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City of San José city council meeting August 25th, 2009.

>> Mayor Reed: [Gavel] good afternoon. I'd like to call the San José city council meeting to order for August 25th, 2009. We'll start with our invocation. Councilmember Nguyen will introduce the invocator.

>> Councilmember Nguyen: Good afternoon, Mayor Reed. It's my pleasure to introduce pastor Jon Talbert, preaches at Westgate church and leader of the national compassion and universities movement, beautiful day to participate in revitalizing and restoring neighborhoods. Just a few weeks ago, beautiful day in connection with cry out Christian floeship organized a cleanup day. On behalf of the residents of District 7 I'd like to say thank you. Welcome Jon Talbert.

>> Thank you for having me. Just a couple of words about project restoration, we didn't realize how many people were going to show up and created a couple of traffic violations in the process. But I just wanted to invite the council and actually I have someone sending you an e-mail right now. Just a couple of things coming up for anyone else that wants to get involved, part of bringing compassion to our city. I kneel grateful to be here and -- feel grateful to be here and serve the city. The aide walk is coming up, we cancelled church for this walk, for the beautiful day. In the most recent years, thousands of people literally in the streets doing projects and bringing grace and hope to the margins of our community, in these economic downturn times, this would be a time for that. As well as, I've had meetings with some of you. I wanted to make an open invitation for lunch, any time, I'm buying. Let me just open an invocation here for our council time. Father, we're gracious, we're grateful and hopeful for our city and all that you are doing in it. We ask your hand upon it, those that are suffering you bring grace to those that are lost. You bring comfort to those that are hurting. And you bring a blessing and you bring prosperity to our businesses. You bring wisdom and prosperity, you be honored and our residents be blessed and encouraged and hopeful as they look to our leaders and they look to our city and recognize that there is significant work happening here and we become thity of compassion and the city that leads the nation not only in technology and innovation put in brotherly love and kindness. And in doing so, we'd be a model for those around us. Father, bless our leaders, bless our mayor, that and that they do this in an honorable way and we ask this in God's name. Thank you.

>> Mayor Reed: Thank you pastor Talbert. The work around beautiful day, lots of people got engaged and we appreciate that. Please stand for the pledge of allegiance. [pledge of allegiance]

>> Mayor Reed: First item is orders of the take. We have a couple of changes from the printed agenda. Item 2.9, Councilmember Herrera's travel to San Diego is being dropped. Item 3.2, report of rules and open government committee of August 5th will be deferred one week. Item 4.2, rezoning of property located on San Felipe Road, will be delayed one week. Business incubators in the downtown will be deferred to September 15th. Any other items we need to adjust on our agenda? There's a motion to approve the orders of the day. And one other note is, today's meeting will be adjourned in memory of Daniel Zaccheo and Albert Balagso has some comments on that.

>> Albert Balagso: Thank you, Mayor Reed and members of the council. Last week, in the U.S. news, there was an article that said, San José was one of the third best, ranked third as best places to grow up. And I'd like to say that the city is a great contributor towards that. And Daniel and his relationship with the City, and I can also personally say, my relationship with the City as I started, as a recreational leader, I can share that with the energy, we both started as the city as a way to become part of this community. Daniel was a young man of 21 years old, was a rec leader starting with the city on that journey who was tragically killed in a car accident. He worked with youth, he had a passion for sports and young people, and unfortunately, he was taken away from us too soon. I'd like to say that we value him, we're going to miss him. He is a second generation employee of thissity. His father also started as a recreation leader in the technology. So Daniel will be missed and we thank you for taking this recognition of Daniel. Thank you very much.

>> Mayor Reed: Thank you, Albert. We have a motion to approve orders of the day. All in favor? Opposed? None opposed, that's approved. Closed session report.

>> City Attorney Doyle: Many, many, members of the council, the city council met in closed session this morning pursuant to notice. There's no report at this time.

>> Mayor Reed: We'll now take up our ceremonial items. I'd like to invite Councilmember Chu and representatives of Jensen landscaping to join us at the podium. Also journeying us is Paul construct, from the Office of Economic Development. Today we're presenting a commendation to Jensen landscaping which was founded 30 years ago. Jensen landscaping has embraced our Green Vision, to help residents maximize their water conservation. Councilmember Chu, I guess this is in your district. Is that right? Councilmember Chu has some additional comments.

>> Councilmember Chu: That you, Mayor Reed. I'd like to thank my colleagues and the mayor for joining me in commending Jensen landscaping for their commitment to promoting San José's Green Vision through landscaping innovation. Since 1969, Jensen landscaping has been an actual leader in landscaping, construction and maintenance service. Jensen landscaping is headquartered here in district 4 in San José and just completed an expansion in the Sacramento area. Jensen landscaping is employee-owned and continue to build innovation through its new technology and construction operations here in San José, and throughout the state. Jensen's solution helped optimize energy output and reduce operation and maintenance cost, certain risk and increased return on investment. Some of Jensen's customers include the California academy of science, longhill park and O'Donnell's garden park in San José as well as the Hewlett Packard, Oracle and eBay landscaping contractor association for not only for their size, and revenue generation, put also, for their unique business strategy, with six original landscaping awards. I'd like to thank and commend Jensen landscaping for driving innovation to keep San José as the forefront of technology into the future. It is great that we have companies like Jensen landscaping here in San José making a difference in thity as well as throughout the state. Here to accept on behalf of Jensen landscaping is their CEO John Bellay, John.

>> Thank you, Councilmember Chu, for this commendation. It's a great honor. I'd like to thank Councilmember Chu for welcoming us to our new office in San José. And I also welcome participating in the Green Vision that Mayor Reed has for San José. It's something we can all be proud of and that we can all work towards. Thank you very much for this commendation. [applause]

>> Mayor Reed: We'll now take up the consent calendar. Are this items on the consent calendar that councilmembers would like to pull for discussion? Vice Mayor Chirco.

>> Councilmember Chirco: Item 2.8.

>> Mayor Reed: 2.8. Any other items on the consent calendar? I have a request to speak on 2.2 and 2.9. Any others? Okay. Motion is to approve the balance of the consent calendar. All in favor, opposed, none opposed, that's approved. 2.2. The final adoption of an ordinance. Kathy brandhorst wants to speak on that one, 2.2C, rezoning of reproperty on Morrill avenue and lone drive.

>> My name is Kathy brandcy, Lisa Maria Presley, John steel and I'm also the United States president. I wanted to mention, when you mentioned Morrill avenue, we are still having a problem with Brant way. I have not been able to get on that property at all. There has not been any conclusions or any type of revisions to get the people out of the houses that were stolen on that street. And because of Mexico still coming into this territory, they are still stealing houses and moving into houses that don't belong to them and they have no right to go into anybody else's home and pretend that they own it.

>> Mayor Reed: Ms. Brandhorst, this is a rezoning. You're going to have to speak about the topic.

>> The rezoning on Morrill avenue I am opposing to it because you have not done the part, your part, or anybody else's part, in zoning the district and watching out for people that do not belong on the street.

>> Mayor Reed: That concludes the public testimony on item 2.2 C. Is there a motion? I have a motion to approve that item. All in favor, opposed, none opposed, that's approved. Item 2.8, Vice Mayor Chirco wanted to pull that one regarding capital funds for street lights, I think.

>> Councilmember Chirco: Yes, thank you. I really want to speak to the budget action that was taken in 2008-2009 that turned off 900 treat lights as a General Fund budget saving measure. These lights were turned off at 8, 9 and 10, so now we're going into our second year where we've had the reduced treat lighting and with the LEDs and hopefully some of the metered lights, I was wondering, what is the strategy on how we get the street lights that have been turned off, we begin looking at turning some of those back on with some of the savings we can achieve through these reduced energy consumption lights, rather than making them the priority, and then funneling the savings pack to the General Fund?

>> Jim Helmer: Vice Mayor Chirco and members of the city council, Jim Helmer, director of transportation. It was a hard time, as part of a budget balancing proposal. In doing so, we attempted to meet the goal of reducing our basic expenditure on electricity on an ongoing basis. Having said that, if we were to reduce power and save some power with LED and not save enough power to turn them back on we would actually worsening our base expenditures rather than improve them. The strategy that the administration is taking many though, is to secure as many grants as possible, to continue to convert existing street lights for the more energy-efficient LED or other future innovative lighting projects as they come along. With the ultimate goal to turn back on some of these lights. What I would like to point out though out of those 900 lights we thought and still believe through a comprehensive effort through our police, economic department and ours, that a lot of those were redundant and too closely spaced. It's likely that we might want to reduce those and make way for repairs and modifications. In the cases where

we feel we should make an effort to turn back on lights, I feel we should go in that direction some day. But I would not think this fiscal year, over the next fiscal year, we're going to be in a position do that. As a matter of fact, we may need to make some very, very difficult decisions on that \$4 million power bill this year.

>> Councilmember Chirco: I certainly don't disagree, which is one of the reasons the question has not been called before, those lights acknowledging the financial condition of the city. But I think it's a fair expectation of our communities that they be given an opportunity either on having the LED or reduced energy consumption lights put in areas where lighting has been turned off, or those lights be turned on with the savings that these LEDs would produce in other areas. I know in my district there's little funds or no funds that can be directed to replace lighting. I'm fessing 10 and 8 are in similar situations. I realize this is a budgetary situation, I'm not opposed to that now, but I will be bringing this up as we go through our budgetary process, not to encroach on the General Fund but to look at how are we using those cost savings and how are we serving our entirety. It might be redundant lighting well, then let's do an analysis of the lighting and move appropriately, so all of our community is lit as we feel is most effective. So with that I'd like to move for approval.

>> Councilmember Pyle: Second.

>> Mayor Reed: Motion is for approval. Councilmember Liccardo.

>> Councilmember Liccardo: I'd like to thank Jim and the RDA as well. Being able to replace many of the yellow lights with the LED white lights is incredibly helpful in many of our communities, this is a community that's come a long way from where it was several years ago. But there still continues to be some serious issues with crime there. And being able to have the LED light there I think will be a freight improvement. I just want to say thank you and I think Vice Mayor Chirco's point is well taken, and I think it points us in the direction of where we need to discuss a broadity wide strategy. I know you've -- broad citywide strategy here. I know you've been involved in this for a long time Jim but we need a bond measure that will save our General Fund while we make the capital investments we need to make and save energy and save costs in the long run. Thank you.

>> Jim Helmer: Thank you. I'd just like to note that on the November T&E committee meeting, we have a master plan for investment strategies so we're ready to take that up in November.

>> Mayor Reed: We have a motion to approve. All in favor, opposed, none opposed, that's approved. 2.9, Ms. Brandhorst, you wanted to speak on that one. I'm sorry, that was dropped off the agenda. We dropped it under orders of the day. So that is not going to be discussed today. So that concludes the consent calendar. Item 3.1, report of the City Manager.

>> City Manager Figone: Thank you, two items to mention, pension outreach process, this week we will hold a meeting on the governance structure, as you probably saw in the editorial in the Mercury News, we're inviting the public to attend one of the meetings. The meetings are not related to pension pay, however they are related to the pension plan fiduciary governance. Cortex will present at one of these meetings. The information will be included in a future memo. Targeted for the middle of September however, I am going to allow for wiggle room to accommodate significant feedback we receive. We hope the public will attend these meetings. We are looking at the option of videoing one much these meetings in order to have it available on our Website. The second topic is the domestic violence advisory board which held its annual retreat about a week ago. 16 members participated and created the foundation for a strategic plan that will be coming to the council through the Public Safety, finance and strategic support committee by the end of the year. My office is assisting the board in once again planning thity's walk to end domestic violence, 11 a.m. on Friday, September the 22nd and Robin givens will be the featured speaker. That includes my report.

>> Mayor Reed: Our next item is 3.4 regarding an appointment to the mobile home advisory commission. Just want to disclose that between last meeting and this meeting my staff spoke to Gus Colgin of Camra. This matter was continued from last week. I have some cards from the public that want to speak on the item. Councilmember Nguyen.

>> Councilmember Nguyen: If it's okay, I'd like to hear the speakers first.

>> Mayor Reed: Councilmember Chu, to you want to hear from the speakers first?

>> Councilmember Chu: I'll go first and make my comments.

>> Mayor Reed: Okay.

>> Councilmember Chu: First of all I'd like to thank Stephen and Jo Anne for their interest in serving on the mobile home advisory musts. I got a chance to meet both of them, last week. As I felt last week, I felt they were both well qualified to be the mobile home commissioner. I just wanted to stress my process of

making the decision. Verify that both hose and also camras are good standing organization that they could put up a candidate. I endeavored to double check with the clerk's office and after that I didn't really consider the size of the organization or the political power of the organization. For those people that don't -- they're not familiar with the mobile home advisory commission, there's five board members. Three are neutral. Three -- one represent the mobile homeowners. The park owner. And one represent the resident of the mobile home, mobile home unit. When we choose the representative for the mobile home park, the landowners, the park owners, we never consider the size, you know, we never say, well, we choose this person or we have the seat reserved in the mobile home advisory commission, because this person owns more mobile home unit than the other mobile homeowners. So I don't think we should apply the same rules to the mobile home residents as well. I always be a strong advocate for the minorities. I believe the small people should have room at the table. And the small business should have a chance to do business in San José. So a small organization should have the opportunity to be at the table. I want to emphasize the mobile home advisory commission meetings are open meetings, everybody is welcome. I know camra is much pigger statewide organization, and I will encourage them to demonstrate your vast number of membership by having a strong showing in our mobile home advisory commission. I am concerned about the message that we are sending out to our commissions. I don't think any one of our colleagues here in the council had a chance to meet either one of our applicants. And I see Jo Anne here, so Jo Anne, would you please stand up and be recognized? And she is a District 10 resident, and have many long term resident of San José, I believe more than 50 years living in San José. Is involved with many community and even some international concerns, shall I say. And I think she will work well with the existing commissioner members. The they -- again, the mobile home commissioner, was not -- thank you very much, Jo Anne -- was kind of not being very functional for the last year. And I'm trying to do my pest to put them together. The three neutral commissioners that I appointed have no objection from either party. Put those three are the most important ones. They really need to be in a very, very neutral stance. After talking to Joann Stevens, you couldn't even el the difference of their positions. Because they're very, very good, all very good advocates for the residence owner. You really cannot tell them apart in terms of their position of resident rights. So I would like to ask my colleagues to spout my decision of appointing Jo Anne to be the commissioner nor the next four years, and I don't want to send a wrong information many set a bad example to people that are willing to serve on this commission, or any other commissions. I don't want to rejst a second a very qualified applicant for no good reason, or maybe some political reasons. I think that would send a very, very pad message to the public. So with that, I'd like to hear the comments from the public.

>> Mayor Reed: I have a couple more requests to speak on this. Councilmember Nguyen.

>> Councilmember Nguyen: I'm going to probably make my comments and if I can I am going to make a motion. I appreciate Councilmember Chu's comments put one of the reasons the Mac hasn't held a meeting in the past few months, and couldn't have a quorum, we had the recent passing of a commissioner, Paula Muroha, because of her un. Passing the mission hadn't had the opportunity for a meeting. It's not because of advertise function of any form, it's because of an unforfeit commission. As the councilperson whose district has the most mobile home parks, I have 58 in the City of San José, I feel it's important to have a managers who is recognized and supported by mobile home issues. We are not talking about individuals. We are talking about people that actually support mobile home issues and they are part of larger organizations that actually have members throughout the State of California. As indicated in the staff supplemental memo, it is clear that camra has more members in the technology. If we decide to go with someone 0 has limited access to a network of mobile homeowners, then the needs of these mobile homeowners, I'm very grateful that we have people who want to come forward. But by the end of the day, is the mobile home issues that pertain to mobile homeowners that we care about. So why I appreciate Councilmember Chu's recommendation to have Jo Anne ingold to serve ton Mac, I think the community would be better served if we allow staff to go out and find a person who is representative of the entirety of the community and not just an handful. I would direct staff to become a new recruitment process.

>> Councilmember Pyle: Second.

>> Mayor Reed: We have a second by Councilmember Pyle, motion to readvertise and research. Councilmember Pyle.

>> Councilmember Pyle: Thank you, mayor. I'm concerned because number 1, it's in my district. Number 2, all of us have received an e-mail I'm sure from members of the colonial manor mobile home park, that the group is not a recognized organization, there have been no open meetings and no

one pays dues. The newsletter goes to members of the park. This really concerns me because this isn't about secrecy, it's about openness. It's this is about talking to all of the members in the park, about what their rights are, what is happening, keeping them abreast of where we are. So I have seconded the motion because I don't want to do anything to encourage the kind of diversity that I see happening as a result of that choice. So with that, I would want to go ahead and hear from the public. Thank you, mayor.

>> Mayor Reed: Okay, Councilmember Kalra.

>> Councilmember Kalra: Thank you, mayor. I just had a question for Dennis regarding what's the bare minimum in order to qualify as an organization that represents mobile homeowners? The residents?

>> Thank you, Councilmember Kalra. Dennis Hawkins, assistant City Clerk. The Municipal Code states it in the supplemental memo that we issued, as a person recognized by residence of San José mobile home parks. This is no qualifier in terms of what that organization is or is not.

>> Councilmember Kalra: So clearly then, it doesn't make any requirement whether they have public meetings or private meetings or whether it's a certain percentage of mobile home parks, I know they need to be represented and on.

>> The code is silent on that but I'd defer to the City Attorney if you'd like to offer additional information on that.

>> City Attorney Doyle: Councilmember. We -- my staff had looked at that issue, and working with the clerk's office, because some questions were raised about whether a home was a viable organization. They did provide bylaws, they did provide statistics. We at any time get into anything beyond that. The question on its face was whether the clerk could accept the nomination. And as I think it's appropriate and it's up to the council now whether it wants to make the appointment or not.

>> Councilmember Kalra: I'll reserve comments until after public comment, thanks mayor.

>> Mayor Reed: I had one question on that, and that is, is there anything in the definition where it refers to an organization of mobile home parks, being plural. I think home had only representatives in one park. I'm sure we'll get additional information put is that a significant plural?

>> City Attorney Doyle: Again, I -- we didn't do any more background than reviewed by laws, officers' names and the prima facie showing is how we accepted it.

>> Mayor Reed: Councilmember Campos.

>> Councilmember Campos: Rick, I think you answered most of my questions. But I just wanted to ask the City Clerk. As we go through this process and people apply, it goes to your department first, you review it, do you thoroughly review it? I've been here nine years and we've never been faced with this type situation. I know that the City Attorney is now taking a little bit closer look at the policy. So from your perspective, before it gets to the councilmember who is the liaison, you have done your checks and everything so by the time it gets to them, so that they can interview, we have determined that they are eligible to serve, if they're selected William.

>> Lee Price: Councilmember Campos, Lee Price, City Clerk, yes. Our office takes every opportunity to screen each applicant, each application to make sure each individual is qualified for the position they are applying for. We look at whether or not they are a registered voter, that they are in the district that they indicate in their application, and when we have a qualification like this, that they are qualified to serve on - - as -- in that capacity, in that particular position. And in this particular instance, we did communicate with home, and asked for documentation to demonstrate that they were an organization of mobile home residents, and they did provide that information that we requested.

>> Councilmember Campos: Thank you.

>> Mayor Reed: Councilmember Chu.

>> Councilmember Chu: Thank you, mayor. I will not be able to support the motion, and I really like to put up a substitute motion. I'm really concerned about the message we're sending out to our commissioners or to public in general. It isn't fair to delay the appointment any longer, for residents who want to serve and volunteer their time as a commissioner. As I stated, when we appointed the mobile home landowner, we didn't put a size into the equation, so this is only the owner that has the most lot, would be able to serve on this commission. So I don't think we should have a different standard for the resident. You know, it is the most generous people might not be the richest people. You know, you have a lot of money in the bank, not necessarily that you will donate or share to the public. I have no question that both Steven and Jo Anne are recommitted to this appointment, and I'm sure either one of them will do their due diligence to serve the community. And one of -- so I will make a motion to appoint Jo Anne Ingold to the mobile home advisory commission additionally, the components are one owner representative, one residence, and three neutral. I would look to my staff to expanding the mobile home

commissions to seven people, so we can have two from the residents, two from the owners and three neutral positions. So this positions that we have for the residents will now just be reserved for the largest homeowners association in the city, and we give the smaller association an opportunity to be at the table. So with that I'd like to make the motion.

>> Mayor Reed: We have a motion, seconded by Councilmember Campos, for a substitute motion on the floor. Looks like now is the time to take some testimony. So we'll do that. Please come on down when I call your names so you're close to the microphone. Abby Warren, Jo Anne ingold and Martha O'Connell.

>> Liz Warren, secretary of home. I speak in spout of the appointment of Jo Anne ingold. The events of the last few weeks have been very troubling to me. I was not here last week because home was told that this issue was not to be heard until today. We do not see ourselves as competitors. We should be working to the same goals. Came to and disrupted an open meeting of home. These are the same people who told you that home has no open meetings. The police were called three times because of their disruption. Home has never interfered with camra in any way. Home is not a splinter group of camra but an organization of our own right. Home has endorsed candidates for city office and campaigned for them. The unseemly and regrettable attempts by camra to disrupt their unbroken representation on camra since 1996. All that home did in its nomination of Jo Anne was to exercise our right under the ordinance to nominate a resident representative candidate. Home refuses to engage in similar smear tactics to ensure that a member sits on the Mac. Home has too much honor and pride. I ask that you vote for the recommendation of Councilmember Chu that Jo Anne be appointed to Mac. Thank you.

>> Mayor Reed: Jo Anne ingold (saying names).

>> My name is Jo Anne ingold and I'm from home. Fulfill, I would like to thank councilperson Chu for his nomination and his support. There are 58 mobile home parks in San José. There are 10,649 mobile home spaces, camra has stated it has 545. Home has about 250 members. That means that some 9,854 mobile home lots do not belong to camra or to home. That means that 90% of the mobile homeowners in San José do not belong to either home or camra. This is my pledge to you: I promise to fairly and equally represent each and every one of those home Owens, regardless of which organization they belong to. I have never spoken to the council on this issue. But I'm here today to say had a my duty if confirmed is to speak for all mobile homeowners, not just the organization to which I belong. I have been a participant at NATO meetings where issues of life and death were hashed out. I have witnessed firsthand the drastic consequences of housing displacement and abject poverty. My passion for justice and fairness has been put to use in my work with home. For four years an issue facing mobile home residents. I'm eager to put my experience and passion to work for my fellow mobile homeowners in San José. Thank you again, councilperson Chu for deciding I was the best candidate and I promise to do the very best that I can. Thank you.

>> Mayor Reed: Martha O'Connell, Eunice Stevenson, Jerald Burke.

>> Martha O'Connell. I speak for the nomination of Jo Anne ingold. We weren't here last week, because we were told it wouldn't be discussed. You are here today because of the death of my close friend. She was a camra member and I was the president of home. But our organizational affiliation made no difference to us. We worked together and respected each other. Home has been certified by the City Clerk as a resident organization under the ons. We have appearance as Councilmember Pyle knows, she was a featured speaker and we subsequently endorsed her. We have nominated a woman of tremendous integrity and courage. Rules has set forward a positive recommendation to you. Now, another organization has launched an unprecedented challenge so that their nominee can be appointed instead. This is regrettable. Camra has had this position since 1996. We suggest that in the spirit of diversity, and equal access, the nominee of another resident organization be given a chance. The issue is simple: Jo Anne is the best candidate. She has been nominated by the council liaison and approved by rules. Politics should have nothing to do with this appointment. I sincerely wish camra all the best in their legitimate efforts to help mobile homeowners. Home simply believes that the best candidate should be ratified and that all these other issues are not in the best interest of the folks in the park. Thank you.

>> Mayor Reed: Eunice Stevenson. George Burke.

>> Good afternoon.

>> Mayor Reed: I need to have you wait one turn.

>> Good afternoon, I'm Eunice Stevenson from home. I speak to the appointment of Jo Anne ingold to the Mac. I worked for months on the rents adjustment committee, had this committee is working on the very issues that the Mac will continue. These issues include fair return hearings, asking for rent caps, passing

capitol improvement costs onto park residents, the possibility of a park owner attempting to turn the park into condominiums. Jo Anne has been a tremendous asset to our rent adjustment committee. She has informed the committee to do everything she can so that mobile home communities will remain part of affordable housing in San José. Jo Anne is a talented lady and I'm sure she'll do the best she can to represent all the residents of our mobile home parks in San José. Thank you.

>> Mayor Reed: All right, Mr. Burke, now, sorry, followed by Ursula Helling and Gail Osmer.

>> My name is George Burke. I'm the Northern California representative for CAMRA Cra 8. I'd like to read from a paragraph of a letter sent to the San José city council, one of four. We the members of Chateau La Salle wish to disagree with Councilmember Chu's decision. Home does not meet the requirements of eligibility and that of the spirit and intent of the city council intended. It does not represent anyone other than one single community there are since CAMRA does not know who the representative is, has not met her, has not the support of any organization such as GSMOL who does not know who she is, she does not have the required support as called for by the code. It is the duty of the city council to uphold those interests of the entire people of the City of San José and we feel it is of the best interest of residents and mobile home communities that the council respectfully override the decision of Councilmember Chu and nominate Steve McEnery to the mobile home advisory committee.

>> Mayor Reed: Ursula Helling, Gail Osmer.

>> Good afternoon, my name is Ursula Helling and I'm the vice president of CAMRA. First I'd like to state that CAMRA's primary objective is to ensure the rights and well-being of mobile home trends in San José and throughout the state of California. Therefore, in speaking on behalf of CAMRA offices and members some of whom are here today we're hoping that you'll appoint Steve McEnery to the Mac board who by the way would have been here if not for the fact that is working. We'd like to take this opportunity to thank all of you before considering this replacement candidate. No matter what the outcome today we will support the decision and the city council alike in the future. And just to reiterate, this has never been and never will be a smear campaign on behalf of CAMRA. Okay, thank you.

>> Mayor Reed: Gail Osmer is our last speaker.

>> Good afternoon, I'm Gail Osmer. In the two and a half years that Home has been in residence at Colonial Manor they have caused nothing of disruption in the park. Martha O'Connell was not telling the truth about a couple of items, myself and Gus were there. We tried to tell the rest of our residents the truth and we were shut down when they tried to call the mess. Come on. Maybe we're a big organization, maybe they're a small group. They do not represent 250 members. They don't have 250 members. It's grass roots organization. Come on, we need people that will represent the best interests of the people in the mobile home park community and Home does not do that. Do you want one person being controlled by an organization? She's going to be controlled by one person, the president of Home, who will be telling her what will do and how to say things and write letters. We need an organization that knows, that has a good representation from Sacramento, and please support Steve because he's the best candidate, and we're all in it together, as representing -- but we need the best person who cares about the mobile home community. Thank you.

>> Mayor Reed: That concludes the public testimony. We do have a motion on the floor, a substitute motion by Councilmember Chu. I'm not going to support the motion. I was just looking at the data that was provided to us by the mobile home participation and organizations, and while Home may be in one park, it's clear they don't have the scope of CAMRA which I think is important to the job so I'm not going to support the motion. Councilmember Chirco.

>> Councilmember Chirco: Councilmember Chu, I'm totally sympathetic to everything you said. But I think Home has -- the city has done huge amounts, month to month and hours and hours of open government sunshine. And Home has refused to disclose the number of members and number of parks it has representatives in. Not asking for name, address and phone number but we are asking at least according to the memo as I look at it, there's been no disclosure of how widespread your membership is, how many parks you're in, what are your numbers. And as an integrated part of ourity boards and commission process, that troubles me. We are obligated to have the best representation possible. I to agree with Councilmember Chu that if there is another viable organization, they certainly should have equal opportunity to serve on the board. But unfortunately, because of the unwillingness of Home to disclose their numbers, I believe this is a vote I cannot support. I support what you said, Councilmember Chu, but I will be voting against it because the group you wish to advocate for is not supporting you in your decision. Thank you, Councilmember Chu.

>> Mayor Reed: Councilmember Kalra.

>> Councilmember Kalra: Thank you, mayor. You know, I don't, and I also echo Vice Mayor Chirco. I think Councilmember Chu has done everything he could, and in due diligence in meeting both the candidates. I don't think this is about -- is similar to small businesses, a minority representation, a parallel can be made with homeowners, they are likely to be consistent in their interest. I also don't think we have to appoint someone from a large organization versus a smaller one. But the one member that does represent the mobile home parks is a significant one because they're talking about representation of over 10,000 units of well over 25,000 residents of San José, District 2, 4 and 7 represent 75% of the mobile home residents in the city approximately. When the mayor asked for numbers of where the members were located, it's troublesome that home wouldn't give that up information. It's not a privacy concern, it's a way for us to know what degree of representation they have. They could be smaller than camera, I'd be perfectly fine with that if we knew of the scope of the representation beyond one park and the total volume of representation. If it is beyond 250 that's great. We don't know that. Under the requirements it says that we have to have a person recommended by an organization the residents of San José mobile home parks, they may have by the letter of the law applied with this city but we have the discretion as the council to determine what that really needs and how much representation is really required. So I don't -- I certainly wouldn't support putting in another organization's choice but rather would agree with Councilmember Nguyen's suggestion that the process run through again. Yes, it will be a delay. Yes, it will be a delay of the sitting of that commission. Put I think all in all, given the importance of that particular representative from the mobile home parks, it's more important that we have a process where at least I can feel comfortable that we had a representative that does represent more than I don't even know what to say, whether it's a handful or 100 or 200, I don't know because we don't have the numbers. Home has the opportunity to at least revealing the number of the members, rather than dealing with the issues of the membership. So I will not be supporting the tut motion.

>> Mayor Reed: Councilmember Chu. Okay. I believe that's the end of the council debate on this item. We have a motion on the floor for Councilmember Chu to appoint Jo Anne Ingold on that motion. All in favor? In favor we have Oliverio, Chu, Campos. Opposed, the balance of the council, that motion fails on a 3-7 vote. That leaves the original motion on the floor, then, the motion by Councilmember Nguyen. Any further debate on that motion? Councilmember Campos.

>> Councilmember Campos: If you could just restate that motion, that would be helpful.

>> Mayor Reed: Councilmember Nguyen.

>> Lee Price: Your motion then was just refer this back to the office of the City Clerk for -- to open and expand the recruitment and accept additional applications.

>> Councilmember Nguyen: Correct.

>> Lee Price: Mr. Mayor, if I could offer a point of clarification and then perhaps make a suggestion as well. I just wanted to make a note that this is a two and a half year appointment that we are considering and not a four-year appointment today, I just wanted to put that on the record and also, that this is the resident position on the Mac. There was a number of references to owners, mobile home park -- or mobile homeowners and residents and I wanted to be clear that this is for the resident position. And then finally, as you all know, we have quite an effort ongoing at looking at the boards and commissions and structural improvements. And I think it would be helpful to have your support in working with the City Attorney's office, and the housing department, in terms of the language in the municipal code, so that we have greater calculate in the future about organizations that are putting forward nominations.

>> Mayor Reed: Okay, on the motion, Councilmember Chu.

>> Councilmember Chu: Mayor, I just wanted to ask Lee a question or maybe the City Attorney can help out. If we go back to ground zero, is home, is home qualified to submit a recommendation?

>> City Attorney Doyle: The's is yes, we accepted it. As prima facie evidence. Unless we get information that contradicts that, they are to be treated as anyone else who is an organization of mobile homeowners.

>> Councilmember Chu: Without submitting the numbers and different mobile home park they are till qualified for it?

>> City Attorney Doyle: They're still qualified but it's up to the council that they want that information, they may want that information in advance.

>> Councilmember Chu: Thank you.

>> Mayor Reed: All right. We have a motion by Councilmember Nguyen. Call that a re-boot, I think. Vice Mayor Chirco.

>> Councilmember Chirco: Would it -- I'd like to make a friendly amendment, that we require, along with the application, the number of parks and number of residents that they represent? So that when the liaison gets the list from the City Clerk, there is some information that would be helpful to the selection process.

>> Mayor Reed: Councilmember Nguyen, is that acceptable to the maker?

>> Councilmember Nguyen: That's accepted.

>> Mayor Reed: And to the seconder as well. The motion is amended by that friendly amendment. Councilmember Oliverio.

>> Councilmember Oliverio: Quick comment, I notice we are talking about organizations and how many people they represent but in reality the largest organization is not represented by anybody. I don't know if this mobile home organization needs to be represented by anyone other than the residents. This is comment.

>> Mayor Reed: Councilmember Chu.

>> Councilmember Chu: You know, similar to Councilmember Oliverio, that you know, if they provide the information is the clerk, which supposed to verify that which the number they provided to us. Are you going to verify this? To make sure that there are certain numbers that belong to certain mobile home parks?

>> Lee Price: We can certainly work to do just that, Councilmember Chu. We can work with the housing department and the mobile home parks to verify that information.

>> Councilmember Chu: So it becomes public?

>> Lee Price: Sure, I mean, this is a public appointment. So this information, not names of members put numbers.

>> Councilmember Chu: Without names of members, how can you verify the numbers are correct?

>> Lee Price: Help me out here.

>> City Attorney Doyle: I don't want to make this more complicated --

>> Councilmember Chu: It is complicated.

>> City Attorney Doyle: That is a fair answer. Whatever materials people provide you, that you ask for certification or some statement under penalty of perjury. But then, it's the honor system. You're asking people for information and there's no independent way to verify if you've not getting names and addresses and a number of ways to do it. I know my staff, we don't have the resources and I don't know if they really has the resources. So we can ask the information and we present it to council whatever we get.

>> Councilmember Chu: And so my question is, what is the significance of it in we cannot even verify it, you know?

>> Mayor Reed: All right, on the motion by Councilmember Nguyen as amended with a friendly amendment, all in favor? Opposed? Opposition, Councilmember Chu, any other -- okay. So the motion carries on a 9-1 vote. That concludes the -- that item. City Clerk, approximate time frame for readvertising and people to get their applications in?

>> Lee Price: We can do a four-week, one-month really, doesn't provide for enough outreach, four to six weeks is generally what we're brevited in.

>> Mayor Reed: By the time they get the information out?

>> Lee Price: Information out to the various groups. We would make sure when we contact the resident organizations on record, we will let them know that we are requesting the information that Councilmember Chirco suggested. By the time we get that all out and posted that gives notebooks about six weeks to get their applications in.

>> Mayor Reed: Councilmember Chu, did you want to ask for something else?

>> Councilmember Chu: Can we ask that the project diversity council would help?

>> Lee Price: Yes, Councilmember Chu, we would call for a special meeting of the project diversity screening committee in order to do that but we would make every effort to expedite it.

>> Councilmember Chu: The mobile home commissioners have postponed their elections until they have fully seated. So I would like to see that most be expedited as much as possible.

>> Lee Price: We'll do our very best.

>> Mayor Reed: All right. That concludes item 3.4. We'll now move to item 3.5, appointment process for employee representatives to the retirement boards and the civil service commission. I have some -- I have no cards to speak on that item. Are there any questions for staff? There was some discussion at the Rules and Open Government Committee about the date of the terms. I see that's been modified in the

recommendation. Other than that, I guess we need a motion. We have a motion by Councilmember Herrera to approve. All in favor? Opposed? None opposed, that's approved. 3-- whoops, that is the end of the 3's. 4.3, business cooperation program. I think we'll have a presentation from the staff. Paul Krutko is going to lead that I believe.

>> Paul Krutko: Good afternoon, mayor, members of the council. Paul construct, chief development officer. We have a brief presentation. This is an item that the council has considered both in committee and in prior council meetings. So this is essentially an implementation ten. We're recommending that the council approve an ordinance that would amend title 4 that would allow us to create a new use tax allocation program that would last for five years to allow us to generate more revenue for the city. When businesses in San José make purchases outside the technology, these purchases are allocated without the city. So we receive less money. Illustration, this is a hypothesis \$5 million property. The ideal would be we would receive \$50,000 in use tax revenues from the \$5 million investment. However, if the money flows to the pool, we share 43% of the county pool, or in the case if it would flow to the state pool, we would only receive a very limited amount, 3% of the 1%, as you can see, \$1500. With the program we're proposing, where we work directly with the corporations to help them fill out the necessary permits and paperwork, we could ideally receive \$500,000 on the same purchase. What we are recommending is that this is time consuming and a purchased to the companies to fill out this paperwork. And what we are proposing is a rebate reimbursement program that would have a sliding scale as we're showing on the memo. On this particular investment, we are proposing a return of \$10,000 to the company. Where there might have been a designation by the company without our involvement, we would only receive \$1500, we are essentially increasing our yield which a factor of 30%. These are an example of the cooperation agreements we'd enter into with the business. This is an incentive to get the business to participate, we yield significantly higher as a result of this program. We think this is a win-win for us. If we can successfully work with our companies, equipment construction materials and other things and bringing them into the community from out of state with use taxes levied to make sure the paperwork is filled out appropriately that designates San José, we will receive a significant return on this investment. And that's the end of my presentation, mayor. I'd be happy to answer any questions.

>> Mayor Reed: This is not a new tax, sit, Paul?

>> Paul Krutko: No, sir.

>> Mayor Reed: That's what I thought. I just want to make it clear, to everyone. Councilmember Liccardo.

>> Councilmember Herrera: Thanks mayor. Paul, you've been talking about this for a long time. We're one of a few cities to do this, and it's great. We had a dialogue with John Legg on your team, about why wouldn't we have a higher rebate for the next couple of years, and drop it in year 3 or whatever once they've figured it out, everyone's got the system figured out and they just want to go along with it. Have you guys considered narrowing that window from seven to five years?

>> Councilmember Pyle: Since we haven't done this before I think we want to -- you know, recommendation to the council would be to keep it relatively simple and straightforward. The other thing I would share with you is particularly with our major corporations, we see lots -- and even with our smaller companies, we see lots of turnover in the folks that manage this kind of program. So I think for our purposes, we think keeping it simple initially and walking. We run with it, I think it's a very solid notion. We are modeling as we put out in the memo, we did look at what has been done elsewhere in the state with the communities then had a similar type of program, Long Beach and San Diego, and they provide just a straight 30%. There's no sliding based on the investment. The sliding scale we're offering, we think we're trying something new, we want to see how it goes and come back to council on the results.

>> Councilmember Liccardo: Thanks, Paul.

>> Mayor Reed: Councilmember Herrera.

>> Councilmember Herrera: Thank you, Mr. Mayor. This is one of the rare opportunities we can see incentivizing businesses by returning the revenue to them. This is just a very great idea and it also builds relationships with key businesses. So the relationship factor is another important thing here. I just had one question, minor question. How is Muni services being compensated?

>> Councilmember Pyle: Councilmember, I'll have to get back to you, I don't have the answer to that question readily availability.

>> Councilmember Herrera: Thank you.

>> Mayor Reed: Councilmember Pyle.

>> Councilmember Pyle: Thank you. I wanted to also add to the congratulations. My husband and I have been, whenever there's any kind of online sale, we always make it a point to say, please make sure that the taxes go to the point of destination, that's where the taxes are being paid. Unfortunately we don't have a way of checking if that's indeed the question. Not that we do that much buying but they're accommodating, absolutely understanding the reason for the question. That's not so bad an idea for state law. If this is where the money is being paid, this is where the tax should go. Thank you for being a leader on this.

>> Mayor Reed: Councilmember Kalra.

>> Councilmember Kalra: Thank you, mayor. I had a question regarding the percentages. It looks like this is some parallel in terms of any other district in the state. That's a question regarding how that number's arrived at. Is it a benefit to the company doing it? You mentioned it is a lot of paperwork that they'd have to go through.

>> Paul Krutko: Yeah, I think that what we needed to do is, we needed to calibrate what's a significant enough sort of staff time and resources within the company to do this. Because if you think about it from the company's perspective, they've made the investment, they've paid the tax. While we hope many of our companies will have sort of an altruistic view of this. By offering something to them in exchange, we hope that will make them work cooperatively with us.

>> Councilmember Kalra: I know that in terms of paperwork for enterprise zone and so on, was there any thought of the city helping in preparing or doing most of the paperwork in exchange for the much smaller percentage?

>> Paul Krutko: Thank you for the question. Earlier when we spoke to the relationship of Muni services, that's a cost-effective relationship we have now. Our staff will be able to shadow the employees, if we are obtaining a fairly substantial yield, then it may make sense to have staff members trained to take on this task or have existing staff members take on those responsibilities. But before we know what we'd use for that, using a consultant was an important way to go.

>> Councilmember Kalra: You don't mean just administering the program, the program needs the employers, the companies to do their end of the paperwork. How about taking a little bit of that burden away and thereby having a smaller percentage?

>> I think ejust -- to make this work effectively, councilmember, we are really going to have to do a lot of work with the staff members in the company. This is something they don't ordinarily get involved in, maybe larger companies making purchases all over the United States with different facilities. If they think about work they're doing. So we're going down into a specific transaction of a specific type. So we think the right thing initially to do is working with a consultant whose central focus is this. Selling the idea, once we get receptive with the company, we'll bring the contractor in.

>> Councilmember Kalra: It's going to take a certain amount of labor intensiveness no matter what?

>> Paul Krutko: Yes. We had a lot of difficulty with some of our large corporations early on. And after intensive staff work over the time, that's our result.

>> Councilmember Kalra: Thank you.

>> Mayor Reed: I want to thank you Patty Degan from the city attorney's office and Dave for putting this together. I hope it will be a large fraction from the sales tax allocation, we have literally made millions of dollars a year to make sure the sales tax allocation is appropriate to us. I think is much more than the sales tax, we'll start off small perhaps but this has great potential, especially how the state can capture use tax that is going unpaid. This is a great source of revenue, it's good to get started on this. This isn't new money, more or less, and it will be great to see it coming in. Thank you for doing that and thank you for the good ideas that went into making this work. I have no cards from the public on this. Councilmember Pyle.

>> Councilmember Pyle: Mr. Mayor, I'd like to move for approval.

>> Second.

>> Mayor Reed: All in favor, opposed, no one's opposed to new money, apparently. So it's always easier that way. Our next item is item 4.4, sign code ordinance amendment. Do I have some requests in the public to speak on that matter. Councilmember Liccardo.

>> Councilmember Liccardo: Thank you, mayor. I wanted to thank the team from planning which very proactively jumped on this. I know Joe is here. We brought this to the Rules Committee probably three weeks ago, very short notice Joe and his team got on this, we recognized what an important economic opportunity this was, making sure, with Safeway in town, I wanted to express my gratitude to Joe and his team, I look forward to the opening this week I believe on Thursday. So come on down, I think we'll have

a big dog and pony showdown there and get your box of corn flakes. Thank you. I'd also like to make a motion to approve this. I guess that would be helpful.

>> Mayor Reed: A motion to approve. Was there a second? There was a second by Councilmember Herrera. Councilmember Herrera.

>> Councilmember Herrera: I think this is great. And I love seeing new grocery stores go in and hopefully that keeps happening and eventually happens in my district. I just have a couple of questions on this. Is there any additional cost to the city on this? Was -- that's my first question.

>> Joe Horwedel: Joe Horwedel, director of Planning, Building, and Code Enforcement. There is no cost to the city that I'm aware of, as a part of the fine, unless it's through loose negotiations through the area itself on it. There was obviously cost to the city in doing the ordinance itself.

>> Councilmember Herrera: And the other question is, in terms of this type of sign, will this be restricted just to corporate identity sign or could somebody potentially use this type of sign for advertising?

>> Joe Horwedel: This is very much an advertising sign. As we noted in staff report, the city is not able to regulate content with these types of signs or it's very actuality to regulate that. So that's been part of the strategy, is the City's looked at this technology to go in slowly into the technology, rather than jumping in and having it everywhere and dealing with the complaints later. As I understand it, with this type of store, the traditional newspaper ad that grocery stores put in the newspaper, or mailed out, really don't work because the market really are workers rather than necessarily pure residents. So this is an opportunity to have a presence, Safeway as well as what kind of advertising specials or those types of things.

>> Councilmember Herrera: I guess my question was more, could somebody put up a sign -- I understand the purpose for Safeway and totally supportive. But I'm looking for any unintended consequence of putting this up. Could somebody put up signs and advertise for third parties? Could we have similar to highway 101 with advertising for various things, is that anticipated or could happen with this ordinance that's my question.

>> Joe Horwedel: With this ordinance, it doesn't preclude Safeway from putting third party messages onto it. We don't anticipate that that would happen in this circumstance. We are part of the citywide sign code looking at programmable display signs, both downtown as well as the issue of billboards. The billboard company has asked the city about putting those on the signs. We have been doing community preference surveys and in thity of Los Angeles where they've enacted a moratorium. We're not anticipating coming forward with a proposal to allow those on built boards in San José. The community hasn't been really supportive of that. Even the business community hasn't been very supportive of that. They have been supportive of on-premise supporting local businesses, local area, as opposed to supporting national advertisers.

>> Councilmember Herrera: Thank you.

>> Mayor Reed: Councilmember Kalra.

>> Councilmember Kalra: Thank you, mayor. Thank you Joe for the greater work on electronic signs around the city and the great public interest on that as well as from the business community. I think that I will be supporting the motion, I think it's one more piece in the puzzle creating more vibrant downtown. Creating more of an experience downtown as well. Those are issues we will have to grow with and learn what the best practices might be put I think this is certainly a great first step. Thanks.

>> Mayor Reed: Councilmember Liccardo.

>> Councilmember Liccardo: Thank you, mayor. I just neglected to thank particularly Carol Hamilton who spent a long time on this effort and also Roma Dawson. We've got a lot of people spending time in the downtown so we appreciate it.

>> Mayor Reed: Public testimony, we'll take it at this time. (saying names).

>> Councilman, mayor, my name is Jan Thompson, in charge of the sign for the market. It willemp, Arizona. We do consider this our first ground-up or the, it is the prototype that we'll look to in the future. We feel this is very, very exciting. We hope you will all come over and take a look at it. First of all I'd like to thank the mayor and Councilmember Liccardo for your work on assisting us on the ordinance. Not just this issue but the many issues that we have tell the with over the time to get the project entitled. It's been a great experience for us, great staff, you know, I can't say anything that where we didn't have disagreements, whatever, where we couldn't overcome them and that's always the goal is to try to meet in the middle when you aren't exactly on the same side. But we are very, very pleased. If you have any specific questions about the Safeway store or the sign, I'm not a technical expert but I can certainly answer the questions regarding the intent of the sign.

>> Mayor Reed: I think not.

>> Great, thank you very much.

>> Mayor Reed: Thank you. Gretchen Visa and Paul Higgins.

>> Hi there, my name is Gretchen Pisa I'm with the San José downtown commission. We absolutely support the council's effort to promote business in these hard economic times. This is an example of going the extra mile for business. And the relationship to the larger goals of economic development are irreplaceable. And this is an example of government getting out of the way while helping with policies that benefit business. Thank you very much.

>> Mayor Reed: Paul Higgins.

>> Good afternoon. I'm here representing the San José downtown residents association and we wholeheartedly support the proposal. And the proposal to update the sign ordinance, understanding that it will do more to extend this issue beyond just Safeway. We -- we support the City's -- we supported in that it creates, continues to create the idea of a friendly business environment here in San José which will further encourage businesses to come to Downtown San Jose, that will help support not only the City's tax base but the thousands of residents looking to expand on the options available to them in terms of shopping and other retail-type opportunities. So we encourage your support of this item, thank you.

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

>> Councilmember Oliverio: Thank you, mayor. If I may, since we have a representative from Arizona, Tempe, Arizona, can I ask you a question? I think all of our districts have been challenged over time when neighborhood grocery and neighborhood grocers going away. Do you ideally or whatever, one do you think this will be the prototype store you'll keep pushing modifier these out into different geographies and secondarily, what are positives versus things that detract just in general?

>> As far as this being a prototype, we are looking at, this is -- we're actually in a test phase. So I can't answer that, you know, one way or the other. We think that for this concept, though, the location in Downtown San Jose is ideal for how we are looking at this type of project, where it may not be ready for a full-sized store. It's, you know, maintenance for an urban environment where you have barriers to entry, you know, that type of thing. So to us that is an ideal location for that. So from that perspective we think it's going to be a very good test for us. And your second question, regard to cities and working with --

>> Councilmember Oliverio: I'll give you a scenario. Let's say we're going to locate a store within a certain population area, and there happen to be a border, both sides would be equal, are there city policies that take away or detract from your locating in a certain area?

>> Possibility.

>> Councilmember Oliverio: What would those be?

>> A possibility you know if you have a huge boulder in your way and you can't seem to move it and you can go here for an equal opportunity and you don't have the boulder, clearly you can take the path where you can succeed.

>> Councilmember Oliverio: Nothing other specific wise?

>> No, not that I can think of. We have to tell you that the city has been fantastic to work with.

>> Councilmember Oliverio: We thank you.

>> You're welcome.

>> Mayor Reed: Thank the city for doing this in such a short period of time. Very important for the Safeway opening. Congratulations to the staff for getting this work done. Working at the speed of business is something José I talk about a lot. Time and time again when we're able to do this, we are able to get some great businesses in San José. It's not always easy to do that. I want to thank Safeway for their confidence in downtown, we believe downtown is an ideal spot as well and that's a good thing. I have to say that Safeway is my favorite store. I don't know if I'm going to shop at this Safeway because the Safeway I shop at, I know where everything I need is located. So I'm a creature of habit so I will shop there and I won't promise to make it my primary Safeway store, but I'm looking forward to Safeway succeeding. All in favor, opposed, none opposed, that's approved.

>> Thank you.

>> Mayor Reed: Item 7.1 is our next item, approval for applying for grants for a clean tech demonstration center. There will be a staff presentation. John Stufflebean I think is probably going to lead that.

>> Paul Krutko: Thank you, mayor, Paul Krutko again, chief development officer. I'm joined by Jeff Russer, John Stufflebean director of environmental services and our new new hire Scott Green who is in charge of clean technology and policy matters in the office of economic development. I'm just teasing this up. What we are here to talk with you about is, we are aggressively, as we reported in Community and

Economic Development Committee yesterday, aggressively pursuing stimulus funding that is available to us from the federal government. In this particular application, we have the opportunity to pursue two different funding sources to help us develop a new facility in the Las Plumas, so Scott and John are going to take us through the presentation.

>> Good afternoon, mayor and council, Scott Green, office of economic development. We are encouraged to be. Council today to seek approval for federal funding for the clean tech demonstration center at Las Plumas. The quest for RF funds is a continuing pursuit of staff to advance the Green Vision goals and drive our local economy. Today we are seeking approval to pursue EDA and DOE funding. The details of this project will be before the transportation and environment committee in September and we will return to council if successful on these grant applications for an appropriation of funds. The project scope includes a living lab for renewable energy and an incubator for clean transportation technology companies. This will create an innovation cluster for early stage manufacturing and ultimately manufacturing for clean tech companies in Silicon Valley. Number two, workforce training opportunities. Onsite training support for individuals seeking to enter the green economy, creating leverage for funding provided through our Department of Labor and the Work2Future program. Number 3, a showcase for green building design and products. Contractors remodeling professionals and consumers can see and interact with green building materials and energy efficient products helping to educate around our Green Vision goals and number 4 construction material reuse center providing a low cost opportunity for our community to access high quality building materials while continuing to meet our diversion goals under the Green Vision. At the 30,000 foot level this allows for an expansion of the incubator model that we've been richly successful at in San José. Primary goals around stimulus funding are projects that are jobs generating innovative and replicable. We believe these can serve as a model for the nation. Project to compete. A model of collaboration is a model to deliver on both fronts. It creates an environment of cross disciplinary interaction and community engagement. It's monitor to note that the clean tech demonstration center was one of nine projects identified as a regional priority in the Bay Area recovery work plan prepared by Bacci. It will contribute to the economic competitiveness of the region. Potential strategic partnerships are included but not limited to the EEO and TOE, Work2Future, Santa Clara County, OED and ESD before you today, innovators and entrepreneurs for which this valley is known. I'll turn it over to John.

>> John Stufflebean: I will cover this quick. Scott has covered this well. You may recall, we purchased this property a few years ago, the main need was for the permanent hazardous waste facility, we were potentially looking for a place to put that. What has happened is the stars have lined up and there are many things that are happening to this site that is going to make it a real hub of environmental activity. In terms of lots of other things it's going to be at the location. We love the location because it's near Eastside, near the part of town where it's great to have this type of facility because it demonstrates the progress San José has been making. What we see happening at the site, solar demonstration site, the electronic development center, the environmental construction center, construction reuse center, this is a déjà vu for me. Very similar for household hazardous waste facility, ultimately had a retail center there, both of those were in the same location. The restoring just took off. It was a place where people can come and get term for half price basically. It looks just like a Home Depot but I is information you can get for these facilities and there is a need for one in the South Bay. Also office space for green startups and you know, we're looking for the highest number of gold LEED certification points we can get with our genome being platinum. This just shows where the proposed sources and use of some of the funds are. As you can see we also have household hazardous waste program, that is already programmed that we do that anyway. And this becomes the location that we do. Busy putting it here this is heaper than where we were going to put them. We have the seed revenue program, the construction and reuse program That is in connection to the construction reuse. The E TA and TOE grant which goes for solar installation. A hill more details, 4 million for EDTC space. Finally, the time line, we are hooking at design of the innovation center by February of 10, obtaining CEQA clearance by November of this year, both as Scott mentioned we'll be going to the T and E committee about what's going on at this location, award a construction contract between May of 10 and May of 11. That concludes our presentation and we'll answer any questions you have, thank you.

>> Mayor Reed: Councilmember Liccardo.

>> Councilmember Liccardo: Thanks mayor, thanks Scott and John, nice to see you, welcome back and congratulations on the addition to your family as well. John, that seed money you were referring to, that

\$5 million, that comes -- I assume that comes from the money that doesn't get refunded to those folks who do the construction and demo, because they haven't obtained their refund?

>> That's right.

>> Councilmember Liccardo: I assume it's stale money. I'd be worried about the fact that someone would come in and say wait a minute, you've spent my money.

>> John Stufflebean: This money is available.

>> Jo Zintek: It doesn't go into this fund until after a full year, seeing if we can give the deposit back because people met the requirements of the program and niece funds have been accumulating until 2001.

>> Councilmember Liccardo: Sounds great. I was excited when I found a \$5 bill. This is better. The other thing, this is a concern about is this a fabulous concept, are we sure that if we build it, they will come? Are the private incubators really doing this, are we really filling a need here or are we in a very competitive arena where we may have a hard time to nail the space?

>> Paul Krutko: I think what we are hearing from the venture capitalists themselves, you can get a cubicle and you can write code or at the bioscience center you can have a few hundred feet and incubate this new drug. A new way to operate say a garbage truck, a new way to fuel a garbage truck, to could a variety of technologies, requires substantive space. When Jeff and I have had a conversation with the local representative, the ETA, this is something that was missing in the system. And Scott and Nancy and I have had a chance to travel up the sand hill road. They had been looking at us, in the sense where there are places along sand hill road where you can lay out an incubator, kind of things they are working on. You need more space, you need places where people can get their hands dirty in the way of making or assembling or erecting or testing. To get what you say, we hope that once we do it we'll have great action in the district.

>> Councilmember Liccardo: I'd like to make a motion to approve.

>> Councilmember Herrera: Second.

>> Mayor Reed: We have a motion to approve. We have no cards from the public on this. All in favor? Opposed? None opposed? That's approved. Good luck, happy hunting. Go get the money. Our next item is 7.2, proposal for power purchase and site lease agreement. Before we get into that I want to disclose that in preparation of this meeting my staff or I bet with Bob Uram, of sunpower, (saying names) Councilmember Campos.

>> Councilmember Campos: Thank you, mayor. I'm not sure if this is a question for you or more of a legal question. But in the mayor's memo that he's put forward, I just wants you to clarify the intent on number 5 and yet number 2.

>> Mayor Reed: It's my memo. Hit me say what I'm doing with the additional recommendations. Basically I went through the staff memorandum, the city attorney's direction, the two RFP and RFI process, trying to deal with that process. Approach to try to evolve these problems alternative ways we could try to do an RFP in hopes of getting more companies interested in the process. So some cases it's about risk allocation, other cases it's just a different approach. What I'm recommending to the council is, those are okay with us, we need to try to get this moving, let's open it up so more companies will be interested by taking away some of the roadblocks that staff has identified. And so number 2, remove references nor nonappropriation of funds. One of the alternatives identified is, number 5 wishes to have some sort of pay as you go provision, for power to be received in succeeding years. Which means if we don't get power we don't have to pay. The City Attorney can explain it much better than I can. But it's based on the analysis that the staff did as an alternative to what we have paid. City Attorney.

>> City Attorney Doyle: Yes, mayor. We have been struggling with the debt situation, it's not unique to San José. I went online yesterday and there are papers and issues throughout the state. The issue we worry about is possible limitations around the debt cap, pay as you go proposal, it really is, it obligate the city. It does limited you, let's say provided to you, at the yard or some other facility they're it gets you from having to get voter approval or having to appropriate, you know, significant sums. I would suggest, I think making it consistent, approving references is providing alternatives to the right to terminate. The reason I'd say that is, it may be in an RFP we need to be bound by, the alternatives, we're also open to any possible alternatives that made be on the table or evolved. This is definitely an evolving area right now, we are sworn to uphold the state execution, that's why we're committed to doing this. That's why we're trying to structure a deal.

>> Councilmember Campos: My next question is to staff, I know this went to committee a while back. With the changes in the mayor's memo do you believe this will give us a greater response with these additional changes? Because we only had one person that responded. So with these changes, do you believe that it will give us a greater response for this proposal?

>> John Stufflebean: Yes, John Stufflebean, environmental services. This is what folks raised, those that came to the prediscussion, and after we had discussion as well, this is why, we will get the significantly response.

>> Councilmember Campos: John, are there additional facilities that could be part of this proposal or are we just going out for the two, because we want to get it out sooner or it's more efficient or I'm trying to understand why wouldn't we go for encompassing more facilities? Our goal is to get solar power.

>> John Stufflebean: Certainly, we've set the stage done the research, the companies have looked at it so we have the most information on these two cities, I guess it would be a good deal to consider looking at applying it to everybody else.

>> Councilmember Campos: So I guess what I'm hearing from you and I know when we talked about this in committee that there was only one McEnergy that responded and I know that was a concern of mine. I can't remember if my colleagues had a concern. Do you foresee any I don't want you to come back and you just having one person that has responded to the proposal?

>> John Stufflebean: Right, and I guess I would also remind you that the company that did respond wasn't responsive. They --

>> Right, I asked why not go to council, you answer, what staff had given me, maybe it was about two or three months ago.

>>> Everybody indicated they were again the very issues that caused them not to respond. By putting these forward and saying we're open to working with them, I would certainly. A number of companies to go.

>> City Attorney Doyle: If you don't have financing it's not going to happen, and I think these try to address what really are the --

>> Councilmember Campos: solutions?

>> City Attorney Doyle: The banks or those companies.

>> Councilmember Campos: Thank you.

>> Mayor Reed: Councilmember Liccardo.

>> Councilmember Liccardo: Thank you, mayor. I was struck in the staff memo by the wide variations, and PPA costs are significant for all the different issues, we're still relatively early in understanding. How these markets are going to pan out in the future. But in any event I appreciate the mayor's team to tries to move this on I have quickly. I would like a motion that would implement the conditions set out in the Mayor's August 24th memo.

>> Second.

>> Mayor Reed: As the lawyer retaining part of city staff, is what I read in the memo. Could we have a motion to approve Councilmember Campos?

>> Councilmember Campos: I wanted to overhear a conversation that Neil Struthers and Ed Shikada had. I just wanted you to be aware of that.

>> Mayor Reed: Okay, all in favor? Opposed, none opposed, that's approved, good lux. I skipped one matter on the calendar, 5.1, a report from the neighborhood services and education meeting of August 13th, '09. Councilmember Campos is the chair of that committee.

>> Councilmember Campos: If there are no questions, the minutes are in the packs. I move for approval.

>> Mayor Reed: Okay, all in favor, opposed, none. Open forum, I have no cards on both agency or city. I'm sorry, we do have one, Ross Signorino.

>> Ross Signorino: It's on, okay. I wanted to speak. I didn't get a chance to speak, not that I knew what was going on at the time, the calendar 2 2.8, mentioned appropriation ordinance, I think the subject of that lighting, through the city, came up on that. And then mayor, Vice Mayor Chirco commented on that, I think it's a good thing to move this lighting down, although we are a safe city, it would make it easy for law enforcement agency whether they're patrol or not, to make sure people move on had in the city. Councilmember Liccardo suggestion that possibly even bring this up as a bond measure at some time for people to understand about this new type of lighting. I think it could be approved and I think it would be a good idea what Councilmember Liccardo propose. But it should be presented in a way that people just don't units million politicians wanting to spend more money. No, they should be presented in

such a way that they understand this is a better lighting system and that it saves money in the long run and electric -- a safe city. I think it's a did idea. Thank you very much.

>> Mayor Reed: That concludes the open forum. We will now take up the redevelopment agency consent calendar. Is there anything on the consent calendar we wish to pull for discussion? We have a motion to approve the consent calendar. All in favor? Opposed? None opposed? That's approved. Our item 3.1 is presentation on the quarterly projects status report. I think that's the only item we have on the agenda. Executive director, Harry Mavrogenes.

>> Harry Mavrogenes: That's correct, Mr. Mayor, members of the board, we are pleased to present the report of the projects for this past quarter, as you're aware, the state of California's take of \$75 million out of our budget will severely hamper our ability to do future projects. We currently have \$50 million in contractually committed projects, that you'll see in a minute. I want to stress, we have a number of projects already in design, our goal is to finish the design and have those projects essentially shovel ready, so when there is funding they can pursue forward quick hi. As you know as an organization we are pursuing litigation against the state to hopefully stop the take. Other than that, everything else is under review pending our budget in December of this year. I've asked staff to hold on to contracts that are underway and I will be individually reviewing any new expenditures so that we can deliver you a real budget that will allow you as our governing body to make the decision on spending at the end of the day. So I'm not going to spend a lot of money between now and then. Any new projects that we will bring you forward will be projects that either save money, that provide economic benefit, significant member benefit or leveraging other dollars. You'll get a chance to review those later. Just as a caution, it will be a light agenda in the next two months while we prepare our budget. I'll let Bill continue on.

>> Mr. Mayor, members of the board, when we put this slides together, these projects were under construction and just finishing up now, the housing project 360 and the Legacy river park towers project, those are substantially complete and have gone into marketing and looking to get their buildings filled at this point in time. It says a lot that they stayed with the projects and important for the resurgence of the downtown. Project that is actually under construction and remains on schedule and on budget is Edenvale community center. It looks very good so far, no issues to report, other than we will be done in the spring, early part of the spring in 2010. I think this is a project that probably has generated the most excitement in the downtown. There's lots going on at the civic auditorium. The new civic lighting display provides excitement, with Niederlander, making people aware of the building. Inside we are under tremendous amount of construction both the redevelopment agency staff working on major construction projects and Team San José and Niederlander crews working on smaller parts to get their specific clientele taken care of on a day-to-day basis. We find the new things every day in this building. It's every bit as complicated as we thought it was going to be but remain on track to complete much of the work by the end of this calendar year. The most significant thing I think that we've done over the course of the summer was in order to meet Niederlander initial show on July 24th with tremendous amount of cooperation with the tech museum and Team San José we were able to remove a couple of 1970 classroom buildings that were placed at the back and prohibited access to the stage. Now this makes this a venue much more easily used stage venue and going forward should make it much more successful. With the baseball park, things continue to move forward, discussions with the A's. Perhaps the most significant thing that we're working on now is looking at the improvements that it takes in order to make the ballpark work. We're doing some early analysis, and scheduling for autumn street, looking at how the traffic will move through that area and beginning to complete some of the environmental documents, the CEQA and looking at federal clearance for some additional funding for roadway improvements. It was a bis summer in the neighborhoods. I think that this is another classic example of the way things can work very positively, putting a community center in an affordable housing project, life at the ground floor, opportunity for the neighbors to come in and activate space. And again you can see it generates quite a bit of interest in the neighborhood for people to come out and celebrate. Also staying out in the neighborhoods and Imwalle project on story and king. The most significant part of this they're nearly done with construction. Should be done in the October-November time frame, Bank of America has leased one of the buildings, and two of the other lease spaces committed as well. So very monitor neighborhood project. To the point that Harry was making, capitalizing on redevelopment dollars, the next couple of slides, really benefit the agency programs, on the Alameda, redevelopment agency provided \$80,000 for sod improvement, they invested somewhere between a million and two million in funds to complete the improvements to the building. And just doing some checking up in preparation for this presentation, one of the other side bars and spinoffs is that a project like this generates \$125,000 for the

city through the permit fees. So this is a continuous movement of money through this project, very important work. Other facade projects and investment in the redevelopment agency and Cosentino's in the neighborhoods. The redevelopment agency put up \$250,000 in facade grants. Speaking of Pat Dando, they intent to add their funds, the San Pedro square, the owner is working on something on the order of \$2.5 improvements to this building, as well. The hackett building, redevelopment agency funds going into the facade, they are working in the final phases of their tenant improvement project right now. In the downtown, there were 14 businesses opened in the previous quarter. This is an example of the businesses in the downtown and the neighborhoods. A key event that occurred during the center is the opening and the launching of the office recruitment site finder and I think this is a good opportunity for us to reach out into the business community and really help tie people into San José and help the redevelopment agency do some additional outreach in this area. The enterprise zone, 810 hiring tax vouchers were given out to 96 participating companies. That's an amazing amount of work from this crew, as well. Then, in a signage grant program, example of some of the signs that were completed in the last quarter and we'll end with the most unique of all of them, green cup frozen yogurt which is a solar sign out on Winchester. With that I'll be glad to answer any questions that the board may have.

>> Mayor Reed: Councilmember Oliverio.

>> Councilmember Oliverio: Thank you, mayor. I just wanted to -- there's a lot of great projects here, I value what we've spent money on and beautification and business. Quick question, the Cisco really looks great, LED lighting and that was a small portion of the money that we're spending versus the infrastructure you don't see. It didn't cost a tenfold of money but, you left out a couple of places on the Montgomery and market, if there's anything left I would consider lighting up that portion too.

>> We'll definitely do what we can.

>> Mayor Reed: Other questions? I think not. Very good presentation. Lot of progress being made. In these tough times it's did to see things moving ahead. And lots of good news, still, in our redevelopment areas.

>> Thank you, mayor.

>> Mayor Reed: No promises for next year. It's going to be harder from that point. 92 action needed, just a report. That completes our agenda, unless the clerk tells me otherwise, we are adjourned. And there is no meeting this evening.