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>> Councilmember Herrera: No consent items, so we're going to start with our verbal report from Kim Walesh telling us what's great in our economic development.

>> Kim Walesh: Good afternoon, committee members. (inaudible) monthly updated on economic development. This is a verbal report and then we'll follow with a written report afterwards. Our fun fact for today, actually the fact that we did get some action in 2011. We know we want more. This is data compiled by the San José Silicon Valley business journal. If you add up all the lease renewals in Santa Clara County, for office and R&D space a full 20% of that was in San José. So we think that shows that companies are interested and there's a lot of activity here. And our goal is to continue to increasing that. So we've done a lot of work on many fronts. When it comes to business outreach retention and attraction, want you to know know that we had a number of meetings, staff with the STI-ITI program, which you're going to hear more about this afternoon. Development services related meetings with companies just in late January through mid-February, like Micrel, microSemi, Monolythic Power Systems, A-10 Networks, Sunflower Farmers Markets, Solo Power, Novellus. And then we had meetings that don't really rate to development services but relate to other services that we can provide companies. So some examples up there, staff had met with both datapipe, which is a Telecom company, and spider cloud. They're both in the downtown area, and they are new users to the enterprise zone program and they are expanding and taking advantage of that program. We also met with Jabil and HBR Industries who are other examples of contract manufacturers. You recall from last month, this was a major focus of ours to discuss how we can support expansion of their contract manufacturing businesses. We met with Coulomb, I think you know that's one of our poster child companies for our demonstration program. They are headquartered in Campbell, however, and they're looking for 50,000 square feet of headquarters space, so we're working closely with them to try to bring them to San José. Another interesting company is SLI systems which which is a scaling company that is fairly new to San José. They do search learning optimization, so they do, search engines an then sell that data to other companies. So there's companies like that out there. I also wanted you to be aware. We had a really terrific meeting that the mayor convened, that Councilmember Liccardo was at with all of the major property owners and brokers in downtown on January 27th, to talk about how to reduce office space downtown, attract more companies, and potentially get new development started. We have a follow-up meeting scheduled for this Friday, and there's a lot of interest in collaboration with all of the downtown

stakeholders. Next area is supporting new retail and small business growth. And you'll remember that Sean Del Grand was with us last month and I'm happy to report that building permits were issued in the last four weeks to all three auto retailers, Capitol Fiat, Capitol Hyundai and Capitol Chevrolet. Also we have the fifth annual small business tax assistance day is coming up on March 7th at the Scottish rite center in San José. This is an event where we provide services to help small businesses answer their tax questions and prepare their taxes at no cost to small business owners. So there's tax consultants there who provide their services. I also want to point out that today's the day that RFI for the incubator, the innovation center, the incubation activities that happen in that building, the RFI potential subleases on that building are due at 5:00 today. Of course, in addition to helping our companies, we help our employees connect to those companies so they can have jobs. We are planning this week a major Work2Future job fair at the Shirakawa community center which is on February 29th. We have 12 employers confirmed to participate. I just want to emphasize the tremendous diversities that we're getting so companies like OXON solar in Edenvale and HER which is a really interesting company on Zanker road, develops many, many computers, really really small portable retailers, as well as retailers like fresh and easy and Safeway and Target. We had a special recruitment for Home Depot earlier this month. We had over 200 job seekers attend that recruitment, and Home Depot was very satisfied with the quality of the people seeking jobs. We're also planning at the Mexican heritage center on March 28th, another job fair and again we already have a diversity of 15 employers confirmed for that job fair. So continue to be very aggressive on plugging our residents into jobs that are being created in our economy. On the cultural and sports amenities, I'm sure you are aware last Wednesday night the PD permit was approved for the Earthquakes soccer stadium, which is a really significant milestone. The next step will be for them to bring their designs in and apply for a building permit. Cinequest starts tomorrow night. Cinequest brings about 80,000 visitors to downtown San José, has an economic impact at an otherwise slow time of over \$5 million dollars. And Cirque du Soleil also opens this Friday night. So really big week. And then the second week in March we have the Dublin delegation coming to visit and a whole series of activities around that. Including the Irish technology leadership group's innovation seminar which helps connect Irish companies to local Silicon Valley companies and investors. And that includes my report. I'm happy to take any questions.

>> Councilmember Herrera: Okay, do members of the committee have some questions on the report? Anybody? I just wanted to shout on Cinequest. Make sure anybody watching this, make sure you do go to Cinequest. It's quite exciting. There's going to be I think over 60 local premiers this year of new films, so this is a great, exciting event to be participating in, in San José. So very cool. I wanted to ask one question on data pipe and spider cloud, really just the enterprise zone in general. What is the forecast, do we have any idea as far as budgeting and governor Brown and the state, are we still looking at that continuing or there any effort to do away with the enterprise zone, there was at one point when RDA was being dismantled or done away with.

>> Members of the committee, John Lang, Office of Economic Development. At this point there is no change to the enterprise program. The bills being talked about are limiting the scope of credits available and how companies can leverage them. But at this point in time, there's no movement to actually eliminate the program.

>> Councilmember Herrera: Good.

>> Kim Walesh: I should point out the program in San José is now fully cost-recovery so as one of the transitions from the redevelopment back over to the city managing the enterprise zone we put on a small fee. Which is very typical, all the other enterprise zone in the state do that. Those fees are covering the cost to implement it. And I think willingness to pay is a great example showing the program is very valuable to large companies as far as small companies. We continue to market the program very aggressively.

>> Councilmember Herrera: Good to hear. We're going to move on now. I think this is going to be not a relatively long meeting, we only have a couple of items. We are moving on to development services working at the speed of business and I think we have Joe Horwedel coming here to talk to us and -- and Lee Butler. Welcome.

>> Joe Horwedel: So Lee Butler is going to walk through a short presentation and I'll go through and add a little bit on the back ends of that.

>> Thank you Joe and thank you Madam Chair and committee members. My name is Lee Butler with San José development services and I'm going to give you a brief update on the development services activities as well as our efforts to work at the speed of business. The memo that was provided you outlined some of the highlights from the activities that have been going on in development services. Building inspections are on track for a 30% increase over last fiscal year. Public Works plan check reviews are on a similar increase, about 30% and we're looking at about 20% increase in fire sprinkler and alarm permits. So development activity is up which is obviously a great sign for where we're headed. As a result of this increased development activity many of the performance indicators have suffered. And at the January 31st meeting, the council approved 21 new positions throughout development services. So as the partners are able to bring those positions online, the performance measures will likely be improving. And be met on a more consistent basis than they have been in the recent months. The partners are also embarking on a series of other strategies to stimulate economic activity and to enhance service delivery. So planning's in the midst of an ongoing effort to update the zoning ordinance and make it easier to bring jobs to the city. We are listening to the customers that we have, and we're learning from our experiences in the development center, to bring forward streamlining changes and changes to uses and various other improvements in the zoning ordinance that promote job growth and stimulate economic activity. The first of those went to council on December 13th. And became effective earlier this month. And the next set is actually going to council tomorrow. So this will be an ongoing effort. You'll see a number of these in the coming months as we are able to you bring additional improvements before the council. The development services expedited options remain popular. Right now, we have about a three-week appointment lag time so the appointments are booked out about three weeks for our expedited reviews in building. STI, ITI and express calendars. And last year, there were about 250 different companies that were helped just through the STI and ITI programs. So that continues to be a popular program and planning is also offering a similar service, the coordinated expedited review. That service helped about 30 customers, 30 different businesses since its inception in April of last year with part time staffing on that. The development partners are looking to improve certainty and predictability for applicants as well. The time lines that are set forth right now are being updated across the development partners so that customers understand exactly how long it will take and at what stages it will take certain periods of time for each of the partners' reviews. And staff are also committing to complete, thorough and consistent comments throughout the review processes. Finally we are continuing the expeditor role to help resolve issues that arise as part of

economic development projects and making sure that reviews and approvals proceed quickly and smoothly through the various development services partners. And with that I'll let Joe add a couple of comments before opening the floor to discussion.

>> Joe Horwedel: Thank you, Lee. So Lee is the development services project manager to which he just spoke about. I think as one of the additions that we did this year in the budget that has been really positively received by our commercial office developers, the companies that Kim was talking about that we've been able to attract into San José, from other cities, really, what they're looking for is certainty about getting into the buildings. And part of what Lee's job is, is working with those customers, giving them the extra hand-holding, extra touch so that they have confidence when we do, and then working with our staff to make sure we deliver on that commitments. It is - as we talked in January, when we were adding the staff on the 31st, we're in a good situation in that activity is picking up. It's just, we're having to run faster to keep up with that. We are in the midst right now of doing recruitments across the organization and development service, so it's planning, building and fire. Public Works has also been moving people around within the organization to keep up the demand for staffing. We are starting up with the -- for the first time looking at peak level staffing, contractual staffing so the RFP process is underway. We have that drafted and finishing that through our procurement processes is a way to give us a little bit more stretch capacity. It's part of what we're dealing with right now is that -- while the council has given us positions about half of those are still vacant at this point because I don't have anybody I can offer a job to. So that we had brought back everybody we had laid off. So I need to go through and through development services get our -- the recruitments off and running from the ground up. And that is happening right now. But the number of positions that we're trying to fill and classifications, it kind of just like in our world, human resources had scaled back down so there's a finite capacity for us to work through. So we are working our way through the engineering process right now in through that, then spinning up with the inspection process and then lastly with the planning positions. So we are kind of looking at where the highest pressure points are in getting those positions filled as fast as we can get them through that process. But it is one that we are very much focused on how we go through and keep those driving industries moving. The one last thing I will note, that in the last several weeks, Ru Weerakoon and myself have gone off as a result of the incentives we've done for North San José. We've met with ten developers and property owners independently, individually, to really gauge with them what it is that would

encourage them to proceed with building new buildings. While we've had a tremendous amount of success on the individual tenant improvement, filling vacant space, really our next measure of success is to get a crane in the air. The council's approval of the traffic impact for North San José oops was very well received as well as the construction tax changes and we really want to be pushing hard and be seen as being aggressive, chasing those opportunities, rather than waiting for them to show up to the city. Along those lines, Lee mentioned the processing time lines, those are attachment to your memo, the three sets of those. In these conversations, looking at getting the million square feet or up to a million square feet to happen, we have committed to aggressive time schedules as a part of that and so that is one that that will be our focus, that assuming one, two, five of those projects come forward, that will be the focus of development services, is moving those projects forward. And then we kind of rebalance ourselves of remaining resources. Which is why it's imperative for us to have peak staffing available, give us a little bit more stretch capacity, but assuming it was to show up today, we would go through and deal with our adopted targets for plan review in the building division and what we could do in the planning entitlement side of it that we've set forth some guaranteed schedules around that for those customers. It is one that we really want to go and be seen as aggressive out in the marketplace and kind of changing the dynamics. So that's both with the brokerage as well as with the development community. And with that we're available for questions.

>> Councilmember Herrera: Thank you, Joe. I get excited about just the focus you have on really going out and being proactive and looking to fill that space and really doing those things. It's exciting and we have heard nothing but great things about Lee, about the work you're doing, so very critical in having that one point of contact and moving things forward. I had a really quick question. It sounds like we've got a lot of business. We need to move it through. The idea of being able to staff to handle that business, are there roadblocks right now, trying to do that? It sounds like you're not hiring regular employees you're looking at peak flow kind of staffing situations. What are the roadblocks to get that done and when's our deadline if we don't handle it that we might start losing business that's coming to us?

>> Joe Horwedel: I think, there's always the danger of losing it on any given day. Pierluigi just got an e-mail of a company that chose to take their company elsewhere as they didn't feel that they could get service fast enough. That we're going to go chase after. But we are, I think, running on all fronts so that we can have the

staffing. Realistically, I think bringing new staff on board is normally a three to four-month process. We're a couple months into that now. So my expectation is, in May we'll have people on board. In positions for starting to fill into those. But hiring new people still means you got to go through and deal with kind of getting them then trained, about how to go through and do the job. So it is one that the hole that we're in happened faster than we thought it was going to happen. That a number of people that we had offered to bring back, that were laid off, chose not to come back. That they had found other opportunities, and didn't feel its was worth coming back. So that's a little bit of the dynamics that we're working through that we were counting on a little bit faster spin-up on that.

>> Councilmember Herrera: Right. But you talked about doing some temporary measures or some kind of contracting situations.

>> Joe Horwedel: Correct.

>> Councilmember Herrera: Can you help me understand where that is how fast that can be up and running.

>> Joe Horwedel: It will move as fast as the city contracting process kind of works. We have put together a proposal. We met this morning as department management about how to kind of put the finishing touches on that and get it out. It is I would say probably two weeks at the soonest to be out on the street. But it's kind of in that time time frame. And purchasing the RFP process allows somebody to come in for a few weeks to come in to the city and for us negotiating contracts. Again it will be several months before those resources are going to be available.

>> Councilmember Herrera: Is there anything you need from us to help along with that process?

>> Joe Horwedel: We have now the money to do that. That was part of the January decision. I think just the continual push that this is a priority for the city. So it means that there's other purchasing things that move down the list in order to do this. We have done that, at the point we had the strike several years ago, we were able able to work our way expeditiously, through a very narrow scope. We're trying to use as much of that process that we

did at that point where it's kind of emergency to kind of try and went our way through that faster. But I think it's just continued that this is important and put it to the top of the file.

>> Councilmember Herrera: I don't want to see us lose businesses because we couldn't handle the businesses coming in. I think that would be sad if that happens. So I support your effort.

>> Joe Horwedel: The challenging piece in this is kind of the realities of budget is we depend on other parts of the organization, whether it's the attorney's office, the finance department, risk management, human resources, all those parts have shrunk because they're not direct front line services. Back when we dealt with the strike we were still in the boom days and things were -- there were a lot of resources in the building. So it was easy to kind of rally the right people to go work on it. That's the challenge today, is just getting all the right people and the right places to be able to deal with that, that moment.

>> Councilmember Herrera: And last thing is, in talking to companies I've heard over and over again that they're willing to pay even more if they can get certainty and have a shorter time frame. It's not the cost, they'll pay a lot more, they just need to have certainty. Comments or questions from other folks?

>> Councilmember Kalra: A couple of things.

>> Councilmember Herrera: Councilmember Kalra.

>> Councilmember Kalra: Thank you. I appreciate all the work that's been done here, and I know Lee has been doing a great job, and I think we've had the right focus and I think you've certainly put forth the strategy that I think is a winning strategy and will see the economy turn around. But -- and I've heard good feedback certainly some of the companies, in technology park, those that have wanted to and needed to work quickly, even with the specialized manufacturing we know how challenging that can be, a lot of air quality issues and so on. But they seem to be pleased again with some of the most important components with the predictability and certainty, more so than anything else. There are a couple of the challenges I think going forward what I hear from the small

businesses, Sam and I were just talking about this, and I think it can be a challenge of both timing like making -- I think all businesses require some sense of certainty when it comes to getting their doors open. But you know how volatile businesses like restaurants are and if they're not able to get their doors open on time the likelihood of that business succeeding drops dramatically for every day they're not open and that's tax dollars for the city that we're losing out on in the short term and long term, if that business shuts down, we'll have an empty store front for who knows how long. I think one additional focus and I know you focus on it generally is I think as you add resources is to certainly add both in terms of timeliness, but I think even more important is the predictability and consistency, when it comes to doing permit checks and getting the building permits done and so forth. That's one area over time particularly when we were low on resources where we get the negative feedback on. And I think what's probably the most bothersome is inconsistency, where there's one inspector saying one thing, another saying another, when they have to go out for the final review, it delays opening for a few weeks. It's a very general example but I think you understand --

>> Joe Horwedel: It happens.

>> Councilmember Kalra: It does happen. Particularly with the influx kind of the ramping up and having different people come in and making sure we're on the same page in terms of moving things as quickly as possible but also being as consistent as we can across the board with all the businesses. But I think certainly with some of the businesses that may not be the 100 plus employer but the one in two, the mom and pop shop or the cafe or the restaurant that's opening up, making sure that we can do what we can to assist them as efficiently and consistently as possible. I know that's the goal, I know that's something we're committed to, it's just making sure we have quality control and making sure that happens.

>> Joe Horwedel: Very definitely. We used to have an actual program which was one of the first ones we did before we did our special tenants folks on just small business. As a result of talking with customers downtown and hearing some stories about where we didn't go deliver a good consistent service to them. As we went through and grew and then contracted, that was one of the things that we consolidated in with our office space. And really our focus has been on getting office space filled up. And we've been noticing more of those problem stories from our

small customers and especially restaurants. So it is one of the things that we have been looking at, of how could we come back with the small business ambassador or something along these lines that is maybe more analogous of what Lee does for the larger customers or these office tenants that is focused on really the small commercial tenant, the mom and pop, it is a one-off type permit, is there a benefit for us to have somebody whose sole job it was to basically hold their hand, explain what to anticipate before they get into signing leases, and then once they're in with us is to actually help not do the work, per se but to help make sure that it is continuing to move, that if there's an issue that's popped up that it gets resolved quickly just like we do with large customers. So it is something that we're looking at how to do that. It is one though that those customers are probably one of our most price sensity. So even today in looking at our expedited type reviews which are like FedEx type services, our small customers take real advantage of that. But in some ways it's not a good use of their dollars. And so the more we could actually talk with them to help them anticipate when to come in with the right things they actually could come through in a cheaper process. But we really don't have the time to kind of help work them through that. So it is one that I would say is through the budget process, this year it's one that I want to take a look at. The question is, how we pay for that. And so this is one of those going back to the question that use of General Fund, this is where I would say General Fund probably would be a great investment here. Because this is one I am hard pressed to say that a developer building housing in North San José should pay for it. That is really in that universe, that may be a good investment, from that piece that we're looking at to see what would be the cost for that, and what would be the actual benefit, the net benefit out of it to see is it worthwhile or not?

>> Councilmember Kalra: And some of it may not even be having a position like Lee's make sense when you are getting a lot of bang for your buck with large employers, and you certainly want to make sure we can move them as quickly as possible. And I don't know if there's necessarily the same expectation of the small business endorse ambassador. But there might be an ambassador-type position rather than a hand-holding type position. That and that's something that you know I'm sure that you and your staff can try to determine what's the best use of our resources. Because I agree that you know it's not -- we have to be cognizant of the fact that we don't have all the resources to spend on every single business. And the small businesses you know they need to -- they clearly aren't going to be willing to pay the same amount for that expedited service and they shouldn't and they shouldn't have to. But so yeah, I appreciate that feedback, in terms of not being able to ramp up and hire up as quickly as

possible and it's a common theme. And that's a common theme that we're no longer an employer of choice if it's going to be more difficult for people to come back who want to come back or people that have as the economy turns around, we're not the only ones that are hiring, we're certainly not the one public agency that is going to be hiring, as the economy is turning around. We have to consider how we are disadvantaging ourselves when we lose out on potential business because we're not fully staffed or as staffed as we could be going forward that we're going to lose out to other cities that are ramping up their staffing as well as they're preparing for this economic turn around. So it's part of the larger conversation that we're seeing, we saw it in fire we see it in or the departments even when we do have the resources to bring people back, they're not coming back. That's a burden on you so I appreciate you mentioning that.

>> Councilmember Herrera: Okay, and I just wanted to clarify one thing Joe that you had said about this need to do a staffing in terms of peak flow. So some of these peak flow issues that you're addressing don't necessarily lend themselves to more full time employees immediately, is that right?

>> Joe Horwedel: Right is that there are a number of cases where like right now I have three planners that are out on maternity or paternity leave. They're going to be gone for a given amount of weeks, some cases I think up to six months for mom that's in there. So I have a finite gap that I can't hire somebody, in here for six months. I'm trying right now to hire somebody with a six-month position and I'm just not getting any interest.

>> Councilmember Herrera: So it's not just we're not the employer of choice but who wants to go work for six months in a position.

>> Joe Horwedel: That's the position. We're looking at contractual, they have staff that work for them and they work for different agencies, part time, full time, given lengths of time. So we've never taken advantage of that in the past. We think there's a reason to really go look at that to fill in for gaps like this as we're doing the normal recruitment and just, you know, the ebb and flow of activity. We -- it has been real consensus that we don't want to live through what we went through three years ago, three rounds of layoffs in a year.

>> Councilmember Herrera: You want to be flexible to staffing. Is this a meet-and-confer thing you're working with bargaining groups on?

>> Joe Horwedel: We started that process with the bargaining units in development services to talk this through.

>> Councilmember Herrera: Great. As far as the small business I just wanted to add one thing. I think folks are used to the Web. And I think anything we can do to consolidate and give information online in terms of focusing restaurants and small businesses I think we should look at that as part of the solution but I definitely think we should do something to target those businesses and help them through the processes. I think Sam was first.

>> Councilmember Liccardo: Lee I just wanted to also commend you. I've gotten really good response and I hope we can clone you. I appreciate everything you're doing in terms of expediting. Just a question, one about page 3 on the process lines for building plan check, where they're booked two to four weeks in advance. And these are the expedited process lines. At some point do we see to the customer, look it's not going to be expedited and why don't you pay the normal fee. What I'm worried about is, we're creating expectations about expedited service, and if they're getting into a line that's four weeks long it doesn't feel very expedited.

>> Councilmember Herrera: But the others are ten weeks.

>> Joe Horwedel: This is very much something we're trying to work our way back out of. Our normal goal for like a plan check, it's right here. So doing a commercial, new commercial building our normal cycle is 25 days. So that's working days to do the review. So five weeks. What we're able to accomplish with the expedites is to go through and be able to do that review in either a day or couple of days. You may have to wait three weeks to get to that point. But it's still the end result of a permit in hand is usually faster. So part of what we're trying to do is, actually, improve our basic service so that people aren't going to expedited just because basic service has gotten so bad, you know backed up on things. So part of what we asked for the was to get back to these standards. With the expedited you know, it is one that I want to make sure that it's the right customer, right project that's coming in there and we're not using that scarce resource on things that really aren't beneficial to the customer or to the

city. And that's the part, I think we got to do a little bit more triage in there about which customers are bringing in. But I really want to go and deliver a product that our basic service should be something that we're all really happy with and then the expedited is that really premium sort of thing that you go yeah, that rocked. Both of them we're kind of bringing ourselves back up with that piece of it. And we are trying to expand the -- what we do with the expedited, get that three weeks, my goal is that should be a week. If you want to do expedited you shouldn't have to wait more than a week. But as part of us making sure all of the pieces of the team are there and right now we've got some vacancies with some of the fire positions, we are not going to be able to expand those positions anymore. Basic service needs to get back to basic acceptable and then tighten it down.

>> Councilmember Liccardo: I agree. How far is we -- looks like the building inspections are where we have a real logjam. Performance page 2. Joe we've talked about qualifying, requiring inspectors to do multidiscipline. So you can have the same person doing the electrical and structural and I imagine which would be enormous time savings and cost savings for everybody, and I can't imagine a greater improvement in the process just given the frustrations, I hear from business owners saying we're getting different directions from differently inspectors, just being able to get that into one person would be great, unless they're schizophrenic, in which case you probably -- but how far off are we? I mean is that something we can implement in a matter of weeks or months?

>> Joe Horwedel: No, that is -- to go through and do more combination work than we do today, so we do it for all single family residential, we're able to do combination inspections, for commercial those are still by specialty. As well as the multifamily. What we have started talking about with the bargaining unit is, doing combination for some of the multifamily remodel work. So if you're doing a kitchen remodel in your condominium, it's really of how different it is from doing it in your single family house. You're dealing with plumbing, electrical, building but you're not changing the structure of the building. So that's when it is a meet-and-confer issue kind of having that conversation through with the inspectors bargaining unit. We've started that process. We're having discussions with them in multiple 41st so it's a matter of kind of which is the more -- fronts so it's a matter of which is the more important. Right now we're working on the peak staffing which is the one we need right now to do, and so I'm kind of picking my battles at the moment. We are, though, doing a couple of things which I think will help. Which is in December we got up to 52% from 43. We got a nine-point bump and that is as we started bringing in some of the

overstrength staff, getting more of the ability to use retirees. Starting in February we again had a couple more retirees that coy go through and bring back to use in there. So those numbers are -- were kind of closing that gap already. And then the other piece that's going on is a part of hiring new inspectors, one of the things that I want to look at is, getting a better balance between my different types of inspectors, the building, the plum, mechanical and electrical so that all of them are doing combination work. Because even if we went through and said tomorrow we're going to go through and do combination for all remodel work, our specialty inspectors, the plumbing, mechanical and electrical don't do a lot of combination work today because we have such heavy demand for those specialties on the large projects. And so it's combination is one of the things you really need to go through and do on a consistent manner because of the amount of codes, the codes are you're like this thick. So you really need to know what's going on through all those parts, so you don't get into a problem of the next inspector came out while I was on vacation, and oh that's wrong. That is one of the challenges that we can only run so fast about how -- what our real capability is there. So what we're going to do with staff is actually hire more in the specialty worlds so that will allow me to using those specialty staff every week to do combination work. So once you've got that knowledge, confidence, expertise across the entire organization and not just in part of that I think will allow that conversation to happen a lot better about delivering a quality product. And at the end of the day, it can be couched that it's a work issue, and job protection, or putting quality product ton road. I look at it as, I want to make sure that what we're inspecting we actually know what we're doing and putting a quality product.

>> Councilmember Liccardo: Sure. I guess the question to add just in terms of getting this process over the goal line where you could actually use combination inspectors, if we were to simply you know include supplemental pay for folk who get qualified in those other disciplines, does that get us past the meet-and-confer problem?

>> Joe Horwedel: It makes it easier to get there and that's how we did it in the beginning. When we did -- when I started here there was no combination at all. So back in the '90s we went through ant created the combo program and that was supplemental pay for having that specialist. The question is, is there something different about what is combo-certified versus combo-street ready, that really allows us to deliver that service.

>> Councilmember Liccardo: Okay. Okay.

>> Councilmember Herrera: Pierluigi.

>> Councilmember Oliverio: Sure. Joe, on the expedited review process definitely believe yeah there needs to be that level of prioritization on what's the most important and you have to set those boundaries. I think those things will be elevated to you from time to time to get them there but I think we have to be strategic on which ones they are. However you're doing that whether it's hard and fast or used at your judgment I'll let you decide that. On the contractual ability you need the ability to be flexible. I think you described very well something that probably we didn't know is that having people out of the office for C amount of time for their family life does create a disruption and if you have the ability to bring someone on for three, six months, what have you, I think that's a good thing. I think you need to bring those things to the council if that is something you don't have the flexibility to do. I think to just not tell us would sort of continue i.e. any problems that could be happening. And then finally, not every time is everyone that applies properly having all the information, or having all their checks or having their architect do the information. So being at a sometimes the applicant isn't actually doing what they're supposed to do in a timely manner which then they come back to us and saying hey it's not done in a timely manner, well actually you didn't step up to the things you needed to do, what do you think were some common scenarios that would help avoid the common mistakes by applicants?

>> Joe Horwedel: Part of that we try to put in, as information guides up on our Website. There is a tremendous amount of information that's there today. It's hard to find.

>> Councilmember Oliverio: Let me interrupt you there Joe. Do you think it's in the manner the way you want to be set up for the small business owner that --

>> Joe Horwedel: No, no.

>> Councilmember Oliverio: Okay.

>> Joe Horwedel: Back in the good old days we had a web person and a PR person communications specialist that worked in development services, and we were rebuilding the wicket around homeowners, around small business, around major customers and kind of instead of talking about the planning issues, the Public Works issues, we talked about what is it as a homeowner you need to know. We got the 60% through that. And the bottom fell out of the market so that went under the shelf. So that's one of the things we're looking at, of putting some investment back into, is to help educate the customer so they know how to be successful rather than guessing at how to be successful so --

>> Councilmember Oliverio: Joe just from your personal view do you think a Website that was the way you wanted that was picture perfect and easy to walk through, would more than pay for itself for ease of use and random questions and come in and take up people's times, any way that could be answered?

>> Joe Horwedel: That was our strategy, was that we thought we could reduce our permit center cost. I think today we've scaled it back so far I don't know if there's still that level of resource to pull back out of that. That's been our aim to how do we go through and essentially offset really expensive people, and being able to put a good information out there so that we use our staffer really to deal with the quirky situations rather than what's my zoning and what can I do with it and how do I go you know put a gazebo in my backyard.

>> Councilmember Oliverio: Thank you, Joe.

>> Councilmember Herrera: Okay, so I'll just ask this as kind of an out of the box question. In terms of the Website, because I brought this up too in terms of looking at small businesses, is there any way that we could accept a donation from some company, or somebody outside, or work with some small nonprofit that has a Website that could help us with the development, could the city accept something like that?

>> Joe Horwedel: I'm hoping so.

>> Councilmember Herrera: Okay because I think that's definitely an area we should look into. Because it looks like you're saying, it went so far in the development and then put on the shelf. That is basically something we would have to start all over again. There are many creative folks and we should look at how to move that forward and being creative to do it. Before we take a vote we have someone from the public, David Wall wants to speak on this item. David.

>> Good to see all of Your Honors today and I'd like to thank you for all the work you've done today with special reference thanks to director Horwedel. This is going to go to an issue you are going to vote on tomorrow, about realigning the sewer department workers pay and benefits. Now you have a situation in which you're downsized and one of the most important necessary departments for inspectors because of this management philosophy of cutting wages and benefits to employees. You're entertaining the idea of using contractors where Councilmember Rocha wants to give them health benefits and vacation benefits at a cost for the city. Whereas if the lesson is properly learned, director Horwedel wouldn't be in the state that he is in now. One idea is the flexible hiring in which city employees, existing city employees could be trained to be moved in to help at a certain time period. But no more on the cheap. You're starting to see the lessons learned here about interfering with city employees in areas where you don't have the expertise and you rely on a City Manager who's just trying to keep the status quo and it's not working. Once again I would like to thank director Horwedel for all his efforts and I would like to thank you, too, for your consideration of the flexibility to help him out, thank you.

>> Councilmember Herrera: Okay, we need a motion to accept the report.

>> Councilmember Liccardo: Motion to accept.

>> Councilmember Oliverio: Sec.

>> Councilmember Herrera: All in favor, aye. We move on to the next item, which I believe is sequential center. We're going to hear a report about sequential center expansion and renovation. I think this is the first time

this item has come to economic development, about time. And we're going to hear, we have Harry Freitas, Bill Sherry I think is also going to be maybe joining us and Brent leaf.

>> Kim Walesh: We have Brent leaf who is the project director with Hunt and we have Dave Sykes who is the director of planning and Harry Freitas who is the acting assistant director of planning who is overseeing this project for the city. And I'm pleased to re--

>> Dan Sykes: Public Works actually.

>> Councilmember Herrera: I hear tell we're going to have a premier.

>> Kim Walesh: (inaudible) to join us.

>> Councilmember Herrera: I hear we're going to have a video premier, that's exciting.

>> Kim Walesh: We're very pleased that now we have the sequential center project showing up on this committee's agenda. And our intent is to bring it forward every six months, starting out with a really incredible update on the status of the construction and renovation project. Then when we come back in the fall we also want to start talking with this committee about plans to maximize the economic benefits of the expanded and renovated convention center. And we intend to do this at least six months. So with that, Harry is going to do the presentation. And then we'll have the demo and our intent is to give you everything you need to know to be good ambassadors for this project, to help generated bookings and meetings over the next coming years.

>> Thank you Kim. First of all I'd like to possibly apologize. You may not have the presentation in your binders. And the reason why is because we're using a different laptop that can run the 3D model. I'm in the sure Councilmember Oliverio if you have a good angle over here.

>> Councilmember Oliverio: I'll move over here.

>> Harry Freitas, acting assistant director of Department of Public Works. Okay. Let me fill you in on some background first of all. Council authorized the award of the convention center expansion and renovation project in September 2010. The bond sale occurred in April 2011, and that's when the director of -- excuse me the City Manager who was authorized to award the project, that's when we awarded it. This is essentially the same program that we were planning on constructing with the previous envision project and there are some key reasons why we are able to construct that for \$120 million, as opposed to \$330 million. And I do want to go over those with you. In terms of the construction program, the expansion is 35,000 square feet of a new ballroom which has 30-foot ceilings, no columns in the middle of it. It's a completely clear space. 25,000 square feet of flexible meeting spaces and then in the renovation, the renovation is new central utility plant, new fire alarm, and new building management system as well as cosmetic and functional upgrades to make the rest of the center kind of look like the new center. And I'll get into that a little more detail as well. So let me remind you of budget. This budget of \$120 million is equivalent to the bond sale that we did in April. And the elements of the project, the allocation of the elements of the project are actually taking directly from the proposal as the contractor proposed it. And there's another reason for that. And that is, essentially to ensure that we receive the program that was in the proposal. So we're sticking to those budget numbers. Currently I can tell you that the project is on budget. Progress to date, the design process had a pretty significant stakeholder participation evolve, primarily the hotel owners who obviously increased the T.O.T. tax in order to pay for this project. We also included stakeholders from the chamber of commerce as well as the downtown association. The design is approximately 100% complete right now. The contractor is taking pricing. As far as the construction goes, if you have been out on San Carlos Street you will notice the old MLK Library has been removed. It was abated and demolished. The shoring has been installed. Deep foundations have been -- the piles essentially have been purchased and pile driving actually commenced late this afternoon -- late this morning and we've also purchased some long-lead-time items in the central utility plant. In addition to that we've also purchased the steel and we've purchased the design for the operable walls. Again these are long lead time items. The contract right now, we've authorized \$32 million mostly of the items that I discussed above. And we have the guaranteed maximum price contract or task order, in with the city at \$120 million under review. We're hoping to execute the GMP within the next couple of weeks. Currently the project is a few days behind schedule. The demolition contractor had some difficulties

getting out of there. But the project will be completed as of now in September of 2013, which is on schedule. The next thing I want to talk about are some issues moving forward. We identified in the staff report that you have some unfunded needs that the building has, primarily in the heating ventilation and air conditioning system. The piping, we're replacing the central utility plant that creates the hot and chilled water, but the major piping that distributes it around the building is pretty old, and some of the fittings are leaking and we're worried that there can be some significant failures in those systems. The kitchen is old but it really doesn't have the capacity of serving 3 meals a day in a sold-out convention center. Meaning all rooms were sold out. The plaza and I'll show you some pictures of the plaza a little later on in the presentation. We have some money towards the plaza. We are improving the the plaza with the expansion and we have some money for the plaza proper, but not as much as we'd like, not as much as we think that the plaza has -- it has so much potential. So we're really interested in finding a way to funding the plaza. And then in addition, while this project is funding the FF&E for the expansion, the furniture, fixtures and equipment in the existing convention center are quite dated and worn out. Another issue that we're dealing with moving forward are the renovation logistics. As we renovate certain rooms in the existing convention center obviously they can't be sold. And that's an issue for Team San José in terms of loss of revenue which they're working with us on and the other issue that kind of balances that out is our need to keep the project on schedule. That we can't increase durations and really look around potential revenue sources to the extent that it damages our ability to deliver the project on schedule. The contract as I said, \$34 million authorized to date. Excuse me, it's \$32 million. That's incorrect. It's \$32.4 million authorized to date and the GMP has been submitted and is under review. So I wanted to talk to you a little bit about the proposal now just to understand what I mean when I say \$120 million and \$330 million. This was taken directly from the proposal from Hunt construction. One of the important things you're looking at is a cross section through the existing convention center, you're looking at the Cross section including the renovation. The renovation is on the right-hand side -- excuse me, the expansion. And I'll get this wrong occasionally. The expansion's on the right-hand side. That's the ballroom on the top level, and the meeting room is on the bottom level. What this represents is that we matched the floors of the existing conference center. The meeting rooms on the bottom are at the same elevation as the lower parking lot. The ballroom is on the same elevation as the existing ballroom and exhibit halls. This is very important because this concept allowed us to eliminate the very expensive transitions, the vertical transportation between floors, in the previous proposal. The previous proposal had 30-foot first floor, 30-foot

second floor, it was almost 90 feet out of the ground when you added all the trusses and the mechanical equipment on the roof. Now, let me show you the latest. Now, this is the actual design. You will see that it is virtually unchanged. This is what our current thinking is. And I wanted to point out that one of the things that this allows us to do is to service the expansion from within the building. Now that the floor max, we don't have to use trucks to truck food Arnold from the kitchen onto San Los street and back it onto the loading dock to get the food into the expansion. The other point I want to make, just kind of a theme that comes with design-build is the concept of found space. I'm going to circle this area. This is the area under the existing convention center that we're incorporating into our project. I'm going to show you another area of found space. These themes of matching the floors and found space kind of occur over and over again in the design. Now, I'll show you some pictures of the actual floor plan. As I said, this is the lower level of the parking garage, and it's the same level as the meeting rooms which would be approximately six to seven feet below the sidewalk on San Carlos Street. Going up one level you will see that the expansion is now grayed out because there is no expansion on the ground floor level. This is the entry lobby and circulation areas for the ground floor. And moving up one more level, now we are now on the exhibit hall meeting rooms and ballroom A, which are on the same level as what we're calling now the grand ballroom. You see in this picture the grand ballroom at the top of the screen is in its divided state. It can be divided into three sections so that three sessions can go on at one time. Prefunction is on the right-hand side in blue, there is also prefunction if the rooms are divided in the blue area between the exhibit halls and the expansion. And then on the left-hand side in the purple is -- that's the plating kitchen. The foot is actually going to be prepared in the existing kitchen, transferred to the expansion if we're feeding people in the expansion and then it's going to be plated in that plating kitchen for expansion. This is a planned view of the plaza. This is at the configuration that we would like to develop it to. I just wanted to show you what it would look like. There are two key elements to the plaza that I want you to understand. One is the existing -- well, there's two interesting things about the design. One ask, the existing plaza has a slope to it. You may not notice it bus it is sloped. If you were to set up a table out there you would either have to have a table with different length legs or the glasses would be at an uncomfortable tilt. It is an uncomfortable phase now. If you look at the section on the bottom middle you can see we have broken it into two levels. We would like a flat area on the San Los he street and a couple of steps up to a middle ground area and a couple of steps up to the expanded convention center. The left-hand side of the picture shows the transition from the plaza down those six or seven feet in that

green area down to the meeting rooms. That's funded in the expansion, and then we've got \$600,000 for the remainder of the plaza. The grayed-out area on the right-hand side of the picture or the east side of the plaza is not actually not city property, it's Marriott property. We have had discussions with the Marriott on working with us to make some changes to their size of the plaza. They try to ignore the plaza essentially with a very large planter, because it was so uninviting and I don't think they wanted their hotel really to look at just a lump of concrete. So they're at the table and we're in discussions with them. And we hope to make some progress on that. I'm going to go through some renderings now and I want to let you know that as all things in construction, things change. These renderings are as accurate as possible but they are not perfect. For instance, the accent color in this rendering which is a view of the expansion from San Carlos street looking West. That accent color of green is actually going to be blue. And I haven't had an opportunity to change that and there's a reason why and I can get into that. This is the opposite view from San Carkis looking East. You see the Marriott in the background, and here again, that green will be blue. Here is a view of parkside hall from the door of the existing convention center. Now, this is a view of just inside the front doors of the existing convention center. Here is where that concept of found space is going to be discussed again. When you enter the convention center right now typically you see a set of green gates that are closed and locked. And that was for a somewhat antiquated view of registrations registration centralized registration. Because those types of conventions aren't that common, this space is typically unused and locked and actually leads to a lot of confusion on the part of the customers on how to circulate up to the exhibit halls. Our proposal is to reclaim that space, fill in the elevators for security, and develop a lounge, a kind of front-door lounge to the convention center. And there's a security plan that goes along with that, and there's reasons why the convention center really isn't secured that way now but we're going to be securing it so we're going to be able to put some nicer furniture in here and have areas for people to sit, to charge their laptops or their devices, and let them you know have those discussions outside of the formal talking to that he they get in conventions and meetings. The convention center does a lot of lifestyle events as well so it's not all conventions. Opportunities for people to sit down and relax a little bit and not in session are what our professionals are telling us are the ways of the future with conventions. This is a view of that space again, right now. You're in the back part of the space, those are the columns holding up the second floor. And you can see we dropped the ceiling in there, covered up the holes that we're going to fill in for the escalators. We dropped the ceiling to provide a little bit more of a, I don't know, a cozy space, a space you feel more comfortable in. We put

carpet over the terazzo to make the acoustics better so that you can have conversation and not have them echo. We're going to put furniture in there that's hopefully comfortable and that's put in the program. This is a shot at the new ballroom, if you look at the right-hand side you're looking essentially down San Carlos Street to the East. On the right-hand side what you see is first prefunction. There is a roll-up door that opens up that looks like two bays there, so probably 60 feet, 30 foot on center. A roll-up door that then can be closed once privacy is needed in that room. And then if you look to the right-hand side of the picture you're actually looking at San Carlos Street. So this is another thing that our architect tells us is a wave, kind of, of the future in conventions, of not being in window-less rooms. In rooms that you can have natural light on really two sides of this room, two walls of this room will have light. And you can black those out very easily, complete blackout for the privacy necessary for certain corporate functions and for the need to control light and sound.

>> So Harry just to make sure this is the West San Carlos side right here.

>> Sorry, did I say that wrong Dave?

>> Dan Sykes: And this is the plaza side right here.

>> Councilmember Herrera: Do the windows open? Do they slide? Do they have outdoor-indoor?

>> No, let me go back. There's doors out to the balcony on the right-hand side of the picture which is looking down San Carlos to the East, looking at the Hilton because that balcony is also part -- looking at the Marriott. That balcony is also part of the prefunction space but we don't have real sliders. Okay. So this is the opposite view. This is if your back was at San Carlos street and you were looking in the ballroom in the opposite direction on the right-hand side, is the wall against the Hilton. And then this is the back wall, there is two sets of doors there, if that room is divided that also leads you to the concourse.

>> Councilmember Oliverio: Is the gentleman with his arms crossed did he lose his registration?

>> Some people are happy and some people are serious. I've noticed, the architects have an interesting way of populating their photographs. Some of contemplative, some are professional. They all have emotion. North to draw some equity between the spaces you'll see this is the existing ball room A, this is one looking to the West, to the West, yes those are the doors. It's undivided ballroom A can be divided into eight spaces and then here is another shot of it. Now we're trying to develop some equity between materials, kind of similar to what we did at the airport. Where if you notice in whatever terminal you're in the materials are the same but of course you never get the architecture back. If you're in terminal A you're not going to have the north concourse windows but the terazzo is the same, the restrooms are about the same, so we're trying to develop that concept of the equity between these rooms so we don't end up with class A and class B space. Unfortunately, that's always going to be the case, because just the architecture in the new one's going to be Superior. But we hope that the finishes, the fit and finish will be about the same. The this is the -- the existing concourse. Now you're in front of exhibit halls, there's three exhibit halls. One of the issues that we tried to deal with, with this project was to improve the way-finding. When you're in the convention center right now oftentimes you can't tell where you are. It has the sense of samelessness to it. And here's where that blue comes in and I'll talk to you about that. And here's a green, and then the third color is an orange. And we're using those three colors to assist in way-finding and to break up the space. And we picked blue for the center because it matches the mullions on the existing convention center building so it fits in a little better. So actually there's some changes here. The blue is going to be closer to 2 and the green is going to be at 3 and the orange is going to be at one. And we took this color pallet from kind of popular companies in Silicon Valley. We used that as inspiration for the color palette. And one of the things about that is, you know, color can be trendy. We didn't engrain the color into anything that can't be replaced easy. So it's an important factor so we can, ten years from now if these colors appear steal, it is really a coat of paint and the carpet will have to be replaced. The colors will have there element in it, a gray base with these blues oranges and greens kind of just accented into it. Another view of the concourse design. Again another theme that you'll see in the building and I'm not an architect but there's reclaimed wood being used a lot. That is what that redwood is on the ceiling and we also have some reclaimed wood on the outside. In an attempt to soften the building, getting carpet in it, getting reclaimed wood, there is reclaimed wood on top of the balcony on San Carlos street. It is a redwood so it has a connection to the valley, at least a lot of the houses at the turn of the century were built out of redwood that was logged in the Santa Cruz mountains. This is all sustainable. Basically it is

harvested from barns and refinished. We didn't cut down old growth redwoods to put this in. So that concludes my presentation. What I wanted to -- I'm here with Brent leaf who is the project manager from Hunt construction. He has brought a number of tools to assist us in our discussion. We have some three-dimensional models, that are actually the way convention center is designed now. The way large building construction programs are designed, they are designed in three dimensions nowadays, so these aren't just models that were developed for show. They're actually used in the development of the design, and in determination of conflicts and gets all the way down to the sizes of the beams. So instead of walking us through the building I'll have him turn it on and we can use that maybe if there's questions in the back and forth, we can use the model. So that concludes it for now.

>> Councilmember Herrera: Okay, I thought we were going to get a little bit of a walk through the building. I thought we were looking forward to that.

>> I wasn't sure how much time we have.

>> Councilmember Herrera: We don't have that many items, this is the other major item so we have time. Let's look at it.

>> I'd be happy to do it. Okay so we'll start on the outside of the building. Brent and I talked about this earlier. What I was hoping to do is let's walk through the renovation. We have two models here. One is mostly a renovation, excuse me the expansion and the other model has renovation primarily in it. So let's walk into the ballroom. Let's spin around. So this is a view of the expansion ballroom. Under divided. That's a view of San Carlos street. And then the sky-pull doors are on the side, those are the roll-up doors. They are in a closed position in this picture, and then on the right side are the ingress egress doors when the roll-up doors are down. The ceiling actually, 30 foot with, it's a new type of ceiling, it's called a euro span sealing, which the architect tells us is evocative of a printed circuit board. I'm not really too good at those but I'll share with you what his thoughts are. The lighting is going to be inset in those circumstances, if you will, and so will the HVAC. So it will all be hid be into the ceiling. You want to go look add prefunction, okay, so then if we walk out the door, or through the wall, as it may be, now we're in the free function space. So this is the space, sky-pull doors on your

left-hand side rolled down, you're looking at park side hall kind of straight ahead and you're looking over the plaza. That glass, on the other side of that glass is a balcony, there will be doors out to that balcony, that balcony can be programmed for prefunction or for special functions as well. So you want to walk out to the balcony? Going to walk through the glass. Okay. What we're looking out down there actually Brent that's kind of helpful. You see the terracing there on your right-hand side. There's a glass railing on this balcony, you see the line on the top. That's the method that we're using to introduce the plaza to the meeting rooms below, is this stepped or terraced landscaped area to provide that transition. Now if you went out to the MLK library right now, well, you can't go out right now because it's not there. It was about 13 feet below grade when you went out to the previous library. It was 13 to maybe 14 feet below grade. Now it's going to be about seven. And actually what we did by demolishing the library, we actually just hauled all the steel away. We left all the concrete on site and we ground it, up and that's actually so if you think about it, the library is still there. [Laughter]

>> We ground it up into rock and we compacted it and filled the hole with it.

>> Councilmember Herrera: Very good.

>> That's part of the LEED process, to recycle everything as possible and leave it on site. Now Brent is going into the meeting room space, I guess we're going into the meeting space, I don't know if it's divided or undivided. In this model all the operable walls have been folded up into their space, 25,000 square feet plus the prefunction. If the eight meeting rooms were in space there would still be some prefunction space. Now what's nice about this space is it still has 15-foot ceilings which are about as high as the ceilings in this room. You'll still get 15 foot ceilings. What you didn't have in the previous program is you have columns in this space. There was a reason why. We couldn't afford the truss necessary to free-span the space. This space could be used for light exhibit, it could be used for meetings, it could be used for breakfasts beforehand where it could be set up for food and beverage and not preprogrammed. Team San José has all kinds of ideas about how to use that space.

>> Dan Sykes: Harry, let's run through the West San Carlos frontage.

>> Okay, good. So one of the biggest challenges we had was the design of this project is the frontage on West San Carlos street. Because the building is below grade, it really doesn't have a ground floor. It has a lower floor, but not at the elevation of the street. So what we've done is, we have the building overhang. We have a metal screen that we put in place and we worked with actually -- with our stakeholders on trying to get some more articulation to this screen. We're going to landscape it, we're going to put some vines on it. We have some pictures we could probably show you of the Phoenix convention center with this same product being used. You'll be able to go from the downstairs meeting rooms into this grotto we're call it. And there will be an opportunity to program it. It is a challenging -- a challenging area for us. We've been doing what we can to try to improve its street presence. If you look at the front of the building, can we look from across the street at park side hall? Unfortunately, this elevation really has two -- just facing the building more not -- really what we have here is we have exit stairs. Let me just describe what you have here. You have the green area on the left-hand side. Those are exit stairs. And you know with this building full, there is 10,000 people in here. The fire department, the fire code excuse me, not the department. The fire code is very stringent on the ability to exit this building. And on the left-hand side of this building we also have a set of exit stairs, right-hand side, sorry, a settle of exit stairs that are over the loading dock. The loading dock is insaid in there. Another thing that we're trying to do with this side of the building is, we're trying to make it as clean as possible, so that the view from the hiton hotel is kind of clean. We're leaving the roof very clean. We're screening in the loading dock, everything's inside. We are using a lot of metal panel and cladding to try to improve this. There is another set of exit stairs coming onto that plaza that currently lies between MLK library and the Hilton Hotel. So is there anything that you would like us to focus on with this part of the presentation?

>> Councilmember Herrera: Sam.

>> Councilmember Liccardo: I just had a quick question about the map. I recall the total buildout is 125,000 square feet, that 35,000 is for ballroom and 25,000 is for meeting rooms?

>> Yes.

>> Councilmember Liccardo: What's the rest, is it all for back of house?

>> Yeah, I mean the plating kitchen, the prefunction spaces, the back of house, the restrooms, the elevators, escalators, vertical circulation, the stairs. Yeah.

>> Councilmember Liccardo: Okay so what the public gets out of this in terms of what they see is about 60,000 square feet of new --

>> Yes, and I think that found space behind the green gates is really going to be a positive, to really repurpose that space I think we're going to get another piece out of that. But yeah, 30,000 square feet upstairs, 25,000 downstairs without the prefunction. I think we have about 8,000 square feet of prefunction alone, in addition to the ballroom, so you think of the ballroom then goes to 38,000, probably 25, close to 30,000, so 40, 70,000 80,000 somewhere in there.

>> Councilmember Herrera: Could you go back to where you said the change -- you are getting that found space and you are changing the escalators? Try to see what's going away.

>> Yeah. You want to walk into that space? We're going to go to a different model here. More of an interior model. So this is the building with the roof removed. Essentially, you can see there is the entry lobby. The existing entry lobby. Now what we're doing, let me describe what we're doing in here because I don't think I gave a shot of that. We're taking the existing stairs and we're adding a lot more to them. We're building these platforms on right-hand side and the left-hand side to allow people to sit down with their laptop, have a conversation, provides some space for people to just sit down. These will have outlets in them so people can power their devices. We found that the ability to power your devices at the airport was very popular with people in the hold rooms. So we're trying to find the ability to plug in as much as possible. Now, Brent's showing you, so what we're looking at right now, this is a different model. This is actually the actual construction model, not presentation model. So as we're walking back towards the back, stop right there. Now you're underneath the prefunction space of the exhibit halls upstairs. Remember you go from that big, big ceiling when you walked in the front of the building. Then you drop

underneath the second story, and typically right now, if you rotate towards the green gates which column line are the green gates on? So can you rotate and face the back of the building, yeah. So as you walk in you would have seen these green gates right across where this orange line is. You know what I'm -- are you familiar with what I'm referring to? Do you recall seeing -- exactly, yes. So what we're doing is we're removing those gates and we're filling in the escalators to allow, to secure, provide for security because they're not needed, they're redundant. And we're going to drop a ceiling in there and put carpet in and it's going to become -- the living room, you'll have the ability to roll a coffee cart in there, you'll have the ability to have a bar in there, cocktail parties, after the convention let's meet at the living room or the lounge or whatever. So in the presentation, Brent, can you switch back to the PowerPoint and go back to the -- yeah, I've got a couple of renderings that show it a little better. A little technical on that last one. Go back one.

>> Councilmember Herrera: I just wanted to see --

>> This shot right here, right now you're in the two-story. You're about to walk, those people on the balcony, they're up in front of the meeting, in the prefunction in the exhibit halls there. One, two, that column there there's those green gates that block that off right now. We're going to blow that out right Knopf now.

>> Councilmember Herrera: Okay, all right. Q&A time. I wondered how much -- you mentioned a few things that we haven't done, HVAC, the leaky HVAC, kitchen, plaza, more potential on the plaza. And furniture. How much would it cost in the budget, add to the budget to get those things done, and have you prioritized which things would -- you think are most important? I'm guessing HVAC would probably be right at the top.

>> We have. The kitchen could almost be replaced entirely. So the trick with the kitchen is to find an appropriate level of spending to get the kitchen up, so that it can you know serve a completely booked convention center. The priority number 1 is the HVAC because there is a potential of catastrophic failure of the pipes in the building. And we've been talking with the City Manager's office and we're coming up with a proposal that we bring before council on a way to hopefully fund that. The plaza we're looking at some options where possibly we would use some of our contingency on the plaza. We think the plaza is another very high priority. They're all priorities, I

guess I would probably refer -- ask bill to prioritize the other two. The kitchen it could use some help. It can't serve a fully booked convention center now essentially three meals a day. They have to bring in additional refrigerators, portable refrigerator trucks right now. So they work around it right now. It's just the needed investment. The kitchen we haven't really priced as well as the other-d as the plaza and the HVAC because it needs some design work done and we're in the process of getting some preliminary design work done. But the rough numbers are along these lines, Councilmember Herrera. It's about 3.9 million for the HVAC. It's about \$2 million for the plaza, of which we've got about \$600,000 for that. It's probably you know I wouldn't want to venture but somewhere between 7 to \$10 million to do the kitchen but I'm not confidence of that number. I'm more confidence of the other two. And I think it's about \$2 million for the rest of the FF&E. You know the FF&E is in the building right now so they do operate the convention center with their existing FF&E. The thing is now, we're going to have new tables and chairs in the expansion. And even though there's equity in the carpet and the paint and the ceilings, one, if you're in ballroom A, the existing ballroom A you're not going to have the same quality in the tables and chairs as if you were in the grand ballroom.

>> Councilmember Herrera: Okay, and we have plans to try to -- it sounds like these are priorities an these are things we are probably going to want to do. Are we approaching how we're going to get the funding for that?

>> Yes, we are in discussions with the City Manager's office. There is potential -- we've reserved some space out on the plaza for a potential concessionaire like a coffee venue, I don't want to name a corporation but get a coffee vendor out there and maybe we can get -- maybe why get some, maybe there can be some things that we can do on the plaza. We're also talking to the Marriott about the plaza. We do have a sum of money in the budget for the plaza and we have contingency. With the HVAC we have some discussions on using some of the convention center revenue funds. I believe it's fund 5 -- is it --

>> Dan Sykes: And I think -- let me just add onto that. We're trying to make sense of what we can do with funding certainly with the HVAC given that we are going to be doing all this work on the systems, it just makes the most sense to be able to invest in that HVAC now. If we're not successful in getting all the funding we need for all

this wish list, I think this project will set itself up well for being able to come back later on the we do get more money and kind of add onto it.

>> Councilmember Herrera: Sounds like the HVAC sounds like something you can do now but the others are not now or never kind of items.

>> Correct. Once we turn on the building we are worried about what will happen to those pipes, will they be able to stand the load, those sorts of things. So it just makes practical sense to do that work now.

>> Councilmember Herrera: Okay, questions.

>> Councilmember Oliverio: It's good to know that whether it's home remodel or otherwise, the kitchen is the most expensive. So where -- how is the market treating the cost of steel and cement, is it about where we pictured it to be?

>> I'll ask Brent to answer that. We have purchased the steel and essentially the piles.

>> Yeah, we've awarded both -- well, the steel was awarded to Herrick Steel, we got very good numbers from them. Webcore was one of the names of contractors in the proposal, and their numbers were tracking right where we thought they would be. So we haven't seen any major spikes of any kind.

>> Councilmember Oliverio: So in all sense we had good timing, for the most part?

>> Yes.

>> Councilmember Oliverio: As we go through the three-dimensional model, and when you see a lot of steps, I'm assuming all the ADA's in the model too, right?

>> Yes. The construction --

>> Councilmember Herrera: I don't see any ramps.

>> This model that I was showing here, this is actually the model that the construction drawings are developed from. So when we print out a set of drawings, coming from this model, so we build in ADA into everything so --

>> Councilmember Oliverio: Got to be a massive file.

>> Yeah.

>> Councilmember Oliverio: And then the space on San Carlos, just for my memory, did you ever think of going right to the sidewalk and get are more square footage there or because of the models there wasn't functional space?

>> We definitely looked at those options. It added more interior condition space, so it basically just cost more and it gave us more space so it would have -- we looked at those solutions. We would have had to waterproof part of the wall and we would have been all the way out to the street. And there were some challenges associated with it. But the bottom line was it just cost more and we didn't need the space so we looked at a lot of options.

>> Councilmember Oliverio: And then as far as the plaza, I guess that would technically be the same city open space type of thing. So whether it's the circle of palms by the Fairmont and the museum, this would be the same type of open space? Anybody know?

>> Allow for the same type of treatment you would on the other --

>> Councilmember Oliverio: What I'm revenue source this coffee corporation that might come in, you also might want to have maybe the council look at do you allow beer and wine to be consumed out there, may it very European, and that would provide some more margin for maybe getting the improvement to the plaza.

>> Yes, we definitely would, if we could possibly program the plaza we would like to have full service.

>> Councilmember Oliverio: If those things come about or if there's a council policy that sort of blocks that, there are restrictions on what we do in a public plaza and certain types of beverages.

>> Councilmember Herrera: Ala Union Square.

>> Councilmember Kalra: Are we having the sinking fund that was designed to go to maintenance and so on, is that going to be used particularly for the V vac, in modernizing the piping is that something we could do?

>> It could be. There isn't any -- the water hasn't -- they call it the waterfall, it hasn't really started flowing yet because right now the money from the bonds, the payments for the bond sale are going into what they call the loss reserve. Once the loss reserve is built up to the level that we promised the bond holders then there's flow. But we don't have it yet. There is really a timing issue but there is a potential that could be used.

>> Councilmember Kalra: The potential \$3 million contingency could be used if it to the loss so we can start having that contingency flow?

>> I'm not exactly sure. I know the concept of the loss reserve but I don't know the dates. You know Julia Cooper in finance I'll probably have to get back to you on that.

>> Councilmember Kalra: As far as the lounge the for the purpose of being able to have it used during conventions, it will have a maybe called a lounge but it will be formally named something I'm hoping so that

there's at least you know as part of the directories and so on, is that what's contemplated or kind of having an open space with couches and stuff?

>> No it's contemplated to be in the directories as programmable space, hard programmed, we want a coffee cup, we want a bar, we want this, we want that, or kind of soft-programmed and somebody buys the whole convention center says I want that space available to us. I doubt there would be a time having trouble trying to figure out how to sell it. But they certainly want to program it with food and beverage.

>> Councilmember Kalra: And I think it should have lounge sounds fine if you want to call it the lounge or something but I think that in the course of conventions you know they have different types of events or different minimums or whatever you want to call it eighth different places. Being able to say can lounge the convention center, it makes it a lotser to program events than simply have an open space, saying meet over there where the couches are or giving it a title when you're lounge is over there, it just -- it's as simple as someone assess oh do you wan to meet before the convention starts, meet over there, there are practical things, having been to many, many conventions if it's not given a formal name of that area that's space then it could get lost in the overall usage of the space as well.

>> I think that's good.

>> Councilmember Herrera: I think that's a great idea, the lounge at convention center. You have a sponsorship opportunity, too, there you go. Do we have any other -- I don't think we have any other questions, before we have our public speaker, I just wanted to ask if you could send the slide deck to us so we could get that to committee members and maybe some other answers to some of these questions. I would like to see some of the information you provided with the budget so we can get that back on tracking the progress. and also, the marketing effort. I know we've got Team San José really engaged in all of that. I think it's very important to keep us apprised how we're marking and filling this space and what conventions are coming forward, not this group but Team San José come back --

>> Perhaps on our next update.

>> Kim Walesh: Absolutely, celebrated team both building and success. If.

>> We're very excited about it moving forward.

>> I wanted to alert you, we do have a Website. We're doing all of our contractor prequalifying on a Website. We set up a web cam, 24-hour webcam. You'll see the MLK slowly come down . Now it's gone.

>> Councilmember Herrera: I did have one more question. On the side where the Hilton is, we talked about working with the Marriott to have a nice transition here. Are we working with the Hilton to -- is there any other.

>> Loading dock and the Hilton we're putting landscaping in to replace some landscaping that was taken out. They don't own Property, there's an exit past in between the two buildings. And it's ours so we're responsible for it bus we're going to improve it.

>> Councilmember Oliverio: Those (inaudible).

>> You have seen that, you have, yes, that's correct.

>> Councilmember Herrera: He was in the picture there, I don't know if you saw that. Okay.

>> So we own that, we're improving it and conversely the Marriott does own some distance in.

>> Councilmember Herrera: Okay, all right, I David Wall wanted to speak on this subject. Come up and speak.

>> I'm very concerned about the lack of maintenance august afternoon. In San José, you're in a three-piece suit, stuck in a convention center, that doesn't have a good air conditioning system. All it takes is one of those, you

lose all your booking. The kitchen itself, how are these things not preplanned and prefunded before you go into such a venture. In addition to the property concerns with the Marriott, this is another preplanning problem. And when I look at the building here, it is probably very high maintenance costs with all this glass. Not to mention the play you wouldn't want to be in an earthquake. But the mayor's going to probably want to ask, why isn't there any solar power? Because when you plugged this new expansion into the grid, it would suck the power out of San José for your air conditioning. If it's done, designer-wise just to accommodate the hilt, this is not imposed on who would it accommodate, that's the citizens of San José, you're going forward with albeit a nice building but the infrastructure to maintain conventions is not there. And to laugh and joke about it is not profit, I think. Oh, not to mention on page 3 all these estimates. I wouldn't trust these estimates as far as the \$650 million estimate that will be discussed at Rules.

>> Councilmember Herrera: Just for edification, there is a sinking fund that's been contemplated for the maintenance in terms of the T.O.T. revenue, that is right? Just wanted clarification for people who's watching.

>> That's correct. I don't know if it's been determined a sinking fund. We excess fund and those excess funds according to the community facilities district can only be used to renovate or expand the convention center and requires approval by the city and the hotels jointly on -- to spend that money. Right now there's no excess because the excess is going to fill what's rear end to as the loss reserve, which is another one of those safety nets that's built into the 18 away I have heard. But that's about right.

>> Councilmember Herrera: That's good for now. We'll get more details on it as it proceeds. Any items that we mentioned that we've talked about the additional items, why were they not part of the total project? How did they end up extra items and not part of the total project?

>> Well, you have to kind of go in in the his of the project where this project was severely impacted by the demise of the redevelopment agency. When we first started the project it was going to be a \$330 million project and there was going to be a new kitchen. Then after the state took its first \$60 million cash from the Redevelopment Agency

we had deed a financing scheme that we thought we could do a \$130 million project and we were going to be getting about \$110 million from the bond sale. This all went to council if you look at the series of staff reports.

>> Councilmember Herrera: I remember it.

>> And we were going to receive \$20 million from the Redevelopment Agency. And then kind of the second shoe dropped with the Redevelopment Agency and that \$20 million evaporated. We worked hard on the financing, we only thought we could get \$110 million out of the excess T.O.T. We pushed that to \$120 million. So the project essentially was kind of under-funded to begin with and we acknowledged up front what's the most important things you know. And --

>> Dan Sykes: If I could just add a little bit. The project does have the central utility plant that's being replaced. What we discovered once we started tearing things part was the piping systems in the existing building were in taper shape. If we are able to fund it the energy savings alone in the future in the building will run a lot better we'll be able to use that money in the future bring it to the past to make those repairs. The kitchen I do believe there are work-arounds that are currently being done. Ideally though we could invest in that kitchen so it could serve the entire facility if it was sold out at any one time. I think that's the objective here. When it comes to the plaza I think it was only due to the creativity of the design team that they kind of brought forward and showed us the potential of what that plaza could be. And so we do have \$600,000 in the budget for the plaza. But we do now realize if we had more money we could really do something special with that.

>> Councilmember Herrera: So one of the most important ones, the HVAC you find out after you open up the walls which again in a home improvement project you budget for those things and once you start digging around you find other things. Hopefully we'll have a solution to that. Scott Knies would like to speak before we move on. Downtown association, thank you Scott.

>> Good afternoon, chairwoman Herrera, members of the committee, Scott Knies, chair of the downtown association. We love the convention center project. I'm really here to talk about the City's urban design

process. We've been talking a lot recently with Kim and her department about the value proposition for downtown. What we found is, the place-making, the architecture, the pedestrian experience and great urban design, is extremely important. When we got involved with this project, the San Carlos facade was essentially fully baked. The grotto was there, the set of exit stairs. The major decisions around design, the massing, the elevations, the program, were already made. And we were essentially there working on finishes. And this is not at all a criticism of the Department of Public Works. This is similar with the Planning Department and the architectural review committee. So I think it's fair for us to ask what value are we going to place as a city on great urban design? When do we come in and look at the elements, if we wanted a different experience on San Carlos street for instance and how do we debate that as a city? Because we're always going to be faced with compromises. Every single one of our members who are a developer is going to want more leasable space or they are going to amount to cut on the architecture. We are always going to be faced with value-engineering propositions here. And how do we develop a process and a system so that the urban design is not compromised? We're interested in helping you wrestle this very difficult issue at the American institute of architects, spur San José, and San José, Kim's department really coming back here we decisions for budget if we have to make decisions for the interior program we do that together. Thank you.

>> Councilmember Herrera: Thank you Scott. We need a motion to accept the convention center status report.

>> Councilmember Oliverio: Make a motion to accept that. With one comment. Going back on the San Carlos question, we have the downtown, the federal courthouse that has that blank space, the San Pedro square parking lot with that blank space. People have talked about doing things differently there. Back to that space again. Since I think the question may come up, we're convinced that there was -- that was pretty much -- that was the alternative, you know, as much as people may think or want something to be different there it's just not realistic. Even if you gave someone you know retail space for free, I don't know, here just throw with it, anyone of the fine Public Works staff.

>> The best I -- you know, the best of my ability, would I have to say the solution to match floors drove -- drove that design, and drove that savings. Now, I think that you know, if we had just a little bit of extra money and this

project is very constrained maybe we could instead of having that grotto out there we could have pushed out to San Carlos street, present some glass out there. There could be maybe some steps we could take. But the budget doesn't support it, and we're trying to develop it, I think as best we can.

>> In my professional opinion --

>> And Scott is correct. He was brought into that process after those major decisions were made. The budget and our solution to the budget which was the floor their input was great and they've helped us through this a lot. His statement is correct, he was brought in after those major decisions were made .

>> Councilmember Oliverio: I just want to bring that up. I don't know how the grotto will turn out in the future, is it a place for people to hang out at night, is it programmed and vital and lit? Those factors, small spaces, maybe it could be a small wonder experiment, I don't know.

>> Councilmember Liccardo: Taking that theme I do wonder if it's too late for outreach on -- recognizing the major decisions have been made, but at least to whether or not I think we probably would agree most of the time there would not be great retail space for anyone, would you probably not have the foot traffic or flower vendor somebody who is looking specifically to be up there on the two or three days a week when the convention is going, can provide some kind of interface there with the street that would be more welcoming and more vibrant. It just seems to me there are much brighter people than me who could weigh in on this and maybe this is an opportunity for us now to reach out and say look, we're certainly constrained here but is there an opportunity for us to do something rather than nothing along that interface?

>> We are trying to figure out, we want to program it, Team San José wants to program it, we are trying to figure out ways to liven it up. We understand clearly it is the one of the weaker parts of the project. materials that we're using are the same materials that are used in some similar spaces at the time Phoenix convention center that Hunt also constructed. So it's going to be lit. It's going to be secure. It's not going to be a hang out. What we're going to try to do as much as possible working with Team San José is to get people in it.

>> Councilmember Herrera: And I think is there opportunity to work with -- I think you said you're now working with Scott Knies and the downtown association, is there opportunity to work with those groups to get that impact and see what can be done? I guess I'm not hearing -- Sam you're suggesting design changes still the opportunity for any kind of change physically?

>> Councilmember Liccardo: I'm not looking to throw a \$5 million wrench into this works. But to the extent anything can be superficially done on the design or actually programmed I think it's something where we ought to reach out to our community partners and say hey who's got pop up trail possible --

>> Councilmember Herrera: Should that be part of the motion?

>> Councilmember Liccardo: Sure, to the extent we can do it within our budget constrained reality, sure.

>> Councilmember Herrera: Okay we have a motion.

>> Councilmember Oliverio: Just along those creative thoughts there even if going forward if anyone had an interest and here's this space and here's what it looks like, you private-sector, fine, I could give it to you at a nominal cost, what would you do there, something that's not net neutral and if nothing happens nothing happens, we at least ask the question.

>> Councilmember Herrera: I think private sector or other kinds of programming ideas, we're hoping to get those ideas.

>> We appreciate that input and thanks for the opportunity to present the project. We're very excited about it and we wanted to share it with you.

>> Councilmember Herrera: Great, thank you very much for the presentation all the discussion. We have a motion on the floor. All those in favor, opposed, say aye, we're down to our last item. And we're going to be talking about a verbal report on residential development tenure changes policy, recommendation, who is going to be speaking to us on that? Joe is going to be speaking with us it is in a verbal report.

>> Joe Horwedel: Yes, it is a verbal report. So I did go back and look at the last committee meeting, the question was, how we would proceed with this. Staff does have this on our priority list of projects to be looking at and would be pursuing a draft policy around tenure change and how to make the representations of the developers in community forums more accountable.

>> Councilmember Herrera: Joe, wouldn't this be on the list coming up tomorrow as far as the prioritizations we are working on?

>> Joe Horwedel: Yes, when we last met, it said staff would go through and start working on the direction of the committee, and it was not our highest priority of things but as we had time we would go bring it forward, it would be about six months out for us to do that. So we're right at about the six-month time frame. We as Lee noted earlier have been chunking through on zoning code changes and sign code stuff that is now coming forward so it's a matter of kind of working through those, and now we're starting to come back to some of the other policy items that the council has asked us to work on. So really the question is, if there's a restacking of the deck tomorrow then we'll proceed that way. But otherwise it's one that it's in I would say in my court. To go through and come forward with a policy for council to adopt, that says here's how we would deal with those changes. It's something that the committee talked about, you know what are the consequences around that, that's the part -- that's the real value of the policy to make sure it's not just Joe beating up on someone that there's actual --

>> Councilmember Herrera: I think Sam brought this forward and I respect everyone in bringing their things forward. I think tomorrow we're going to sort of find out what the priorities are, when we are going to have the time and resources to actually work on. I would like come off the stack at this committee level if -- I don't know

thousand rest of the committee members feel but sounds like it needs to -- that would be the appropriate course of action. But Sam.

>> Councilmember Liccardo: I don't think this needs an ordinance change, I don't see why it needs to go through this process. It's just a request of, can we have some policy around notification? Just so we have something that tells us if we're going to change the tenure we're going to tell people.

>> Joe Horwedel: And so as we talked about in the last time, it is one that we need to be careful about just the whole fair housing rules and how we deal with some of that. So as staff we are supportive of some I think we're the crux of the reissue which was accountability of representation through the approval process that where the developer goes through and starts changing whether it's tenure or other things about their project of how that project was sold for want of a better term that there should be some accountability and looping back around that. And so I agree that it should not be an ordinance, should be a policy. But part of what the policy, priority-setting for tomorrow is, recognizing all of those are discrete task force that take time whether it's an ordinance, policy, whatever, they still come back to like the same person to go do that work. So you know part of tomorrow is looking at is what are all the other things that are going to be in there. And as you have seen staff does tuck small projects in here or there where we can get out of the way where we've got a moment to do that.

>> Councilmember Herrera: Are we good with moving it off the list of this committee though?

>> Councilmember Liccardo: I think the easy way to move it off is to just do it. It's something I've asked for three years. I'm not telling anybody, gee we need to get it done tomorrow, I'm recognizing that, I think it should continue to stay on a work plan until it gets done. I don't think that's too much to ask.

>> Joe Horwedel: That's where I see it now, it's on our to-do list to get to.

>> Councilmember Herrera: Okay.

>> Councilmember Oliverio: Joe, I think just being cognizant of fair housing there is an impact on small developments when they switch, if a development was predicting this development was going to bring in this much for fees to pay for i.e. a park or road improvements and then it changes to a project that doesn't pay for those fees that's certainly notification that would be fair outside of what changes. And I think the City Attorney can comment on whether or not that's fair in that case. Are you following me?

>> Well, I'm assuming that the PDO fees unless they have been deferred are going to be paid early on in the process.

>> Joe Horwedel: No, they get paid at the building permit process and we have changes that occur.

>> That is a possibility then.

>> Joe Horwedel: Thank. The discussion in the last meeting do acknowledge that there are places where we have made assumptions and commitments to provide essential to a neighborhood that when it changes tenure that it does cause problems in our ability to deliver on those commitments that's why it's broader than just tenure of how we talk about --

>> Councilmember Oliverio: So in that case would it be fair to notify the resident that this change is happening and therefore you're not going to get what you were told you were going to get?

>> No, unless you change the exemption to say the exemption doesn't apply unless you have tenure.

>> Councilmember Oliverio: We've had exemption necessary place taxes.

>> The exemptions have been placed by the council.

>> Councilmember Oliverio: Right back to the question then, does the resident have the right to know that they're not going to get a park?

>> The resident that is right to know if in fact you require that the residents be notified.

>> Councilmember Oliverio: So this is council policy level, I'm not sure -- I have a level of interest in it so --

>> Joe Horwedel: This is why I think it's more than just being something that planning staff goes and just starts doing. That it's really that consequence that than it, I want to make sure that we, as the entire kind of leadership of the 70, both policy and staff level, are in alignment about what that is, and when that event happens, what will be the next action so it's not just staff making up something.

>> Councilmember Oliverio: And City Attorney I assume the council office if that's happening in your own district can notify the residents of that change?

>> They can notify them. The question is going to be, what will the city be able to do at that point.

>> Councilmember Oliverio: Might not be able to do anything but just --

>> That's correct, I think the proposal that was brought in before was an ordinance that would require a notification. The notification would not allow anything to happen other than possibly a fine --

>> Councilmember Oliverio: Just notification.

>> Councilmember Liccardo: If perhaps I could describe for ten seconds why I think it should remain on our work plan. We know where motion of the development in the city is happening, district 6 and 3 and 4 and 7. And overwhelmingly we want it to happen in those transit corridors. And as long as I say we're going to take traffic impacts and everything like that we have to at least be certain that we are telling the community that they're

getting exactly what they're expecting to get and they're going to get what they expect to get. And if we start changing the rules before telling them we'll have a hard time getting community support. I think this is one of those very essential things as we fill out our general plan we are get going to have to continue to do this or we'll face steep consequences.

>> Councilmember Herrera: Okay, I think it's staying on the work plan. We are at open forum. David Wall. We finished our agenda.

>> I'd like you to consider for the future for your agenda (inaudible) cities can address that at schools are good. The Cirque du Soleil, I'm sick of that in my neighborhood. I noticed at 1125 Coleman avenue, I don't know if the city still owns cirque du Soleil is storing all their 18-wheeler trailers over there. I'd like you to entertain whether the City's buying power could be utilized to provide fuel to subsidize the fuel costs at the airport. Also, I'd like to thank San José police officer Jonathan cook, badge number 3886, him and his team last night along with fire station number 1, I'd like to thank them and their paramedics. One of my neighbors got stabbed. And Jonathan cook, officer cook was very kind to one of the relatives which showed up, visibly distraught. Panicking. And couldn't drive down the street, where a relative got stabbed. And he allowed person to cross police lines, comfort him, very professional. And the person thanked these police officers several times in place. But also thank fire station number 1 because they do a lion's share of the work, not to mention fire station number 4 the other fire stations we have in District 3, which I think as the point I'm going, whenever you have time just to stop by and say thanks. Anyway, that should do it except for St. James park, is still a problem. You can't have a vibrant downtown if you have a base of operations for vagrants and social miscreants all the time. Thank you.

>> Councilmember Herrera: Our meeting is adjourned.