to the A's ballpark in San José. I think that would be really great. So I think there are some concerns, and I really appreciate the folks from the neighborhoods who are concerned about what this will mean to their neighborhood. So I'm very glad to see an amendment that we're going to be doing the proper outreach. But I think this is a point in our history where we're ready for this ballpark and this opportunity. And if everything goes well, it certainly isn't guaranteed, there is a lot of hurdles but we have to embrace this as a vision as a great goal for us to achieve and I think that it's going to give us great civic pride in having our ballpark here. And I will be supporting this. Thank you.

>> Mayor Reed: Councilmember Campos.

>> Councilmember Campos: Thank you, mayor. First of all, I want to thank my colleagues for all their great comments, and the concerns, and I think you've addressed a lot of the concerns that maybe we've heard from the community about making community outreach a priority. And I'm very excited that we're all on the same page about making sure that this is open and transparent and that the community has an opportunity to voice their concerns. Having said that, we know that San José is the city best equipped to provide a long term home, or the -- I'm not going to call them the Oakland A's, the A's. We also know that we have a potential site. We have fan base. We have support from the business community, and I appreciate that you all came out to really show that you are ahead of the ball. And we also know that, and this has been stated several times tonight, that we are the third largest city in California, and we are the largest city in the Bay Area. We know that the City of San José, along with the redevelopment agency, are in long term planning of this area. We had a presentation earlier about that. We know that high speed rail, BART, we also know that there is future growth in this area. And having said that, Harry, I'm hoping that as we move forward in this, and I know there's a motion, that you and your team, along with Paul Krutko's team, that you can come back, and I'll ask if you can include this in the motion at some point, come back with what still needs to be done for that site. I know that you outlined a few things. Also, what I would -- I think that is essential for us to be able to know, is what is the estimate appraisal value of the total property that is needed for this development. You outlined a few parcels. It would be nice to know if we do need the PG&E or we don't, and at what point in time we would need to focus intensively on the

three other parcels that you showed, I think those were in blue, if I'm correct. How much has been spent on the site already, and what is the remaining cost to complete the site acquisitions. And I don't know if you have those numbers but those are other things that I think are important. And I think the most important thing, and it's been stated over and over, is to make sure that as we move forward with this project, that the residents of San José have an opportunity to provide input and ask questions throughout a process. And as you come back with information to the full council, it would be important for us to understand what the strategy is on how you would do the outreach, whether it's to the neighborhoods, to the whole City of San José, and I don't want to leave out the residents that are neighboring fans, from Los Gatos and others. If it's residents that do not live in the City of San José want to provide comments, I think we should be able to provide an avenue for them to be able to put those somewhere. And finally, I think that one of the things that we need to continue to reassure the residents of the City of San José, is that their participation is valued, and that we are going to continue to provide avenues to have further discussions and be able to channel their concerns, and their support, to the full council. And with that, mayor, I will be supporting the motion, and I would ask that my colleague add those specific questions to the motion, so when that memo does come back, we will have the additional information.

>> Councilmember Kalra: Yes, that's fine.

>> Councilmember Campos: Thank you.

>> Mayor Reed: Councilmember Nguyen.

>> Councilmember Nguyen: Thank you. And I'd like to join the chorus by thanking the mayor, Michael Mulcahy. And also thanking our assessor Larry Stone by confirming that building the stadium will not devalue the properties nearby. That was the concern I was hearing also. I agree with the major league team downtown will open a world of opportunities, number one, branding, the increase in tourism, revenue generations and the list goes on and on. But as we move forward I also want us to be mindful that we do have small wonders in San José. And what I mean by that is the San José giants. As long as the A's are not here yet, I think we ought to do whatever we can to market what we have. I think that the San José giants is really a unique brand here in San José. And you know, with this minor league baseball team, that has thousands and thousands of fans, and it's a very friendly family oriented team. I'm going to be throwing out the first pitch on Thursday night, which it's opening season. And I don't expect all of us to be out there with orange pompoms. But I do want us to be considerate, and cheer on the team this Thursday night at the municipal stadium. Thank you.

>> Mayor Reed: Councilmember Chu.

>> Councilmember Chu: Thank you, Mr. Mayor, I also want to express my appreciation for all of you coming out tonight, especially Jackie Hoffman's point is very, very comprehensive. I also wanted to why echo Councilmember Nguyen's statement of our future finding a giant in San José. So I'm hoping that the staff did probably educate me a little bit more on the future of the minor league giants, if we'll be able to bring a major league A's to town. I'll be supporting the motion.

>> Mayor Reed: Thank you. I had a couple of comments I'd like to make in support of the motion. There are a couple of things in my memorandum that didn't get much discussion tonight and some that did. So the couple of things that I wanted to highlight. First is, I want to talk just a little bit about what I've been calling for lack of a better name a Diridon area good neighbor committee. And that is something that I'm trying to model off of the successful committee work we had done after the arena got into operation. Because there are all kinds of operational issues, all sorts of implementation issues, all kinds of plans, and there's always very important to make sure they get carried out. And a good neighbor committee is designed to make sure, at least in this case, I believe we can make sure that everything happens in the Diridon area is a good neighbor for everything else that's in the area and it's not just about baseball but there's a Bart project, there's high speed rail project, there's possibility of additional activity in the arena. And we want to make sure that all works and we mitigate the activities of all of those. And the purpose of the committee is to have a forum or a place. If people are concerned about things that are as minor as parking in front of their house, that might be minor for the city as a whole but it is major for us to have a forum for those things to get worked out. That's kind of the idea of the committee, it's not yet fleshed out but we do have at least that model from the early days of the reason which I think was extremely successful dealing with many of the problems that could have happened had we not implemented it correctly. I want to thank our baseball San José folks, Jackie Heffner continuing that and getting the fans organized, the co-chairs of the A's to San José group, Michael Mulcahy and Susan Hammer. We have to build community support. We want to demonstrate that this will be a great baseball town. We have a site, can be an excellent site. But we are nowhere near the end of the road with major

league baseball. They need to look at us and say, you know, that is the best place in the country for a baseball team, but it will be good not just for major league baseball but for the City of San José. So there are more things than in my memo that we will think of. As this comes back to the council from time to time either directly or through our committees, there are opportunities that will identify the work that needs to be done. I encourage everybody to go to the redevelopment agency's Website and look at the work that's been done. Because we don't want to forget all of the efforts that our staff and others did over the last few years. There's one other little comment that I wanted to have in here that I want to make sure people don't overlook. Because I've asked one of the recommendations if the council approves this is staff will come back within 45 days with some guidelines, some principles for negotiations for public-private partnership to bring baseball to San José, to include principles such as having a positive impact on the General Fund. I think we have an opportunity with this project to generate sales tax dollars, hotel tax dollars, parking revenues. We'll have a net, good solid net impact on the General Fund which is a very important thing for all of us as we deal with budget. We'll have to see how that goes, I think we have a great opportunity, and that's something that, as we do this work, we get a good return for the General Fund to help deal with our budget problems that we deal with every day. With that, I urge my colleagues to support the motion, getting staff back to work, and we are ready to go when we get that call from major league baseball that we're ready to play. With that I'll urge support of the motion. The matter has been moved and seconded. All in favor, opposed, none opposed, that's approved. Okay, play ball! [applause] Now, back to the less-fun work. We have one item of business, 4.6 and that is a public hearing on the reorganization, annexation of story number 61. I have no cards from anyone who wishes to speak on this. It's a -- I'm sorry? Do have you a request?

>> Councilmember Campos: I want to speak on it.

>> Mayor Reed: Okay, Councilmember Campos.

>> Councilmember Campos: Thank you, it was me. Thank you, mayor. First of all, I just want to thank the Planning Department and the director for their efforts of being proactive in developing the answer book. I know that that has served as a great tool for the residents that are now being annexed in the City of San José, helped to answer a lot of their questions. It's helped them to understand the process and the procedures at the City of San José. So I wanted to thank you once again because I think it's important to recognize staff when they're able to create a tool that is very important through a process. So that mayor, I'll move for approval.

>> Second.

>> Mayor Reed: Motion to approve. All in favor, opposed, none opposed, that's proved. Last item on the agenda is open forum. I have no cards. I do have cards requesting to speak on open forum. Allowed to speak on any matter within the subject matter jurisdiction of the city council that wasn't on the agenda. Susan Avelee and Connie springer.

>> My name is Susan amountble and I'm president of the friends of the Cambrian branch library. We're 110 members strong. I'm here to speak on behalf of them to keep our libraries open at the present level. I take exception of one finding in the 2009 survey. It showed 70% of those surveyed would accept reducing branch library hours of one hour per week. I believe those surveyed had been answered quite different if given a few other questions, would they accept reducing the libraries from five and a half to four and a half days per week? My point is much the same as one made by fairbank and associates who performed the study on the question of whether the person surveyed would raise taxes on San José businesses many fewer accepted the tax when information was added that it would double the tax payment of businesses. Closing the branch libraries one day a week doesn't sound so bad if you aren't reminded that this would be in addition to the 1.5 days per week they are already closed. If residents were asked having their branch libraries closed 35% of the time, two and a half days out of the seven days their answer might have been quite different. Having only three and a half business days per week, cut off our residents from resources, filling out online job applications, and help with their resumes. Therefore the friends strongly advocate keeping our branch libraries at their current level. Thank you.

>> Mayor Reed: Connie springer.

>> My name is Connie springer. I'm a member of and volunteer with the Cambrian library friends organization and I've been a resident of San José since 1971. As a San José resident I've consistently supported our public library system throughout the years with my votes and my tax dollars. As have a majority of my fellow citizens. In a way that makes each of us investors in or part owners of that library system. So it disturbs me quite a bit that this valuable public resource which I've been investing in for over 37 years can could now be closed two and a half days a week or over 35% of the time. I'm extremely

proud of the public library system we have here in San José. I think it's a first-class system. I believe the public library is a crucial component of the quality of life in our city and it's never more important or more valuable to our citizens than during hard times. I urge you to keep the libraries open at least at the current level. Thank you.

>> Mayor Reed: That concludes the open forum. We are adjourned.