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>> Mayor Reed: Good morning, we have a quorum. There is no labor update so we're going to adjourn into closed session. We'll be back here at 1:30.

>> Mayor Reed: (gavel strike) Good afternoon. I'd like to call if San José city council meeting together for may 22nd, 2012. Start with our invocation, Councilmember Campos will introduce our invocator.

>> Councilmember Campos: Thank you mayor, two individuals who have an enormous passion for their community. Thich Thong Dat is director of development of the Vietnamese American Buddhist conference in the United States of America. Mr. Dat is the Abbott of the Maha Vairocana Buddhist meditation center in San José that has been established for almost ten years in our city. The Abbott holds teaching sessions for both Vietnamese and Tibetan Buddhism, while providing spiritual guidance on how to apply Buddhist teaching into our daily life. Our second guest is Hung Do, who is the executive administrator and director for events of the Maha Vairocana Buddhist meditation center. He is actively involved with the Vietnamese Buddhist youth in San José and has been a strong advocate in the community for over 40 years. Both Mr. Dat and Mr. Hung are leaders in my district, and host many charitable events. Recently, they both worked with my office on a feed the homeless program, where they provided grocery bags to family in our community that were well worth over \$50 a bag. This is just one example of the good deeds that Mr. D-at and Mr. Do have done throughout our city. I was also privileged to join them in celebrating the birthday of Buddah at mountain pleasant high school. In case you were wondering Butddah turned 2563 years old. Please join me in welcoming Thich Thong Dat and hang Do as we join them in a prayer. [chanting].

>> We pray, day to be peace, night to be peace. All the time will be peace. Peace within us, peace among us, and peace throughout the world. That is the prayer that we send out today. We pray that the mayor, the city council member will have inner peace and everyone will find peace within themselves and share the love and joy through the world. Thank you.

>> Mayor Reed: Thank you for the prayer. We'll have the pledge of allegiance, please stand and Rosemary elementary school will help us with the pledge. [pledge of allegiance]

>> Mayor Reed: First item of business are the orders of the day. We have some changes from the printed agenda. We're going to drop item 1.3 which is a commendation to be renoticed. Any other changes to the printed

agenda from the orders of the day? I'd like to just make note of one addition to the way we're going to handle testimony. We're expecting a crowd and we'll provide an opportunity for people to provide written comments at the meeting in lieu of having to stand in line to give testimony. So we'll be passing those out later. Anything else on the orders? Motion is to approve orders of the day. All in favor? Opposed? None opposed, orders are approved. Closed session report City Attorney.

>> City Attorney Doyle: Mayor, the council met in closed session this morning there's no report.

>> Mayor Reed: We'll now take up ceremonial items. I'd like to start by inviting Councilmember Chu, Kim Walesh, Don Burris, and Solar Junction CEO Jim Weldon and other representatives from solar junction to join me at the podium. Today we're doing a commendation for solar junction. This is a project that started at the city quite a few years ago when the Redevelopment Agency first made a capital equipment grant to a small company, small but promising company. Now that the Redevelopment Agency is gone the baton has been passed to the office of economic development but Don Burris is here and Kim Walesh is running the department with our attention and outreach efforts. This is a company that started small and has over 100 employees. And it also produces the world's highest output solar concentrator. If you don't know what that is, it's really cool. I think maybe Jim weldon will tell us something of what they do when he speaks. I'm going to invite Councilmember Chu to add some comments.

>> Councilmember Chu: Thank you, mayor. Well, thank you, mayor. You definitely wanted to add that the solar junction has a complete in-house production line at its headquarters, located in the best part of the Bay Area, in the best district in the City of San José. The company's committed to domestic manufacturing and stay here in San José. The sun path awards from the Department of Energy will help solar junction to increase its CPV again, Jim will probably elaborate on what the CPV is cell manufacturing capacity as part of the total program giving out \$21.5 million. I understand that there was initially 2,000 applicants and they finalized to 3, and solar junction is one of the three that got this award from the Department of Energy so I concur with the mayor and applaud solar junction for being awarded with the sun path award. So thank you very much for staying in San José, thank you very much for staying in district 4. [applause]

>> Thank you, many, many, thank you, Councilmember Chu. We're honored to be here to accept the commendation. We'd like to thank the city and show our gratitude to Mayor Reed and the city council. You supported us from day 1 that we started the company. I think explaining CPV in the time frame we have here I didn't know I was going to be doing that. I would say just think of this as concentrating light down onto a solar cell to get much more efficient and much higher energy. We are privileged to live and work in the Silicon Valley and are very excited for the trajectory of Solar Junction with the sun path award and the support from the city. As Mayor Reed mentioned in the very, very early days, they found a path with Don Burris in the Redevelopment Agency to find a path to do this, you are as much of a success as anyone. Our team has committed to keeping our technology local and our commitment is as strong as ever. Today we remain convinced that being in the center of the innovation universe in San José has had an enormous of course not on the company. Like the axiom states, location matters. Let's make that axiom work. Thank you very much. [applause]

>> Mayor Reed: Now I'd like to invite Councilmember Kalra and the represents of Northern California arthritis board as we recognize the month of May as arthritis month in the City of San José.

>> Councilmember Kalra: Thank you, mayor. And those that are coming down to accept the proclamation are RJ Castro, his daughter Maya Castro and affects 50 million adults and roughly 300,000 children under the age of 18 in the United States. And without a cure it's the leading cause of disability in our nation. Arthritis is complex, it is not a single disease, there are actually over 100 types of arthritis and related rheumatic conditions. Two-thirds of people with arthritis are under the age of 65, 8.4 million adults between the ages of 18 and 34 have arthritis and according to the center for disease control, arthritis and billion annually and result in 44 million outpatient visits and 9,367 deaths each year, something that I did not know is that arthritis also affects animals. One in every five dogs in the United States has arthritis. And of course we all know that arthritis affects all ages genders advocacy so that arthritis is no longer the leading cause of disability in the United States and we have two wonderful youth representatives both have been honored, have been the honorees for the San José arthritis walk that exemplify the fact coming up here to ask the mayor to present the proclamation to our representatives here in recognition of -- in recognition of the month of May as arthritis awareness month. [applause]

>> Councilmember Kalra: And so here is Maya Castro and Lindsey Frederick.

>> Thank you, Councilmember Kalra, for your continued support for those with arthritis. Hi, San José. My name is Maya Castro, I am here to report that 300,000 children have juvenile arthritis. Surveys say that 65.5 million adult Americans have arthritis. Parent advocates spoke to their state assembly members on behalf of their children, this past February. Lindsay Frederick will present a statement following this report. Reporting from City Hall, this is Maya, is unacceptable in America. Now here is Lindsey Frederick for his story.

>> Hi, my name is Lindsay Fredricks and I have juvenile rheumatoid arthritis. my family's very involved in the arthritis foundation. Every year we have a yard sale in front of our house and we give all the money to the arthritis foundation. We also do the annual arthritis walk. My dad rides his for the arthritis foundation. When I was three years old I was diagnosed with systemic juvenile rheumatoid arthritis. When I was little my arthritis was very bad and I could be taking six medications at one time. Systemic means I could start having pain in any joints also it could spread to your organs so it could spread to any of your body my mom and I are planning to walk a marathon for the arthritis foundation. Please help support the fight. Thank you. [applause]

>> Mayor Reed: Now I'd like to invite Vice Mayor Nguyen, Leslye Corsiglia, affordable housing week in the City of San José. Vice Mayor Nguyen has some details.

>> Vice Mayor Nguyen: Thank you, Mayor Reed. Councilmember Liccardo and I are just delighted to share this podium with two of the most dedicated people whose work has made just the most incredible impact on' Sandy Perry of the affordable housing network make it a priority that San José's most vulnerable populations have an affordable home to raise their families. As we all know major cities throughout the nation are facing financial hardship. The elimination of the redevelopment agency has created an additional challenge for the affordable housing advocates. Our housing department has been working with coalitions of nonprofits such as affordable housing network and the housing trust of Santa Clara County to find creative solutions to help working families throughout our city. The distinguish our city as a national leader in affordable housing. Councilmember Liccardo

and I commend our housing department as well as this organizations for their continued efforts in their commitment for promoting affordable housing in our city. At this time I'd like to ask Mayor Reed to present this proclamation to Leslye and the environmental safety award, thank you. [applause]

>> Leslye Corsiglia: Thank you, Vice Mayor, thank you mayor and Councilmember Liccardo. This is an important week. And as the Vice Mayor mentioned it's a really tough time for affordable housing right now. That doesn't mean we're going to stop. The need is great and it continues. Our rents are among the highest in the nation and they continue to rise. And our housing prices although we have had what's considered a reduction in prices, our housing prices are still at the top of the nation's prices. We're doing a lot this week with the help of a lot of our partners including Sandy and his group the affordable housing network. The planning committee included the housing trust of Santa Clara County, the Silicon Valley leadership group and the Santa Clara County office of affordable housing. There are quite a number of different events that are happening this week that you can access via the housing trust Website or also the City of San José housing department Website SJhousing.org. This is actually a very beautiful product thank you. [applause]

>> Mayor Reed: Next item is the consent calendar. I have some requests to speak to the consent calendar. We'll take that now, Mr. Wall.

>> Good afternoon, Your Honors and the gallery behind me. During the Rules and Open Government committee meeting, the political flier for measure B was discussed. It has been mailed out to countless tens of thousands of citizens and it contains several material misrepresentations one of which I want to read into the record which I consider a bald faced lie. Quote, future generations will have to pay billions of dollars of unfunded liabilities created by the City's existing retirement plans, period close quote. This is a lie. The unfunded liabilities were created by councils and mayors, City Manager's office, and countless other influences for not funding the pensions. It goes on, on the back page, to show the editorial board's opinion from the San José Mercury News which also contains several material misrepresentations which lead one to believe the voters are being misled intentionally, to cover up what's really caused the problem of pension reform, and that is, corrupt politicians, or politicians not performing their fiduciary duties, as well as the office of the City Manager, not coming forward to

create financial instruments, and to warn the public that these pensions were not properly funded. Now, Mr. Mayor I know you to be an honorable man who's never lied to me, and yet this flier uses your picture and your electronic signature. Which shows to me the only thing I can figure out is somebody has misappropriated your likeness and your signature because you do not lie but this measure B flier is a compendium of misrepresentations that serves to destroy the San José Police Department and Fire Department and all dutiful city employees. Think about retracting it. Thank you.

>> Mayor Reed: That concludes the public testimony on the consent calendar. I have requests to remove uses for further discussion. Item 2.2 B, item 2.6, 2.7 and 2.12. Are there others council would like to pull for discussion?

>> Councilmember Constant: Mr. Mayor, make that 2.2 A and B we'll handle those together since they're the same.

>> Mayor Reed: 2.2 A and B. I have a motion is there a second? A second to approve the balance of the consent calendar. All in favor, opposed, none opposed, that's approved. All right we'll go back to the beginning of the consent calendar, 2.2 (a) and (b). That was the Federated health trust ordinance and related matters. Councilmember Constant.

>> Councilmember Constant: Mr. Mayor if it's okay I'm going to take 2.2 (a), (b) and 2.6 together, that's all of my report from the retirement board and we can vote on them separately. At the Federated city employees retirement board meeting of may the 17th, the Federated board wanted me to make sure I informed the council their concerns on the health care trust the board wanted to make a request to the city council that the City Attorney request that we obtain a written opinion on the tax issues related to the health care trust from the tax council Ice Miller. They're concerned about employee contributions being put into the 115 trust until Ice Miller is able to provide a written opinion of what has previously been verbally given to the city council. The board wanted to make note that they cannot make a direct request to Ice Miller even though Ice Miller is their tax counsel due to the fact that the contract was negotiated when the City Attorney's office was the board's attorney, and now they have an

outside attorney. And I know our City Attorney is working on streamlining that so they'll be able to make their request directly. And so they just wanted us to know that, that they have a concern about those employee contributions going in. One other item to note from the meeting was, they received a flash report of investment earnings. The investment earnings were as of April 30th of this year, fiscal year to date, which means after that there's only two months left in the fiscal year being May and June. The total fund return, gross of fees for public market managers but net of fees for private market managers and it is not counting fund expenses, operation of the fund expenses, the total return for the fiscal year-to-date was minus .1%, that is minus 0.1%. As we know, that is far below the assumed rate of return that has been set for that fund. Those are my two comments, and with that I will make a motion for 2.2 (a) and (b).

>> Mayor Reed: Okay we have a motion. I just need to clarify the motion. We also have a memorandum from the City Attorney transmitting what the retirement board said. So I want to verify your motion as to --

>> Councilmember Constant: Inclusive of that and just that my comments were on the record from the board.

>> Mayor Reed: Okay, City Attorney.

>> City Attorney Doyle: I just want to note that what we're recommending is adoption of the ordinances, but to make it clear, that moneys will not be deposited, if employee contributions will not be deposited into the 115 trust without an opinion from Ice Miller, assuring that the moneys are pretax. We are working with the retirement boards on that. And so that really honors their request.

>> Mayor Reed: I believe that is your motion, Councilmember Constant.

>> Councilmember Constant: Yes, thank you.

>> Mayor Reed: Okay. That is the motion. I do have one request to speak on the motion, Yolanda Cruz.

>> My name is Yolanda Cruz and I represent AFSCME MEF. I'm here to let you know that although the city, Gina Donnelly specifically, says that it has fulfilled its obligation to meet and confer on this issue it is not a shared opinion of my union. In 2009 an agreement was entered into by the majority of the Federated retirement board members. The agreement stated a qualified trust would be established. It was not the intent of my union to have this a one sided agreement. My union has the same questions and concerns that were raised at the retirement board to accept an ordinance without having questions answered, and concerns addressed first, is not the direction this council should be taking. I urge you to delay acceptance of this ordinance, until all issues have been addressed, to and by the retirement board and to the unions. Thank you.

>> Mayor Reed: That concludes the public testimony on item 2.2 (a) and (b). We have a motion to approve the modified recommendation. All in favor? Opposed? Count none opposed motion is approved. Item 2.2, sale of city owned property at Story Road. Councilmember Liccardo.

>> Councilmember Liccardo: Thanks Mayor. I just had a question on this item and the next item of sales of property for Nancy or anybody on her team. I know that the City Manager's office and real estate office has been very successful in the last year, in moving a lot of property which has been obviously important for revenue for the city and I appreciate that very much. And I certainly don't want to be a stick-in-the-mud and preventing progress but I did want to ask some questions about this particular site. The price is \$42,000 for almost an acre which I think in most cases, if you weren't next to a landfill you'd probably say is an incredibly low price for an acre of land in San José. And I guess I had a couple of questions about first about the price which was I understand there was an adjacent price that had a similar valuation. But was this particular parcel actually in any way part of the original landfill? It was.

>> Councilmember, Nancy Kline economic development and real estate. Yes, this particular piece of property is a very long basically rectangular piece of property that would have no other access. It's also deed restricted or limited in its use to only curb gutters sidewalks and parking. The landfill is encroaching at least 40 feet which is a large portion all the length of the site. So the availability for other uses, in addition to that, the city retains easements onto the property for access onto the landfill itself. In March of 2011 there was an appraisal on the

property specifically that was at \$40,000. So we have recognized a little bit of a premium above that, but it is unfortunate, usually an acre would go for much more than that but because of the encroachment and haz-mat if you will on the site, that is the reason for the price.

>> Councilmember Liccardo: Okay there is no ability for anyone to build anything beyond the parking lot, more or less?

>> That's right.

>> Councilmember Liccardo: Thank you, Nancy, that's helpful. In terms of the larger, I know it's adjacent to the story road landfill, and we've had ambitions in past years looking at various, Singleton, Story Road and others for solar arrays for -- whether it's photovoltaic or solar thermal or whatever great technology might be out there so I did have some concerns giving up this portion since it was adjacent to that site. If there was something brewing have we ruled out that possibility with Story Road?

>> We have not. There are other opportunities that are being possibly discussed at the time. There are other appraisals based on three creeks and other -- sorry, the purchase -- when we took this property back from the railroad, that the City Attorney may want to speak to. But we do have certain restrictions on this site but are looking for alternatives that could work there.

>> Councilmember Liccardo: Okay. So whatever larger ambitions we have for Story Road we don't believe that the loss of this parcel is going to detract from our range of options?

>> That's correct.

>> Councilmember Liccardo: Okay, I'll make a motion to approve. Thank you Nancy.

>> Second.

>> Mayor Reed: Motion to approve item 2.sen. On the motion, all in favor, opposed? None opposed, that is approved. 2.12, Councilmember Liccardo.

>> Councilmember Liccardo: Thank you, mayor. just another question about price and thank you, Nancy for your patience of questions. Here we have a half-acre again relatively low and particularly given its proximity to Eastridge I would imagine there might be a great opportunity for commercial development particularly perhaps from the owners of the mall. And I'm wondering sort of why, why it's not the case.

>> Great question, thank you very much for the opportunity to share information. The site itself is a rather unusual shape. And a large portion of the site is actually into the roadway. So of the 25,000 square feet, roughly, of the parcel, basically 15,000 square feet of it is retained for street right-of-way. So with that, you only have roughly 10,000 square feet and the site has to provide its own parking as well. So based on what remains, it's a relatively or a quite small property and we had at the direction of an engagement of Councilmember Herrera, extensive conversation with Eastridge about their interest in the site. Based on the fact that it's a rather small piece and that they own so much around it they were not interested at this time in either going forward with the purchase or optioning the site. But we did have several extensive conversations with them.

>> Councilmember Liccardo: Was its your understanding they had pretty much run out that decision making process or more time if possibly elicited a bid from them?

>> The mall manager who we enjoy a very good, both councilmember and the city staff, enjoy a very close relationship with, had looked at this site. The site had been posted I believe since last October. And so many, many months to consider this site, their development people had considered it and passed. And based on additional conversation relooked at the site and again said it didn't pencil for them.

>> Councilmember Liccardo: Okay, thank you very much.

>> Mayor Reed: Councilmember Herrera.

>> Councilmember Herrera: Nancy is there a deadline on our needing to conclude this transaction?

>> From a budget point of view real estate does not make its budget unless we have there sale.

>> Councilmember Herrera: Okay, so it's not a -- we're imposing the deadline because of budget constraints. Okay. And do we -- is there any sense that we could have, if we'd taken longer time we could have gotten a better price for this?

>> This plot again was marketed quite extensively. There were 22 inquiries and only two bids and this again was talked to many, many brokers and as well as 300 feet and a thousand feet around the property. And again because -- when you take the right-of-way out of it it's a relatively small piece and it's got to provide its own parking and Eastridge was not willing to give any parking to the site. So I don't believe we would achieve anything in additional value if we went back outs.

>> Councilmember Herrera: And we don't think if we have a longer time for negotiations, with Eastridge, they are in Chicago right? It is difficult for the general manager to work through these things because he has to work long distance with general growth which is in Chicago right?

>> They are. But again the development team representatives who would be negotiating the deal were out twice and looked at that. So it's not at all clear that there would be any further interest by general growth in the site.

>> Councilmember Herrera: Okay, thank you.

>> Mayor Reed: Councilmember Oliverio.

>> Councilmember Oliverio: Nancy, the very small parcel that was left what would anyone put there other than parking?

>> They would put a small pad to take advantage of the high visibility and average daily transcription driving by.

>> Councilmember Oliverio: You could have a coffee stop or Frogert's?

>> Yes, OED would be very attentive how it is done to make it an addition and not a detractor from Eastridge.

>> Councilmember Oliverio: Thanks.

>> Mayor Reed: I think that concludes council's questions. We need a motion. We have a motion to approve staff recommendation, on the motion, all in favor? Opposed? None opposed, that's approved. That concludes the consent calendar. Move on to item 3.1, report of the centering.

>> Debra Figone: Mr. Mayor, I have no report today, thank you.

>> Mayor Reed: Item 3.2, agreement with vision service plan for vision care insurance services.

>> Debra Figone: Staff is here for comments or questions.

>> Mayor Reed: Councilmember Constant.

>> Councilmember Constant: Mr. Mayor I want to make a statement on the record. I know I abstained previously, for health care issues, I've consulted with the City Attorney, and due to the fact that this is a plan that the employee or retiree pays for himself there is no need for me to recuse. I wanted to make sure that was on the record. Motion to approve.

>> Mayor Reed: Motion to approve, all in favor, opposed, none opposed, that's approved. Item 4.2, initiate proceedings for the reorganization of the territory Hamilton number 60 from the county into the city. Motion to approve. Open the motion, all in favor, opposed, none opposed, that motion is approved. 4.3, rezoning of real property located on the West Side of ringwood avenue. Councilmember Liccardo.

>> Councilmember Liccardo: Thank you, mayor. I just had one question for anyone, I see Laurel coming down, thank you Laurel. I recognize and I appreciate Leslye was very responsive questions we have from our office, I have concerns any time we're losing a potential church site, knowing how many congregations are out there. We've done the gamut of every possible congregation is looking for a church a temple or a synagogue. I'm worried about the risk once this goes our 1-8 we have lost the site forever. I understand it can still be used for church sites but it's your understanding the applicant's intention is to use it for housing?

>> Laurel Prevetti: To the best of our knowledge, Laurel Prevetti, assistant director of Planning, Building, and Code Enforcement. If in the future this owner or somebody else wishes to use it as a place of worship then they could easily get a conditional use permit underneath this zoning district so it actually adds more flexibility.

>> Councilmember Liccardo: Okay. And I know this is a broader question, we can take offline. But is there someone in the Planning Department that folks can go to when they really are looking for an assembly use for their congregation? Should they be going -- is there a list somewhere that's hidden in the Planning Department?

>> Laurel Prevetti: It is not hidden. Actually it's quite apparent on the General Fund why Website. I have been fielding a lot of those questions. Any of the councilmembers could refer those questions to me. All of our public-quasi-public land is available for worship. We've got our combined industrial commercial property, that's flexible as well as commercial businesses and other operations. I'd be happy to help any nonprofit or other group find a piece of land.

>> Councilmember Liccardo: Thanks Laurel.

>> Laurel Prevetti: Thank you.

>> Mayor Reed: Councilmember Chu.

>> Councilmember Chu: Thank you, mayor. I'd like to thank Councilmember Liccardo for the question. At this point I'd like to move for approval.

>> Mayor Reed: Motion is to approve the staff recommendation. All in favor. Opposed. One opposed, Councilmember Oliverio. Motion carries. 10-1. Item 5.1, memorandum of understanding with the launch pad development company for development of an elementary charter school to be operated by rocketship education. Matt Cano will get us started.

>> Matt Cano: Thank you, Matt Cano deputy director Parks, Recreation, and Neighborhood Services. Brief comments. We are very excited about using this property we had purchased from VTA, this 3 and a half acres, to deliver a school and a park with Tamien community. We can partner with Rocketship and launch pad to meet both of our needs down there and the needs of the community and it will allow to us partner or the long term operations of the facility. This is a nonbinding memorandum of understanding we have before you today and we will continue to flush out the details with the community and with our partners at rocketship launch pad and if this passes today, our partners from rocketship launch pad are in the audience today if there's any more questions.

>> Mayor Reed: I have some council comments and council questions. We'll see when we get to them what they might be. I just wanted to, before we got started, a note for disclosure purposes that my staff has had meetings with Laura Kozel and Eric Schoennauer of the Schoennauer group. And with that I'll recognize Vice Mayor Nguyen.

>> Vice Mayor Nguyen: Thank you, I want to disclose I met with Jessica Cohen and Eric Schoennauer prior to this meeting. I wanted to talk a few minutes about rocketshipship. I am very familiar with the organization. They had one of their schools open in my council district. I'm extremely happy with this MOA moving forward and very

happy to support the staff recommendation. But just wanted to take a few minutes to talk about rocketship. Charter schools in general provide more educational opportunities for parents. These schools have been wonderful additions to our communities and definitely in low-income neighborhoods and rocketship has proved time and again that they are a critical asset for our city and our community. The success of rocketship has been heralded all around the country with record high APA scores, low administrative cost, dedicated teachers, and then using technology to make our students more competitive with the real challenges of the 21st century, rocketship has created a successful model. Again, time and again that gives our students real potential to be successful in the public school system. I also wanted to note for my council colleagues that the -- late last year, in December, the county board of education also approved the addition of 20 more rocketships in the county. So that's really a great success on the part of rocketship and their advocacy. And I also wanted to mention that rocketship will really help us to meet the SJA 2020's stand having all our students test proficient on state assessment, reducing the dropout rate, increasing the retention so for all these reasons, I think that moving forward with this MOA is a great way for us to continue to support charter school and so I would like to -- I'm not going to make the motion because I didn't sign on the memo. But I really wanted to commend the mayor and also Councilmember Rocha and Councilmember Pyle for their memorandum dated May 18th, 2012. Thank you.

>> Mayor Reed: Councilmember Pyle.

>> Councilmember Pyle: I, too, met with Eric Schoennauer and Jessica and I was very impressed with the stats that I heard. And basically, this, too, if I can add one more point, is an extremely good use of land that is helping two purposes. And I think the more we can do that, the better off we're all going to be. There is just so much land to develop so that makes a big difference. But I was very impressed. And God knows with what's happening with education in the state of California and the lack of funding in the state, that whatever we can do to continue to provide quality education for our students, all the better. So with that, I would be ready for a motion.

>> Councilmember Rocha: Go ahead you make it.

>> Councilmember Pyle: I would move to approve.

>> Councilmember Rocha: I will second. Just for the record I did not meet with Eric and Jessica, I'm offended, but I'll still second.

>> Mayor Reed: Councilmember Constant.

>> Councilmember Constant: Well, I did.

>> Mayor Reed: Councilmember Campos.

>> Councilmember Campos: Well, I did not. No, any time we can get -- somebody else to take care of a playground or a park, in a collaborative effort is a win for the city and a win for the community. Just to remind my council colleagues, this is a land use decision, and not an education decision. But it is a very good land use decision, you know good use of land that has been not underutilized but not used at all. So good luck.

>> Mayor Reed: We have one request to speak, Eric Schoennauer.

>> Good afternoon, Mayor Reed, members of city council. My name is Eric Schoennauer and the Schoennauer company represents rocketship and launch pad. We want to thank city staff in particular the parks department and the attorney's office for working with us to bring this memorandum of understanding to you. We want to thank Mayor Reed, Councilmember Pyle, Councilmember Rocha, for your memo of recommendation. Thank you, Vice Mayor Nguyen for your positive comments. And the rest of the council, we have a very good working relationship with the City of San José. And we enjoy the opportunity to bring additional educational options to the families of San José. And with regard to the land use decision, Councilmember Campos is correct. With exception of weeds and ground squirrels, this property has done nothing for the city for decades. We think it's really a win-win-win proposition, the neighborhood wins because they get elements of a playground accelerated in their development, they get a school and the city wins because fiscally you will receive proceeds from our portion of the purchase of the land, you'll also receive funds from lease payment from us and those funds could be used for other park

development or maintenance of parks going forward. In addition, our presence on the site and use of the playground and joint use, we will have to do some level of maintenance of that that will help the city keep the park clean. And then lastly of course it's a win for rocketship because it gives us a site in a desirable geographic location where there are students that we know want to attend our school. So we appreciate the partnership to date and appreciate thank you.

>> Mayor Reed: We have a motion, all in favor, opposed none opposed, motion is approved. Our next item would be 5.2, City Manager.

>> Debra Figone: Thank you, mayor. I will kick this off, and then turn it over to staff. I just wanted to begin by thanking a few people. Dennis and Sandra Fernandez, Mike Solace, bill Oderly and Jeff berg for their tireless efforts in bring this Vietnam veterans memorial to you today. Of course on staff's part, Matt Cano Julie Edmonds-Mares and Ed Shikada. And then full disclosure, I must let the council know that Dennis and I go way, way back. We were recreation leaders together back in the early '70s, hadn't seen each other for years. And Dennis, it was really great to reconnect with you through this process. And with that I'll turn it over to staff.

>> Julie Edmonds-Mares: Thank you, Julie Edmonds-Mares acting director of Parks, Recreation, and Neighborhood Services. It's our pleasure we bring forward this project which would honor the names of 142 known men who have lost their lives from San José in the Vietnam war. Not only have the group sons of San José raised all the design and construction funding both through in-kind and donation but they've also agreed to take over the long term maintenance and capital replacement of this particular monument. This monument will be located in the Guadalupe river park and has been years in the making and I'm glad we're here today to make this recommendation. As the City Manager mentioned Dennis and Sandra are in the audience and we're available for questions.

>> Mayor Reed: Councilmember Liccardo.

>> Councilmember Liccardo: Thank you, mayor. I just wanted to thank Dennis and Sandra and all the folks in the parks department. Certainly Matt and Julie for your willingness to work with Dennis and Sandra to reach a resolution where the community could really be able to step forward and honor those who have fallen in a way that's both respectful and lasting here in the city. I know that a colleague of mine who served in the military probably would more appropriately make the motion but just want to express my very enthusiastic support for this very important memorial.

>> Mayor Reed: Councilmember Herrera.

>> Councilmember Herrera: Thank you, Councilmember Liccardo and thanks for the memo and I also want to thank our parks department staff, especially Julie and Matt for your work and to really make this come to fruition in the community for really stepping in, the Vietnam veterans in this area, we will soon have the opportunity to go to a memorial that will acknowledge everyone who participated during -- in this war and those who served. I served during Vietnam as well and those veterans who are here today, thank you for your service for everyone sitting at the council and the mayor. We commend you for your service and commend you for making sure that the people who fought in this war those who didn't come back are honored. So with that I make a motion to approve this.

>> Mayor Reed: Motion is to approve. Vice Mayor Nguyen.

>> Vice Mayor Nguyen: Thank you and I just wanted also to thank the San José Vietnam war memorial foundation for this historic effort to honor the men who lost their lives during the war. These honorable individuals fought for a cause that has deeply impacted the Vietnamese people. Too often the cost behind their honorable sacrifices and hardships is dismissed by our textbooks and relegated as a detail of history. But we will never forget what they have done and what they've stood for and that is human rights and democracy for Vietnam. So on behalf of the Vietnamese community here in San José I just wanted to thank everyone who is part of this honorable organization, especially Dennis and Sandra Fernandez. And want to let you know your work in erecting this monument will not only be remembered by generations of Vietnamese communities but by many, many families in this community in San José and especially among the veterans, so thank you very much.

>> Mayor Reed: As another veteran of the Vietnam war, I want to thank folks who have done all this work to bring this to fruition for the City of San José. To honor the sons of San José who died in the war, I guess we were fortunate there were no daughters of San José who died in that war. That will not always be the case I'm afraid but we do appreciate the fundraising efforts and are willing to take over the maintenance that allows us to do that in a way that will honor the men and women who served. And I appreciate that effort and look forward to seeing this going up. With that I certainly will be supporting the motion. On the motion, whoops we have some requests to speak, let's not forget to do that. One Carlos Ramirez and Nellie Gutierrez. Juan Carlos Ramirez, Nellie Gutierrez. Sorry, that's not on this item. Got the numbering system confused. We have the motion. On the motion, all in favor, opposed, none opposed, that's approved. Item 5.3 is not going to be heard before 3:00 so we have some time to try get the rest of the agenda done before we take up the agreement around Mise park and then we have items related to the minimum wage initiative to be heard not before 3:30. So we'll move ahead on the agenda to item 5.4, amendment to the city council policy 7-8 on long term use of city park lands for private enterprise purposes.

>> Julie Edmonds-Mares: Thank you. This policy we're amending policies 7-8 which would align council direction on the city's energy fund along with council policy 7-8. So we can optimize long term investments on park land specifically in the immediate future so we can install solar and we can realize the benefit of clean energy in our parks and the savings that will be resulting in that.

>> Mayor Reed: We have a motion to approve from Councilmember Liccardo. Councilmember Campos.

>> Councilmember Campos: Thank you, mayor. Julie, can you just describe to us what we're doing to make sure that when we're building these structures in our parks that you know, in the staff report it said that we would take into consideration aesthetics. And the reason I'm bringing this up is because I brought this same issue up at our T&E committee meeting regarding Kelly park and then those solar panels went up and aesthetically they don't complement the park. Now in a staff report we're going to do everything we can or that we're going to take aesthetics into account. You know that's a jewel of a park and now I'm concerned if Emma Prusch becomes one

of the sites that you know the council or certain councilmembers will bring it up. And you know, if there's an economic reason why we can't do that then you should put that in the staff report.

>> Matt Cano: Thank you, Matt Cano, deputy director Parks, Recreation, and Neighborhood Services. I wholeheartedly agree with you and the parks and recreation commission talked to us about that point as well. It was very important to them to not lose any aesthetics or usable open space in our parks with amenities like solar. As part of your in your packet we added an item K to council policy 7-8 if it's approved today that has two key bullets in it. One is that any installations must match and blend with the architect and design of the park facility and that shall not use available recreation and open space. So having that in the official council policy we hope will give us teeth to abide by it in the future.

>> Councilmember Campos: I just think this is a shame that we didn't apply this to Kelly park because it really is a beautiful park and I think those solar panels detract from it. Especially it's right next to Happy Hollow zoo and the Leninger center. It's a missed opportunity. I'm glad we have it so moving forward we make sure we're being respectful for the aesthetics of our parks, thank you.

>> Mayor Reed: Councilmember Kalra.

>> Councilmember Kalra: In addition to esthetics, and it was raised in part, the usability, that at the end of the day the park is there to be used by the general public, and of course there may be reasons that we need to have solar and what have you to offset some of the costs that those costs go to maintenance or other needs. But that the underlying purpose of the park and I'm being very general because every park has different amenities that may be use act by the public but that that's not lost as we go through this process. But otherwise it's a good direction to go forward with. I was wondering if you could explain what recommendation number 2 means. It's a little confusing in the wording. In layperson's terms what is the objective of number 2?

>> Julie Edmonds-Mares: I'll ask Ashwini Kantak from environmental services to clarify come down and clarify, thank you.

>> Councilmember Kalra: I'm not the only one that's confused a little bit. And for the public it says, the second part of the conditions, modify the restriction on reliable compensation under early termination to remove the constraint that the compensation amount be restricted to the lesser of the unrealized amortization of the capital investment or the fair market value.

>> Mayor Reed: I thought that was very clear. But I think it could be clearer. Ashwini.

>> It's on. Just relates to the contract terms that we have, in terms of the power purchase agreement we have. So that if we did have to terminate early, I think the park's not on the hook for making up any of the money. And Matt do you want to add to that?

>> Councilmember Kalra: Okay, and so that's where the restricted to the lesser of the two just to ensure that there's not a -- realize liability that's created, if for some reason the contract has to be terminated?

>> Matt Cano: Yes, and original council policy 7-8, this is language that accommodates that type of agreement.

>> Councilmember Kalra: Okay, thank you.

>> Mayor Reed: I think that concludes the council discussion. I have no request to speak on this item. We have a motion on the floor. Councilmember Liccardo's motion. On that motion, all in favor, opposed, none opposed, that's approved. Item 6.1, actions related to the airport shuttle bus reduction. We have a motion and second. Yes we do, we have a motion to approve staff recommendations on that motion. All in favor, opposed, none opposed, that's approved. Next item is 6.2, regarding the LED street light conversion program.

>> Debra Figone: We do have a brief presentation mayor.

>> Mayor Reed: All right. Hans Larsen.

>> Hans Larsen: Mr. Mayor, members of the council, I'm Hans Larsen the director of transportation. This item regarding our LED street light conversion program was discussed at the May 7th meeting of the transportation and environment committee. Also acknowledge the additional memo from May 18th from the mayor and councilmembers Liccardo and recycle plus! given the full agenda I have the option of addressing any questions, we also have the full presentation, whatever the pleasure of the mayor and the council are.

>> Mayor Reed: Let's see if we have any questions. Councilmember -- we don't have any questions so I don't think we need any presence, you already did the presentation at 10th.

>> Move approval.

>> Mayor Reed: I assume that includes the May 18th memo?

>> Councilmember Rocha: I was just being.

>> Mayor Reed: All in favor, opposed, none opposed, I'd like to comment on this. I think this is an opportunity to once again work with other people's money. Because there are folks in the industry that are willing to put together packages that allow us to not have to pay for it. Except out of savings, and we've used that concept with solar projects and hopefully we can extend it to that, we'll see how the RFP, RFQs and RFIs come in. We'll move on to the 3.2, the convention and cultural affairs budget adjustments. Councilmember Constant.

>> Councilmember Constant: Thank you, mayor. First I'd like to make a motion to approve and then I'm make a brief comment.

>> Mayor Reed: We have a motion on the floor.

>> Councilmember Constant: I'd like to acknowledge, I know we talked about this quite a bit at the Public Safety, Finance and Strategic Support committee but just to underscore the immense progress that has been made by Team San José in relation to the financial picture, and performance we've seen quite a stark change in the direction of the numbers, and just wanted to say that while we're making changes to the budget we're making them for the right reason this time that's because they're making more money and more sales and needing less of an investment from the city in our convention center while increasing the T.O.T. funds. So I think this is a very good thing and I just want to thank them for their continued good work and hope that it keeps going in this direction, thanks.

>> Mayor Reed: We have a motion to approve the recommendations. On the motion, all in favor, opposed, none opposed, the motion is approved. Item 9.1 is a merged area redevelopment project revenue bond series 1996 and series 2003, J.P. Morgan letters of credit extension and coordination for the successor agency for the Redevelopment Agency, et cetera.

>> Yes, a big mouthful, so good afternoon, mayor members of city council. Julia Cooper, acting director of finance. I just wanted to make some brief comments on this letter of credit renewal with J.P. Morgan. As you recall last fall we worked very diligently with J.P. Morgan and at the state level too, to secure an extension of the LLC with the impending dissolutionment of redevelopment agencies across the state. The memo provides a detailed history of our relationship with J.P. Morgan dating back in 1996. In the fall last year J.P. Morgan agreed to an extension of the letter of credit to July 1st of this year and so now we are at that renewal period. And we have before you today, recommendation to renew that letter of credit to July 1st, 2013. It still is very difficult to secure these letters of credit both because of the depressed real estate market, and the impact it's having on tax increment revenue, and then also undertainties surrounding the implementation of the legislation. In terms of working with J.P. Morgan, the terms of the extension agreement before you today, the annual fee remains unchanged at 2.25% of the commitment amount from J.P. Morgan. There are changes in fees related to both upgrade of the agency's rating, the fee would go down by 15 basis points, and then there's a graduated schedule, if the redevelopment agency credit rating was decreased and the fees would increase up to 3%. There are 17 properties in which -- held by the Redevelopment Agency in which J.P. Morgan holds first liens, and as part of the

extension of the letter of credit when those properties are sold, 100% of the proceeds will go to pay off the debt associated with J.P. Morgan. That does have the benefit of reducing the letter of credit fees and reducing the debt service on those bonds. The \$5 million reserve that was established in October of 2010 remains as part of the extension of the letter of credit. There will be similar actions taken by the oversight board on Thursday, and the executed letter of credit needs to be delivered to the fiscal agent no later than June 6th of this year so we can proceed with notifying the bond holders that's that there is an extension in place. So with that I'm here to answer any questions.

>> Mayor Reed: Let's see if there's some questions. Councilmember Liccardo.

>> Councilmember Liccardo: I just wanted to commend Julia and her team for being able to get this extension in place, particularly at the same level of fees. I think that's, given everything that's going on in the background, particularly legally around the dissolution of the Redevelopment Agency, I think it's a great success, so kudos to you. And I think J.P. Morgan is smart to extend it, because I think we're a good risk, at least we're a lot better risk than some of the other risks they've been taking very lately so thank you.

>> Second.

>> Mayor Reed: All right. We have a motion to approve. Councilmember Oliverio.

>> Councilmember Oliverio: Julia, what things would affect the bond ratings to go lower, and then thus affecting the rate from J.P. Morgan?

>> It could be a continual decline of revenue coming into the taxing entities, that would be one area that would potentially result in a decline, and if the agency didn't pay its debt, which we anticipate they will pay their debt.

>> Councilmember Oliverio: Not paying their debt is defaulting, is that right?

>> Yes.

>> Councilmember Oliverio: So that would definitely affect the rate, which increase their rate to us and we would have to pay more.

>> Yes.

>> Councilmember Oliverio: And on the general time frame of things, obviously it takes time to pay off the bonds, what's the time frame that the letter of credit actually gets paid off? That's probably sooner than the bonds?

>> No, the letter of credit stands behind the bonds. So basically the bond holders are looking to the credit of J.P. Morgan for their payment. So the letter of credit basically, we look for a renewal, at this point it's every year, in order to back the bonds that have a final maturity of about 25 years from now.

>> Councilmember Oliverio: So we'll have a letter of credit for approximately 25 years?

>> Yes, unless we can find another alternative like fixing the debt out.

>> Councilmember Oliverio: But another provider could provide us with a letter of credit?

>> Yes, yes, and we will examine those opportunities as the market provides itself an opportunity to look to see if others would like to provide a letter of credit.

>> Councilmember Oliverio: And of all the entities in the world that could provide a letter of credit, is it a small pool, or a large pool?

>> No, I mean, it is a fairly large pool, it's all your big banks basically in the single A rated category, Wells Fargo, U.S. bank, those types of things.

>> Councilmember Oliverio: Thank you.

>> Mayor Reed: Well, it is not a large pool of communities that could do it, and I want to thank J.P. Morgan for staying engaged with us since 1996. Because their participation as the letter of credit provider has enabled us to save millions of dollars in cost for the bonds. Which is the reason it was structured this way, and they've stayed with us even though this is a short-term obligation they've renewed it many, many times. And despite all the things that have gone on in California with redevelopment and the changes, they're staying engaged and we appreciate that. And I know last fall we were working with them to try to straighten out state law successfully in order to allow them to continue to participate as our lender, and we appreciate this. So with that we have a motion to approve the recommendation. On that motion, all in favor, opposed, none opposed, so that's approved. Okay, I think we're down to what's noticed for not before 3:00, that would be the Mise park matters. Is there anybody here that came for open forum that doesn't want to sit through four hours of public testimony before we get to the public forum? We're expecting quite a few people to participate in the items later on in the agenda. All right, we're going to -- Ross Signorino do you want to speak on open forum? Okay. We still have on the agenda the actions related to Mise park and the minimum wage initiative. I think we have disposed of everything else.

>> Thank you, Mr. Mayor. I'm not used to this forum that you got going before the agenda's over.

>> Mayor Reed: You can wait till the end if you want to Ross.

>> I beg your pardon?

>> Mayor Reed: You can wait till the end if you want.

>> I doubt you'll listen to me each then. But nonetheless what I want to do is take the opportunity to congratulate the law enforcement organizations in this area. Including the federal authorities as well. As bringing to a conclusion this girl that was abducted here, in what is it, Gilroy, or whatever. Nonetheless, it is a great

employment that we have someone some a suspect of course we don't know whether he did it or not and according to our laws in this country he is still a subject until, the convey they searched the grounds and everything to try to come up with some evidence, and then our law enforcement agencies, how thorough they were in keeping after the situation and finally we do have a suspect here in custody. And I'm -- want to congratulate them all right now at this open forum. Thank you, Mr. Mayor.

>> Mayor Reed: All right, we're going to take a recess before we start the Mise park matter at 3:00. So we'll be recessed until then. [Recess]

>> Mayor Reed: Good afternoon, I'd like to bring the San José city council back into session. For the items not before 3:00, the items related to Mise park which is item 5.3. We're going to take that up now and then we have another item regarding the minimum wage initiative which we'll take up not before 3:30. So with that we will take up 5.3. Councilmember Constant.

>> Councilmember Constant: I think if we could do the staff presentation and then me.

>> Mayor Reed: Okay. Staff presentation. Over to Julie Edmonds-Mares.

>> Julie Edmonds-Mares: Thank you, Mr. Mayor, councilmembers. Julie Edmonds-Mares acting director of Parks, Recreation, and Neighborhood Services, and I'm joined by deputy director Matt Cano, senior landscape architect Glen Rock, and Andrew Crabtree from planning. We're going through this presentation. In 2008 the mayor and council approved the community sports field study, a collaboration between the Department of Parks, Recreation, and Neighborhood Services and a group of concerned local citizens who at the time were dissatisfied with the City's sports field infrastructure. If city identified many challenges exist in creating and operating a successful network of sports facilities can meet the needs of the residents and the City of San José. During the community meetings during that study individuals and groups voiced their passionate need to access safe well maintained sports fields to which they could pursue competitive recreational was. The need to increase an inventory of sports fields because of a significant citywide shortage. At that time there was a service gap identified

of 72 diamonds, and 57 rectangles. Strategies outlined in the study to address that gap including the need to develop future high use fields so we could maximize hours of play. On addition, that study also recommended that we work with partners to identify opportunities for shared development and joint use. To achieve the goals outlined in the sports study a new capital improvement priority was developed in the Parks, Recreation, and Neighborhood Services department to joint use agreement such as Leland in council district 10 and other opportunities were sought throughout the entire city. Within council district 1 where most of the land was belt out conversion was pursued. After an analysis of viable options within the district Mise park was high quality sports fields in the western portion of the city. Therefore site evaluation was initiated by city staff as a project. After we initiated the project, we outreached to every current user including archbishop Mitty high school. Following that initial outreach we learned that the high school was interested in joining interests with us and we began to discuss potential partnership options. So I'm now going to turn it over to Andrew Crabtree who is going to make a few comments from the Planning Department.

>> Thank you. Planning division staff conducted an analysis of the potential environmental impacts of the project in accordance with the California Environmental Quality Act or CEQA. Concluded based on the analysis that there was no potential for the project to result in any significant impact upon the environment. The summary of this analysis including supporting materials was provided to the city council as part of the project staff report. Because the project by and large consists of the replacement or reconstruction of existing structures and facilities at an existing and presently used park where a new structure being located on the same site purpose and capacity as the structure replaced the project was found to be exempt under CEQA. The proposed project exists of lighted soccer and softball field with an artificial turf and lighting study for the new field lighting, the lighting study concluded that while the new field lighting would increase lighting levels on John Mise court that increase would be minimal consistent with conditions of a minor street with a medium level of pedestrian activity as determined by the illuminating engineering society's American national standard practice for roadway lighting definitions and standards. Therefore because the project would result in the appropriate level of lighting for a public street, the project would not have the potential to result in significant light or glare impacts to the surrounding properties. Staff also reviewed the material safety data sheet provided by the artificial turf manufacturer and found that there is no risk from hazardous materials from the proposed artificial turf material. The consumer product

safety commission has also evaluated synthetic turf and inside synthetic turf dots not pose a health risk due to lead related to sports injuries and concluded that there was evidence of an increased risk for potential exposure to such hazards other ill health effects associated with artificial turf and turf fields staff also conducted analysis of as noted the project includes the replacement of natural turf with artificial turf, replacement of existing fencing, the addition of new fencing for typically 40 feet in height with new poles that will be 60 feet in height, and the addition of one new city foot tall light standard. Project also includes the Republican of eight trees and the planting of 44 new trees, the the very minor alterations that result from the project and the fact that the project would not obscure any scenic views or otherwise result in a visual impact as defined under city policies staff concluded the project does not have the potential to result in a visual impact. Staff in the Department of Public Works evaluated the project's proposal as defined under the city's transportation level service policy this analysis determined that the project could need to generate at least 200 new peak hour trips at either the Lawrence suppress way and Mitty park significant impact because the project at most would possibly result in the diversion of 30 the likely already existing peak hour trips into one of these intersections there is no possibility that the project would have a transportation environmental impact. So in conclusion, staff analysis has determined that the project does not have the potential for an environmental impact under CEQA and it is appropriate for the project to be declared exempt.

>> Thank you, Andrew I had a brief staff presentation to give right now.

>> Matt Cano: The image on -- as Julie mentioned the image as part of the sports field study we're looking to expand playability of our sports fields throughout the city. All of the dots on the map in front of you show current or planned artificial turf field sites throughout the city. We're trying to -- we're not trying to put artificial turf everywhere in the city but we are trying to ensure that every community has geographic access to an artificial turf high use playable sports field site. The green city owned property the red dots would be partnerships with school district property. The Mise park project out in West San José is the dot to the western edge of the map. Adjacent to highway 280. As Julie mentioned we evaluated where we could put an artificial turf high use site in West San José and unfortunately we were not able to identify any partnership sites on school district property and we looked at a conversion site of an existing city park. We -- Mise park as shown on the aerial on the map it is an

existing lighted reservable city softball field it is also a reservable soccer field. After selecting and proposing this as a city projects to convert there into artificial turf we did approach Mitty high school, a very close neighbor adjacent to Mise park and asked them if they wanted to partner with us on the development. I'll talk about that partnership on a accompanying slide julie and Andrew mentioned as well, parking and traffic, shared use with Mitty, artificial turf and the fence at the site lighting and alternate locations that could have been considered. Regarding the partnership with Mitty back in November 2008, the voters of San José passed measure M which ultimately ended up as part of enacting council policy 7-8 which allows us to enter into long term partnerships on city park land with private entities of up to 25 years as long as it was enhancing the recreation of that park. We approached Mitty under -- as part of council policy 7-8 related to partnering us on sports field at Mise park. One of the things I wanted to point out as part of the joint use mitty would essentially use the park the same hours they are using it today. Right now 3:00 p.m. to 5:30 after school on school days for their sports activities. As part of the proposed agreement they would be using it from 2:35 to 5:30, after school school days and not during summer. In addition to that they would get 20 annual hours of use during the evenings and weekends. Part of this joint use agreement Mitty would essentially have the same use as today. Any hours outside Mitty would have to go through the standard reservation process. Parking lot on the site to accommodate to alleviate the parking needs for the sports field and the park. Suns we do not need that extra parking during the school day because we are typically not reserving the sports field during the school day we are allowing -- recommending to allow Mitty to use their parking for their students only during the school day. In exchange for this Mitty is going to provide a substantial contribution towards the construction of these fields. They will provide full maintenance ongoing of the entire park. The only thing that they will not be maintaining is the restroom and the playground. The restroom will be continued to be maintained through our custodial contract and the playground will continue to be maintained by city staff but Mitty would maintain the entire rest of the park including the artificial turf sports field and any field outside of that as well. It's important to note that the city staff and Julie's team will still be responsible for the maintenance of the park and Mitty would be working for the Department of Parks, Recreation, and Neighborhood Services to maintain the park. And for the parking I Do did want to point out that Mitty would not get the use of the existing parking of the park during the school day just the 30 new spaces. Community outreach there was five specific discussions with the community colleges on this project. First meeting with the community was october 26th, 2011. Additionally we met with sports users of the Mitty -- of the

Mise site on January 21st, 2012. We held a hearing at the February and the March parks and recreation commission on this item and there's an additional community meeting on April 2nd at Mitty high school. This is, I'll just show real quickly is an additional proposal that was shown to the community on the prompt. Moorpark away from the freeway you can see the existing the green would have been the new area of the park, of the project and the white lines are the existing radius or the perimeter of the softball and soccer fields. After receiving some community feedback we have the proposal that we're working on right now. It is a -- or as Andrew mentioned 30 parking spaces to the northern end of the park adjacent to the 280 freeway which will allow us to activate that space a little better and not put the parking in the middle of the park. As Andrew mentioned we've done a lot of research. There's a lot of online studies from the connecticut Department of Science and engineering and others regarding artificial turf and all these studies point to it as being safe to use. As Andrew also mentioned as far as the parking a concern of the community has been the students that will be using the new parking lot, make left turns in and out of Moorpark before and after school. We have looked at the carrying capacity of that intersection and that intersection can accommodate that additional carrying capacity. The fence originally our proposal, we had a number of different proposals because we were brainstorming on what would be appropriate or not for the fence but originally we were looking at a much higher fence than four feet. It would have been galvanized steel chain link and not really have many access points. So through hearing from the community and working with everybody on this project, what we're proposing now is there will be a fence around the artificial turf sports field but the fence for most of the fence it will be four feet high except in the back stop area behind the softball and the goals behind the soccer field. There will be a number of openings in the fence so that when the field community is always going to be able to walk on the field when it's not being reserved by somebody else just like it is today. The openings will not have gates in them so play their pick up game on the field without having to reserve it. As long as it's informal pickup and impromptu play. There's a purple line around the perimeter of the park, the purple dashed line. That's the extent of the lighting. And as Andrew mentioned that is within the city street light standards. Trees we are removing eight trees as part of the -- proposing to remove eight trees as part of this project but we will be installing about 44 trees back into the park and we will be allowing some small four by six storage containers for Mitty high school to use to keep their equilibrium in the park but they will be very small and inobtrusive containers. Proposed schedule, we're proposing to award the contract next month. It's currently out to

bid assuming we get approval today of the joint use agreement. That would allow us to start construction in a few months and open the project by spring 2013. With that I'll briefly turn it back to Julie.

>> Julie Edmonds-Mares: Just in summary. As we know demands for parks and recreation services public funds and so partnership opportunity presented here today is a way to leverage those limited city resources. Leveraging it in a way that addresses the citywide sports field shopping and a way that provides correctional and ports fields way representatives from archbishop Mitty is in the answer and with that staff is available for questions.

>> Mayor Reed: Councilmember Constant.

>> Councilmember Constant: Thank you, mayor. First of all I wanted to thank the parks department for all the work that they've done. As many of you may know already there's been significant public interest in this particular project. So with the cooperation of PRNS and my office, we slowed down the process considerably to ensure that we had a number of meetings, in fact we added meetings so that we could have five community meetings and we played particular attention to make sure that the staff memorandum was out far ahead of time so that people had quite a bit of opportunity to review the staff memorandum. And as well I put my memo out on the topic 11 days early. We wanted to make sure that everybody had an opportunity to see what is happening and to have an opportunity to engage the residents and also of course all the councilmembers. What I'd like to do Mr. Mayor, if it's okay with you is make a motion, assume that if it gets a second that we move into hear from the public and then come back and I'll address the motion and we can have our discussion. Is that okay?

>> Mayor Reed: All right, go ahead and make the motion.

>> Councilmember Constant: So my motion would be to accept the staff recommendations in their memorandum dated April 30th and noting that we would be dropping item B of the staff memorandum to proceed with the agreement with Mitty high school for the funding renovation operation maintenance and joint operation of John Mise park Additionally to direct staff to direct the installation of a neutral fencing such as green or black around

the fields instead of the galvanized steel so that the fence has visual -- minimal visual impact on the aesthetics of the park.

>> Mayor Reed: All right, we have a motion on the floor, do I have some requests from the public to speak. Which I'd like to take now. Now we have a lot of people want to speak on this and there's an even larger crowd coming here in about 15 minutes so we need to get this done in time to handle another lengthy item. This afternoon so I'm going to be limiting testimony for the rest of the afternoon to one minute per person. That way we'll have opportunity for everybody who wants to speak to be able to speak before we run out of time. So when I call your name please come on down towards the front so that you're close to the microphone. Jim Garina, and if I mispronounce your name it's because I can't read your handwriting or I can't pronounce your name I'm not sure which but if I get it wrong please let me know when you come to the microphone. So Jim Gorin, Harry Gingresky, Cheryl Gingresky.

>> Dear Mr. Mayor and members of the city council. I do not believe that the proposed sports field renovation plan and joint usage agreement with Mitty high school as it currently stands is in the best interests of the neighborhood or the community adjacent to John Mise park. I hope that the mayor and the city council do not approve of this proposed renovation. I believe that the neighborhood in district 1 community is entitled to a financial breakdown and false of how Mitty high school's one time investment qualifies for 13 years of exclusive use of a park from 2:45 to 5:30 p.m. Monday through Friday during school year of 41 weeks. Plus an additional 20 hours of exclusive use per year and agreement -- usage per year with a parking lot of 30 spaces from 7:00 a.m. to 3 p.m. The usage agreement also has an option to build up to three equipment storage units on the park property. How is any of this a benefit to the neighborhood community? And the city claims to have a budget crisis. So why would the city beaped over backwards.

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

>> Thank you.

>> Mayor Reed: Harry gingeresky, Cheryl ginger Esky Pat Piso.

>> San José is under a heavy budget constraint and yet the parks department and district 1 councilman are pushing to rush this influence this joint usage plan and everybody read through this proposal you will notice that the initial cost of potential shortfall of billion \$260,000. In addition after its useful life, approximately \$807,000. These costs alone total \$1 million. Who will be paying this cost? The city and its citizens or Mitty high school? I think this is a lot of money to absorb just to build an exclusive sports field for the private use of one party. Therefore, I ask that this proposal not pass or at a minimum be postponed until a complete analysis can be done to determine the effect on the city and Mise park thank you.

>> Mayor Reed: (saying names).

>> San José has established the goal of improving the quality of life in our city . For the citizens and residents who reside there. If you approve the takeover of John Mise park, to archbishop Mitty high school, our park is no longer a neighborhood park. As stated on the Website of John Mise park. Could you explain where our kids who reside in our area are going to play? How is their quality of life improved? Not to mention that of the adults. I'm asking you to please vote against this takeover. And let us have the quality of life you so graciously speak of. I'm asking to you go back to the general plan of San José and read it. On one hand you preach the quality of life.

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

>> On the other you take it away.

>> Mayor Reed: Your time is up. Pat Piso and (saying names).

>> My name is Pat Piso. I'm a resident of district 10. Services that can no longer be accomplished within budget limitations. Nongovernment agencies can provide services as effectively and for less cost than the city. In this instance, Mitty won'ting pain city salary city benefits and city pensions, so what exactly is the commitment from

Mitty? This agreement is essentially the home field model was discussed in a series of sports field community meetings over the last few years. Various sports organizations, approached the city to inquire about a home field opportunity based on direct and in-kind contributions. Were these groups contacted concerning the intended use of Mitty? Was there an RFP where participants in the sports field presented equal opportunity to discuss an agreement? These agreement between a private school and the city for an existing city park is a poor precedent. Please do not approve this.

>> Mayor Reed: Bill Bruns, Bernadette Crowell and Lopez.

>> Hello, I've seen a document just today, that seems to say that residents are already being turned away from the park. I just saw though that it is year old, so it seems like a year ago, plans were made to turn citizens away from this park during the summer of this year. I don't know whether this park changes will represent a positive or a negative. But I do know that the appearance of what's going on here is the appearance of government and a well connected private party, just ignoring the comments of the citizens. We have a number of citizens who are already on the record opposing this. That is in the record of this city council agenda. We have numerous meetings where people have opposed this. And there has not been any visible on the record black and white support for this. Although I hear there is support --

>> Mayor Reed: Sorry, your time is up. Our next speaker is Bernadette Crowell, followed by maranine Lopez.

>> Prue. According to the alignment the project is consistent with council policies that seek innovative partnerships with school focused on long term benefits for farmers. This is John Mise park. This is what you're taking away from the families. These are berms and this is what we are left with in our neighborhood. There's going to be a fence and I understand there are 44 trees in your thing you sent out it said 38 trees minimum. Where are those trees going? Are those trees going around the fenced area? If they're not, why couldn't the fence go around the perimeter instead of blocking off this whole area for families to play in? Thanks.

>> Mayor Reed: Arinine Lopez, Mary Matthew, Sarah ready.

>> Lavonine Lopez. This change will -- this renovation will change the underlying purpose of this park. Right now, we have a neighborhood, or community park, depends on who's talking, that is used for the purpose of having fun by all the ages that live there. The proposed renovation will convert the park from a well used well run park to a four by 16 foot fence. The 16 foot is usually left off in the verbal descriptions. Between the fence and the street there will be a small mostly hilly grassy fringe. Our district is determined to have the least park area in the city, with this renovation, we'll have one less park. I understand why Mitty likes this proposal. They want more sports fields. They're going to -- we're told they're goods to just use it a couple hours a day after school. I resent that picture of young school age children playing soccer because that's when they would use the field when Mitty is being given it.

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

>> Thank you.

>> Mayor Reed: Mary Matthew ready and Rajan Matthew.

>> I'm a resident and taxpayer near John Mise park. I'm here to urge you all to vote no on this proposal. It's a place where the neighborhood gathers to have picnics, play volleyball and fly kites. If this proposal goes through it takes away the openness that we as neighborhood enjoy. Near John Mise park so I'm here again to urge you all of you to come and visit that park to see how it looks like and what you think about it before you go and vote for this proposal. Thank you.

>> Mayor Reed: Thora ready, Ron John Matthew, headrick.

>> Distinguished guests, councilmembers, I want to bring from health point of view, contains metals and lead and benzene, et cetera. Lead is very important and will lead to the -- especially children mental behavior and other things as you know. Second one I'm concerned a lot of studies they say pro and con, bacteria, this is a deadly

resistant bacteria that is seen mostly in hospitals and nursing homes, but reality bacteria multiplies, as some of the studies have shown. So then there is the abrasion or injury, children are sports students or they can get --

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

>> One more thing sir. One second.

>> Mayor Reed: I'm sorry your time is up. Ron John Matthew is our next speaker. Randy headrick. Mia headrick.

>> I implore you to vote no on this proposal. I urge you to not vote along with our hostile and arrogant councilman, Pete constant, and the 6 to 2 negative vote from the parks commission and not rob us of this open green space in the name of joint use. Alternative larger acreage and more central to district sites are perfectly discarded and not brought up by Mr. Cano. This proposed joint use has mitty high school with a larger field dedicated fence and dedicated parking with minimal financial benefit to the city and to us the taxpayers. Why did Mr. Constant and PRNS not consider an alternative model to increase Mitty's fees or impose maintenance requirements on Mitty's requirements for wear and tear for which they only pay \$4th per hour, why did Mr. Constant and PRNS --

>> Mayor Reed: Sorry, your time is up. Randy headrick, Mia head Rick, Scott headrick.

>> I only have a few words to say and I don't know a lot of things about you know, the city today. Whatever. Anyway, I came here just please, city members, please save the park for our next generation. Our kids. They need nature. Not artificial things. Right now, you know, we already have a lot of artificial things, along us. We really, really need the nature for our next generation. Schools should teach kids how to appreciate the environment. Please, save our park. Thank you.

>> Mia headrick, Scott headrick and many drum.

>> My name is Mia headrick and i've come to ask you one question. We have a public library near our school, it just got remodeled. I'd like to ask why you use the money to make this sports field. Why don't you use the money to support this library or many other libraries or schools. Please vote no to taking over this park so you can use the money for education. Thank you. [applause]

>> Mayor Reed: Scott headrick followed by Mani jarra and Poon.

>> I'm Scott headrick I live right near Mise park and I want to ask you to please vote no on this proposal. This proposal would make this neighborhood green space into are artificial turf parking and storage for Mitty high school. And to the neighborhood, this is -- means destruction of this wonderful open green space for us. More than 1200 people signed an online petition opposing this and all of the voices in every meeting have been against it but yet this seems to go forward. The contribution of Mitty is less than 10% of the total cost and I think we don't understand the total cost over the time, with replacement and others. So please, save this open green space for the neighborhood, for our children and for the City of San José. Thank you.

>> Mayor Reed: Mani Jayay, and amount of J.

>> City council, please I have a report here which indicates that these kids who are shown here, if they play on artificial turf they're twice as likely to have catastrophic knee injuries, these are life changing injuries that will lead to disability down the road, 40 or 50 years old, and not like our councilman here will not have the luxury of being able to double dip. still be on the turf and it will not go away easily unlike it does on grass. You have a hygiene problem where potentially kids are going to play, they're going to roll on and pick up more diseases. You're also going to weighs more water, spend more money replacing the turf so this is rather than a win win proposition this is a lose lose proposition. It is a lose lose proposition. So please, vote against this measure. Thank you. Here's the report.

>> Mayor Reed: Roy Poon A.J. Andean Viscaro.

>> I'm a homeowner, taxpayer live few blocks from the park. I'd like you to propose this plan that none of the residents want. During the park commission meeting the commissioners suggest that to have parks Calabazas park less than two miles away in district 1. That park already have infrastructure which include parking, fence and three existing soccer field. My question to Councilmember Constant and also parks, you already have one that's nearby. Why are you taking away the neighborhood park that's enjoyed by everyone and including to city Greenprint, this is the most underserved area. The only open and green field in the neighborhood where our kids and everybody use it. So why are you fencing in a block to serve a 45th high school where they generate they charge \$30,000 per student? And how is that a partnership --

>> Mayor Reed: Sorry, your time is up. Our next speaker is A.J. and then lore 8 and Danya.

>> My name is A.J. I live a few blocks from John Mise park. I think the park should be open to residents. I think the residents should be able to enjoy it instead of being on artificial turf. I go there a lot, and I really like it there. I think it should be free and I don't think there should be fencing there. Thank you for your time.

>> Mayor Reed: Lorraine Pescaro, Donya and (saying names).

>> Hi I'm a resident of the community neighborhood 25 years. Enjoyed it immensely. There's all kinds of controversy about artificial turf. To say that there's no problems with it, I think is to ignore some of the information. I want to thank a lot of the neighborhood people who really were up on this with numbers, because that's not where I'm coming from. Parks are green, open space. Not where you're running and you bump into a fence. We have lots of people using that park. And they would probably like to have the freedom as I would to run across the (inaudible) park and not have to go and find the entrance where the fence is. Parks are not about fences. We have soccer, we have softball, we have the community. We just need the field to be taken care of.

>> Mayor Reed: Sorry, your time is up. Donya (saying names).

>> Good afternoon. I hope it's not too late but today I've taken time off school to convince you that John Mise park should stay. First off, at school we are taught to preserve national greenery. But by replacing John Mise park with artificial turf we are doing the opposite. John Mise park is where I go to get fresh air spend time with friends and it's a great view from my house. By taking away the only walkable park within my house that would leave me with no place to do that so please leave the park as a park. Thank you. [applause]

>> Mayor Reed: Giante Susan Antoinette and J. Wong.

>> Thank you for doing the right thing. Taking away the green space, the wide-open area to artificial turf and fence is not good for anybody. Traffic is already a concern in the morning, to get out, and with all the high school students that would be coming into that John Mise court road. It is really a concern because already it's a lot of traffic during the peak hour between 7:40 to 8:00 and when the school is up and with high school students who are going to use the parking lot that is going to be reserved for them it's my concern. And this is the only neighborhood park in that area and taking away that is like taking away what the city is supporting. Thank you.

>> Mayor Reed: Susan Antonetti, Jan Wong, Jaya Gopal.

>> The population in San José is one million or so. Ask yourself this: In the City of San José or even in District 1 alone will the number of people who will be utilizing this make field outnumber the one who are not? The answer is no yet here is the city proclaiming that this is what the people want and here is the city ready to spend millions and tremendously bad economic times to do it. People are being laid off taking pay cuts losing their homes, young adults can find entry level jobs yet here is our city ready to spend \$3.5 million for this field. Where could that money be spent that would add value to all San José residents? The tuition is 2 K a year. These folks are quite well-off. A pittance for what other leagues play. Why is the city giving Mitty a ridiculous handout for the pithy 10% they are giving? According eight gigantic.

>> Mayor Reed: Ma'am sorry, your time is up. Hello, your time is up. Chan Wong, Jaya Gopal and then Athena chow.

>> I live in the neighborhood and I use John Mise court every day. The upgrade calls for 30 slots to be reserved for Mitty students. That means 30 students will come into John Mise court definitely more unless those 30 students have a permit system because more will try. Peak time therefore would be 7:30 to 7:50 not 7:00 to 9:00 or 4 to 6 according to the engineering report. In fact I stood there one morning, 7:30 to 9:00 and only one car made a left turn. If half the students make a left turn from Moorpark into John Mise court, you are increasing the traffic 50 times. I have not heard any reply to my concern except a statement by the engineer saying we will get back to you. Thank you. [applause]

>> Mayor Reed: Jaya Gopal, Athena chow, Bernadette Gilaine.

>> Good afternoon, everyone and my advance thanks to all of you for saying no to this proposal. This park is not just used as a sports field. It's very much used by seniors who stroll there, people getting fresh air, kids to roll around and play dog trainers, dog walkers, I can give a continuous list. This should not be fenced or for that matter anything else. Replacing the turf with artificial training field, friendly atmosphere and ecofriendly living and are we in San José against that? Then if several homeowners have invested their money there just being attracted by the open grass ground don't shatter their dreams and ideas. If Mitty wants artificial turf they have a big artificial turf and if the city wants to develop sports fields they can answer --

>> Mayor Reed: Sorry, your time is up. Athena chow is our next speaker followed by Burget Jilaine.

>> Sorry, I'm terrified. Okay. I'm sure that you have endured the frustration of trying to find a parking space at a popular location, or even tried to parallel park in a tight and unmarked space. Well, the city has made it even more difficult to park by painting approximately 50 feet of curb space red. Now imagine that frustration and picture that this lack of parking space is right in front of your own home that you had been living in for 18 years. My family the residents of strawberry square and other people have endured and even shared the parking spaces that Mitty students have selfishly taken when school is in session. Not only do they make it dangerous they have parked on John Mise park in the spaces that are meant for residents. Why should a private school be allowed to take over a

public park which benefits the community the residents the chirp and their dogs, I have two dogs by the way. My parents are taxpayers and should be allowed to enjoy the park that is essentially our backyard. because of that park.

>> Mayor Reed: Sorry, your time is up. Next speaker is Berget and Shawna Nixon is the last speaker.

>> I have lived in strawberry square for 39 years. Strawberry is right next to John Mise park. I'm opposed to the artificial turf. I'm opposed to the fence being put in our neighborhood park. But I think most of all right now I'm opposed to eight California redwood trees being removed for parking spaces. I any that's unconscionable in California to take out eight redwood trees to put in 30 parking spaces. I see up on the board that Mitty is contributing \$175,000. The last e-mail I got said \$375,000. Even that is not much for a \$4.1 million project. Actually, I'm not opposed to Mitty, that's fine with me but I am opposed to the turf and the fence and the parking. Thanks.

>> Mayor Reed: Shawna Nixon on.

>> Hi, I actually came here about the minimum wage ordinance. But listening to everybody speaking, everybody's talking about how they need the open space. How they need there to be no fence and natural turf. And nobody, nobody is talking about needing a high use field. Nobody. And so I'm just wondering, you know, why we're going forward with this? When the whole community needs this park the way it is. I can see upgrading it to have artificial turf and no fence. But this whole proposal makes no sense to me. Thank you.

>> Mayor Reed: Councilmember Constant do you want to speak to your motion?

>> Councilmember Constant: Yes, thank you Mr. Mayor. First of all before I get into the substance there was some question about the financial contributions of the city. Matt or Julie can you clearly explain where these funds come from, and the impact on the General Fund please?

>> Matt Cano: Sure, thank you. And there's only one page of the recommendation up on the screen so on item A-2 of the recommendation there is \$3.5 million in capital funding of the city that is going into this city and that is funding that is restricted and it can only be used on construction projects. It cannot be used for operations and maintenance.

>> Councilmember Constant: So there's no General Fund impact?

>> Matt Cano: Correct.

>> Councilmember Constant: So first of all I just wanted to acknowledge as everyone can tell there's considerable community input and concern about this project. And it's never a happy or comfortable position to be in when you have to oppose the people you serve in your district. But I wanted to recap a few things, and explain why I support this project. First of all, as was mentioned, in 2008 we completed a community sports field study and what we found in that study was that the number of sports fields that we have here in San José are significantly below the national standards. We found that there is a demand for year round programming. And a limited number of either natural or artificial turf fields available. We talked about looking for partnerships, so that we could extend the amount of time and usage that we could have in our sports fields. During that time we conducted a phone survey of our residents. And 75% agreed saying that the city should partner with schools and outside organizations to improve the sports field's availability. Shortly after we had measure M on the ballot in November of 2008. That was a charter change that we put in front of the voters specifically to talk about these type of agreements where we would work and partner with outside organizations, for longer terms to enhance our parks. That measure passed with 72% of the vote. In 2009, we had our greenprint update which confirmed what we have all known for years and that is the D-1 in particular in the West valley planning area are the most park-deficient areas in the city. In fact, district 1 has nine underserved areas, and there's very few if any opportunities to get new park space. District 1 is the victim of poor planning many years ago. I know many of you are familiar with District 1, but I want to give you two examples of large areas where District 1 residents have no opportunity at all to enjoy open space. If you picture in your mind from freeway -- I'm sorry, from Hamilton avenue to Stevens Creek boulevard and from Winchester boulevard to San Tomas expressway, that area has not one park in it. If

you picture from freeway 280 to Stevens Creek boulevard and from Winchester boulevard to Lawrence expressway, no parks available at all to residents. And these are just two of the large areas in District 1 that have no recreation space available at all for residents. This effort to bring sports fields and more open space to District 1 started a long time ago. Long before I got on the council. In fact my predecessor Linda LeZotte started the quest to get sports fields in District 1. At that time I was very active in the discussions as I was a neighborhood association president and worked with Councilmember LeZotte to look to see where we could find sports fields. The goal for District 1 is memorialized in the '09 Greenprint. The district as a whole only has three community serving park. The smallest is starbird park, 7.2 acres has a softball field and a youth community center on that site. The Calabazas is the largest has 14.1 usable acres but in that area we have squeezed in a BMX park, tennis courts and a softball field. The third community serving park is John Mise park at 11.7 acres. It is really our only opportunity to increase open space for our residents. I have a long history with John Mise park. I grew up just a couple of blocks away and that is the park that I grew up playing in. The park is currently used for organized sports through rental agreements with the city. The rentals are for leagues and for Mitty high school practices. As you saw, in the presentation, it has a softball field and a youth soccer overlay. What this new investment will do is allow us to continue the current uses, particularly as it is used by Mitty high school, and organized sports organizations. But it will increase the time available to schedule field use to start, just barely start to address the demand for sports fields in the West valley planning area in district 1. Most importantly by putting in the artificial turf will allow for year round use of this recreation area. This agreement allows us to leverage private investment, to build a fund for future replacement, and to have Mitty high school, through our partnership, maintain the vast majority of the park. And it will also provide off-street parking, years and years we have received complaints in the neighborhood for parking in the area. Parking on street. This will provide some relief to that. In addition, by the changes in the design that you saw in the presentation, we have tried to address and mitigate some of the neighborhood concerns. Of course, we haven't been able to address all of them. But it's because we have a park that is truly designed to be a community-serving park, not just serve those neighbors that live adjacent to it. By changing the fencing to make it lower, and to have it in either the green or black, to minimize the visual blight, that some may think comes from a galvanized steel fence, we will make much improvements to what was originally proposed. I think it's also important to note that the design has many open areas in the fence, so that people can walk freely through and around the natural turf. In fact, this will stand out in stark contrast to many

of our turf fields that are throughout our city, not only that we, as a city, have but other turf fields, where it will be open to the public whenever it's not in use. I honestly and truly feel that this is the best that we can do for our residents in District 1. It is our only opportunity to invest in open space, to provide recreation space for the residents of District 1, who have needed it and asked for it for decades. And I hope that my colleagues on the council can join me in supporting this effort. Thank you.

>> Mayor Reed: Councilmember Campos.

>> Councilmember Campos: Thank you, mayor. Just a couple of questions for Matt and it's more on the field and facilities. The field seems to be more of an afterthought. Is the infield going to be dirt or is it also going to be turf? Also, it looks like dugouts will be included but I can't really tell. Can you answer these questions?

>> Matt Cano: Yes, artificial turf infields and I won't call them dugouts, areas where the softball players to sit in.

>> Councilmember Campos: So the infield, has that been a tested surface for softball? Because my concern would be, is that if it's something that is flat, and hard, for softball I mean that could be pretty dangerous. Even right now, with dirt infield you know I mean you get a line drive on -- you know on the infield and that ball's traveling pretty hard.

>> Matt Cano: Yes, we have done research and there are a number of examples nationwide that use artificial turf for the softball infield.

>> Councilmember Campos: So it's going to be the grass portion, it will be grass?

>> Matt Cano: It will be artificial turf, artificial grass, yes.

>> Councilmember Campos: One of the speakers brought up a very good question regarding the cleaning or hygiene of the field. How will that be dealt with?

>> Matt Cano: Sure, thank you. There is -- there is an irrigation system underneath the artificial turf field so it is watered and cleaned similar to a grass field when -- and it's an irrigation and drainage system. Through rain and through natural occurrences and through can maintenance it is cleaned. Part of the agreement we have with Mitty high school is they will be following manufacturer's guidelines for keeping the fields clean.

>> Councilmember Campos: Okay, thank you.

>> Mayor Reed: Councilmember Kalra.

>> Councilmember Kalra: Thank you, mayor. I had some questions about this arrangement and there were some comments made by Matt during staff presentation with the public and first of all the -- you'd indicated that there will be similar usage, from what Mitty is already using it today, they will be using it in the same fashion in terms of hours and such as far as the playing field as far as the soccer field.

>> Matt Cano: Correct.

>> Councilmember Kalra: And you indicate you -- or it mentions in the recommendation that there's in-kind contribution from Mitty for parking spaces during certain hours but then when I look at the language, it says that the city, city's sole cost will provide maintenance of the restroom electric service trash disposal, tree pruning and mechanical maintenance of potable drink fountains, so other than the field that they are getting the most use out of, and I guess mowing the lawn like what other maintenance costs are there really? And I think if this was true -- if this was converted to turf, I mean how much else is there to maintain? [applause]

>> Matt Cano: Can you find that? Thank you. The -- we are estimating that the value behind the maintenance and as well as the annual contribution towards the field replacement of costs, we're probably getting about three times what Mitty would be paying if they were just reserving the fields from us. Mitty would be maintaining the -- we have a whole exhibit about what Mitty will be doing. Health and safety inspections throughout the park, refuse

removal, graffiti abatement, mowing aerating the turf et cetera. We have in our staff report an exhibit of the contract and a very detailed list of what Mitty will be doing so it is a significant level of maintenance. As you mentioned we're maintaining not only the restroom and the playground but some of the utility cost as well for the water, as well as some of the more technical work related to the drinking fountain and if there's any irrigation breakages, that would still be city staff that would have to come in and fix those.

>> Councilmember Kalra: As far as the maintenance, turf versus grass, environmental reasons, you're watering it, putting cost aside we try to limit the amount of water that we do have. What is the difference annually?

>> Industry standards about a third of the annual operations and maintenance cost there is still a lot of work that needs to be done with artificial turf, brushing aerating sweeping cleaning, insecting the seams. That's in the contract with Mitty.

>> Councilmember Kalra: If we're spending all this on artificial turf, what about the company we're buying it from? Do they have any obligations, splits in the seams, whatever, I don't know the terminology with turf, is there any terminology or warranty?

>> There is a warranty if the material is defective absolutely. But there is just annual wear and tear that would need to be taken care of. And for artificial turf paying attention to the maintenance is very important to make sure that turf lasts as long as possible.

>> Councilmember Kalra: Now, the parking spaces that are being built, is that something that's needed regardless of whether there was an arrangement made or not? In other words if we just renovated the park as-is, you know is there a -- what do you call it is there a documented need for parking spots?

>> Matt Cano: Correct. The new parking lot was part of our proposal before we started talking to Mitty about the students actually using it. That came along later in our conversations with Mitty for the amount of money they are providing on a yearly basis.

>> Councilmember Kalra: That's right, the \$3.5 million will small field rather than a large field.

>> Matt Cano: Yes, correct.

>> Councilmember Kalra: And then it was up for discussions with Mitty that they had indicated they had a need for a larger field and that's where the partnership came into play?

>> Matt Cano: Yes, did larger field came into play after conversations with Mitty but we as a city are realized that a full soccer field would be desirable with us. And the partnership with Mitty is allowing us to realize that, we wouldn't be able to afford a full size soccer field without the partnership.

>> Councilmember Kalra: But if we just -- I think my questions are really, what the City's getting out of it. You've already answered some of it in terms of some of the maintenance. If the city had just went with its original plan of a small soccer field with the lighting and just did it with city money that's already assigned for this purpose, and then leased the use of the field or the parking spaces to Mitty, could they have -- could the city have not gotten cost recovery in that manner?

>> Matt Cano: That was very similar to what our original proposal was before we approached Mitty exactly what you're saying, to build the softball field with the small interlinking soccer fields, Mitty would have to go through the reservation process. That was our original project before we approached Mitty. But with part of our partnership discussions with Mitty we realized, we could get a lot of operation et cetera and maintenance benefits, and at the end of the day they would still be reserving the fields during approximately the same times they are using it today.

>> Councilmember Kalra: What is the cost to rent, I don't know if there are different costs depending on what use, what is the cost of the field, \$40th, \$60 something like that?

>> We are looking at the cost. I'll answer your question, the \$60 per hour for youth and \$125 per hour for adults. However, we -- that was the fees that we established as part of our first artificial turf fields we started moving forward with. We are currently looking at our structure for artificial turf fields to make sure we lit the correct point to get as much use as possible and possibly looking at differential pricing. For instance there are some users that expressed a desire to use it during the daytime, when no one else is really using it because most people are at work or at school. We look at differential pricing for those types of use-e.

>> Councilmember Kalra: If it's at time when there's not high demand you pro rate it that way?

>> Matt Cano: And weekends are higher.

>> Councilmember Kalra: A newly renovated park would be weekends we can expect kids lesion and all that, I see them all over the place down Southsome.

>> Matt Cano: Correct.

>> Councilmember Kalra: And then in terms of the funding, if we get a bid below engineer's estimate and get cost savings, that is proportionally Mitty's share also drops as opposed to the savings just coming to the city?

>> Matt Cano: Yes, it's prorated.

>> Councilmember Kalra: It's basically a percentage of what the ending cost would be?

>> Matt Cano: Correct.

>> Councilmember Kalra: I see it as \$3.8 and then \$4 million as the overall cost of the field. Is that what it will cost to build the whole park out, the whole facility out?

>> Matt Cano: Correct. Right now we have a certain dollar amount appropriated and our latest engineer's report says it may cost a little more than we have appropriated. However we looked at council 1 construction and conveyance tax, if it does come in a little higher than we would we would make the recommendation to take the rest of the fund from the ending fund balance of the construction and conveyance cost.

>> Councilmember Kalra: Right now as I mentioned earlier in the report a small field could be done right now without any money coming from any other entity.

>> Matt Cano: Correct.

>> Councilmember Kalra: That's the distinction from Hitachi, there was no parks at all. Here there is a park, renovating it and expanding it, as opposed to no park at all, other parks where they had that kind of arrangement here we already have the park it's already our property and we had the opportunity to renovate it and frankly charge market rate for renovated park which is a lot more expensive than what currently for this park that is kind of falling apart that we currently can charge. And so give the class benefit it seems like we just renovate it ourselves and have a lease agreement with Mitty over the same term, that that plus the heavy weekend usage would be fluff to cover maintenance especially if it's not going to be a grass field.

>> Matt Cano: It's-one of the -- one thing I'd like to add to that though is it's important part of the fee structure we have for artificial turf fields, a significant part of the fee structure is to include the cost that we would need to put away on an annually basis to replace those artificial turf fields at the end of their useful life. That would be a policy question to have with the city council about pricing structure.

>> Councilmember Kalra: Well, even and I understand that but you know even with that it's almost \$1 million to replace it and so Mitty will provide up to 175,000 for that so there still will be a huge shortfall no matter what the city is going to in the end to have to pay. I penciled it out and for the cost that Mitty is putting in we're getting about \$45 an hour and that doesn't include the 20 hours actually doesn't include the usage of 30 parking spots all day. So it seems like it was actually below what we would get, understanding we are not going to rent it out, but

we can rent it out to Mitty, at a 40 or \$50 rate. Especially if it's a turf field and make more money than we would make under this arrangement and not have -- and then if they want the parking spots they can lease 30 parking spots. It just seems we're losing revenue opportunities, over 90% of the money or 90 first of the money is city money and yet it seems like more than 10% of the usage is Mitty usage.

>> Matt Cano: Thank you for your feedback. We've kind of rough Calced it out. Just roughed it out it would probably be in the 30 to 40,000 for etch e-every day for three hours after school. The value of the park maintenance that we're receiving as well as the annual contribution that Mitty is providing towards the artificial turf replacement of fund is about two to three times that just rough ballpark estimates. So we've -- really do feel strongly, very strongly that leaving the 375,000 initial capital investment aside we feel very strongly that the value of the maintenance and the annual capital replacement contribution that Mitty provided, is much greater than Mitty was providing if they went through the leasing process.

>> Councilmember Kalra: So the.

>> Julie Edmonds-Mares: The park maintenance currently is about \$10,000 an acre, that particular park is 11.sen acres, so we're talking about 120,000 to maintain that particular park per year. We value that we will be maintaining some of those particular structures such as the utilities and the restroom so we value that Mitty is putting forward in the partnership at about \$80,000 a year.

>> Councilmember Kalra: But that's with them not doing is waste, not doing the restroom it's just did items that you indicated earlier.

>> Julie Edmonds-Mares: This is a high use park so currently city staff is going to the park three times a week. They're going three times a week to take litter and debris from the park. They are going three times a week to empty the garbage cans.

>> Councilmember Kalra: They will still be doing that? .

>> Julie Edmonds-Mares: No they will not have to do that. Play ground safety as you know we already have a vendor in place for the restrooms so the city staff will not be performing that work.

>> Councilmember Kalra: I'm just looking here the trash disposal is the City's responsibility.

>> Julie Edmonds-Mares: The differential is Mitty will take the trash and put it in the big bin but the removal of the big bin will remain on the city side.

>> Councilmember Kalra: That's different. We definitely need more sports fields and I think with examples like Hitachi and others we see where it could work at very little cost or almost no cost to the city when the park is being built by the private entity. I know Xavier have been on the Planning Commission, you have folks come out from the neighborhood, I don't think this pens out, I think that all in all we can get a better deal, considering we're putting in \$3.5 million and I think that if we're truly putting in a state-of-the-art turf there, and we can charge anywhere from 60 up to \$125 depending on the size of the field that you know, and then on top of that not account for 30 parking spots that we're giving to them all day, you know, I don't think it's of value to the city that we could be getting for \$3.5 million that we're putting into this.

>> Mayor Reed: Councilmember Pyle. [applause]

>> Councilmember Pyle: Thank you, mayor. I wanted to bring up a couple of things. Because as you know we put several sports fields in district 10 and I just want to make sure that we're consistent with our practices. First of all, school sites are one of the few sites where ball fields can be put in where they're accepted where there's a mutual agreement between schools and other entities. And the city. And secondly, vacant, suitable land just doesn't exist in this city. There's almost none of that that is available. Money from the city is part of the argument. And this is, hop in at any time, Matt, or we have four -- for what shall I say, reassurance that I'm not doing this incorrectly. But the money for the City's part came from or comes from development fees that have

been obligated to the paid for by developers. And that's where the predominant money will be coming from, park land fees from the developers for the construction of this site.

>> Matt Cano: Correct, as well as construction and conveyance tax which also has to be used for parks construction.

>> Councilmember Pyle: Right. So what I'm wondering about and I see a little bit of disparity between the replacement costs and the rental fees for fields. Currently in District 10 we try and incorporate the replacement fees with -- into a total figure, and we basically raise the prices for people to come in and rent the field. So that over the course of 15 years there will be money available for radio placement.

>> Julie Edmonds-Mares: Yes, councilmember, you are correct, we have a current policy where we try and -- we collect user fees with the intent of collecting end of the useful life.

>> Councilmember Pyle: Is that same process going to be university for Mitty?

>> Julie Edmonds-Mares: Yes, it will. In addition, Mitty is pledging \$175,000 for the replacement. So they'll be assisting in a portion of the replacement fee.

>> Councilmember Pyle: But they do get something for that?

>> Julie Edmonds-Mares: Yes, they do.

>> Councilmember Pyle: Because if my math's correct with the 375,000 for the initial installation which Mitty has agreed to, that's unusual, this \$550,000 but they will have a tremendous amount of use of those fields for 15 years. Or approximate length of time for a field. Which comes out to about \$37,000 a year. Now \$37,000 for unlimited play on the part of Mitty doesn't strike me as totally equitable. Because I don't know how many --
[applause]

>> Councilmember Pyle: I don't know how many groups that would want to use those fields, will have the opportunity to do so.

>> Julie Edmonds-Mares: Councilmember, just to clarify, this is not for unlimited use, this is for very specific amount of use, during the weekday situation, not during the school day no additional hours for mitys beyond the normal reservation process. Throughout the year. But on a daily basis it's the same utilization they're getting right now it's actually a 15-minute increase only.

>> Councilmember Pyle: All right, thank you, I need they'd clarification. Thank you.

>> Mayor Reed: Councilmember Herrera.

>> Councilmember Herrera: Thank you, I just wanted to thank the staff and everybody who's put the work into this. In our district we're looking for sports fields as well. It is something we all look for. I want to understand what the city's getting out of it and I appreciate my colleagues asking very good clarifying questions. It sounds like the city would be able to lease out these fields to anybody in the hours that Mitty doesn't have it. What kind of hours would we be generating from that?

>> That's correct. We estimate we'd probably be getting one rental up to two per evening and on the weekends we would be able to rent it out as well, those are the high use areas for lesion.

>> Councilmember Herrera: I'm assuming part of the reason the city wants to move forward is the opportunity to collect the revenue in the off-hours am I right about that?

>> Matt Cano: Thank you. 12 to 15 years depending on how long we actors artificial turf I'm checking in the memo but it's somewhere in the million dollars in today's revenue, dividing that by 13 years, is what we hope to be

able to put aside to replace that field in 13 years. So that's how much revenue we would be expecting. From Mitty's contribution ? About.

>> Matt Cano: And the helps us for Mitty's contribution as well, they're paying about 10 to 12% of the contribution, 982,000 of which 175,000 is paid by milty so in, we have based the fee structure open being able to raise that.

>> Councilmember Herrera: So I guess there's a few things that trouble me in this. The fact that it's already a park. It's a park. Some of the areas we're looking at in district 8 we're looking at raw land where there's no park, we're looking at a private company to build land and foals. It certain open space I just want to understand what percentage of the park will not be turf and will be available for people to do other things other than organized sports on it? Can you help me understand that?

>> Julie Edmonds-Mares: I should louse sports field in that park. So we have softball and a small soccer feel at that site. We are convergenting use,.

>> Councilmember Herrera: I want to understand how much of the park right now is being used for other next and what are those other things? Just help me understand the utilization of the park.

>> Matt Cano: Thank you. There's basketball and bathroom and play ground in the park. There is to answer your question, about 4.2005 acres will be the new turf and marking lot. However, as Julie mentioned, it who is have similar uses as to what it is today. It windy still be, today if somebody's reserving it they have exclusive use of that space. In the future if someone's reserving it, the reserving party would have exclusive usage. But during other times the community would have open and free access.

>> Councilmember Herrera: Are therers ya of --

>> Julie Edmonds-Mares: The total acreage of the park is 11.7 acres. Basketball, picnic areas, open grass initial turf area as well.

>> Councilmember Herrera: How much artificial turf would be left?

>> I don't know natural gas, 30% of the park will really not artificial height.

>> Councilmember Herrera: Going the to stay natural with any additional picnic tables or anything to improve that area for people who don't engage in the sports that we're talking about?

>> Matt Cano: Not as part of this current project proposal but --

>> And so when I'm looking at the times that are going to be available that won't be skeptical in that area, we're looking at basically June the 2nd through ago 19 in the summer and then after the hours of five colon 30 FM, weeknights and then weekends are open, is that right?

>> That's correct.

>> Councilmember Herrera: Can you mention the redwood trees.

>> I'm going to ask Glen rock to give us specifics on that.

>> There are eight trees that are going to be removed. None are redwoods as far as we know. There's Chinese Pistache and white wood. And the 24 trees that we propose to replace are redwoods oaks, Chinese Pistache. Eight removed and 44 replaced.

>> Councilmember Herrera: Those are my questions for now.

>> Mayor Reed: Councilmember Oliverio.

>> Councilmember Oliverio: Thank you, mayor Reed. I haven't been to the Rules committee and watched people come and speak on this issue, I know there's quite a bit of community concern and obviously Councilmember Constant playing there and growing up there I think he has a very good grasp of what's there and I would defer to him in his knowledge of the community need. However with all the people speaking would I at least want to ask some questions. And I just want to understand as a park philosophy for the City of San José you have an existing park and you have the adjacent blocks that are right next to the park and they have certain expectations. But there's this greater need the portion of the city that doesn't have the privilege or opportunity to live across the street from the park. How is that, that we balance that? Parks are not just for the neighbors, it's for a larger area.

>> Matt Cano: Thank you, it's a difficult balance, we have heard from the community on this one loud and clear from the neighbors that live next to the park. Are I was very involved in the sports study as well, back in 2008, I attended loud and clear from all those users as well about the lack of sports fields. There is no perfect answer to your question but there is a difficult and challenging balance that we have to take. Ultimately as we showed on the map we do see there's a great city need for sports fields and good high quality sports fields. We looked at district 1 and this is the best staff recommendation that we could bring to you.

>> Councilmember Oliverio: And being there was this level of community comment on it it seems that what you sort of explain to a general fern hey I need to do a eligible impact for a park, it does seem rather order. That may be what they are trying to do at state I levels. Did staff spend \$100 extra.

>> Matt Cano: We did spend significant time and as Councilmember Constant mentioned it was very important for us to get all the staff reports, the environmental reports, the contract with, proposed contract with Mitty and everything up in time to review at least 14 days before the council meeting. So we did spend significant time discussing internally what we have heard from the community. We did make some discussions as, in the upper fence lower fence around the facility.

>> This debate, natural turf versus artificial We've already gone through the maintenance cost, but is there a gauge you would say, not using water?

>> Matt Cano: I don't have the exact the maintenance costs are about three including water about three times less with artificial turf than natural gas.

>> Okay. I know growing up, very difficult living close to a school based on if traffic volume and things like that. I think that's citywide, I just want to understand maybe if someone in Mitty in public comment. I just want to understand you feel that the agreement that's been talked about is a fair portrayal in this school's did adoption of the park to maintain the -- maintain it?

>> Mayor Reed: I think we have someone from Mitty.

>> Mayor Reed, Joe Guerra followed this through. From the standpoint of the school, we were approached by the 70 staff. We know as a user of the park that park maintenance has continued to decline and decline over time because of the City's budget situation. So we were approached by city staff saying, would we take over the maintenance of the park in exchange for not having to go every six months to reserve the fields and potentially, not pay the reservation fee, regular grass or artificial turf. We immediately said yes, we're absolutely interested in pursuing that. Partnership with the city and then spent as Councilmember Constant pointed out a very long time once it got out to the community of trying to work through with city staff how to make it as amenable as possible to the immediate neighbors. But from Mitty's perspective I think staff has adequately given you the correct numbers on this. Using your staff's numbers on what it cost you to maintain the park versus what we would pay if there was no joint use agreement, you're getting a better deal than we are on a raw dollar standpoint from savings to the city versus what we pay, if we were paying to reserve the fields after you did the renovation project that you're proposing. We have been willing to agree to contributing \$175,000 towards replacement of the turf in 13 years. And roughly up to \$400,000 including soft cost for the field to be more usable for adult leagues as well. But from our perspective today it's not the safest field to play sports on because of the wear and tear on the regular

turf, the grass that's out there today. So we'd love for it to be safer as well and we obviously support staff's recommendation to you today.

>> Councilmember Oliverio: Okay, thank you. And then, back to parks. We build a park, I assume we want some optimal utilization. Right? You want it to be utilized but then maybe some folks just want it to be a tranquil park. So again does that come back to the debate of I live next door to the park versus the greater area? I remember in wanting to create a park in my own district and then hearing from neighbors saying will there be kids there? I said yeah, probably. Well, I'm not -- that's not such a great idea. And so you know it's sort of these things dealing with how things change. So I'm sort of asking you a question there so if you can pleasure me with something.

>> Matt Cano: Yes, thank you. One item you mentioned is they. We are not envisioning this as -- again anybody that wants to come and reserve the field will be able to do so. But this is not going to be reserved 100% of the usable hours. That just from our practice we just don't see that happening. And so there will be times when you know and I can't you know it's probably substantial times but I can't say for certain depending how popular the field is that it will be available for pickup play for people to just go on it when it's not being reserved and kick a ball around. There's not going to be gates on the fence. So --

>> Councilmember Oliverio: So utilization is a key for involvement. I would just say this as Councilmember Constant said, some mistakes have been made in planning and parks weren't created. I would just remind everybody, the council policy before this council started to exempt affordable housing from paying park fees, we lost out on about \$100 million to provide more parks so we wouldn't have to take maybe a current park and change it but we would have net new parks but that's come and gone so I will be supporting Councilmember Constant.

>> Mayor Reed: Councilmember Chu.

>> Councilmember Chu: Thank you, mayor. I wanted to thank Councilmember Constant for the effort as well as parks staff. I just had -- remember hearing that the park commission actually recommended a different location. I didn't see their expert so could you briefly describe what was their suggestion?

>> Matt Cano: Yes we brought this to the parks and recreation commission twice, the first time there was no quorum on the commission so we did bring it a second time. At that second meeting they did not -- what the parks commission ended up with is telling us that staff please, make sure you look for other alternatives. So they did not accept staff's recommendation. But they did say, you know, staff please go look to see if there's any other alternatives out there and they also said that they wanted us to look at what more we can do to work with the community to make modifications so this is so the community would be content with the project. And so that was what the parks commission told us.

>> Councilmember Chu: Great. Well, again I want to thank Councilmember Constant's efforts and I also want to thank all the residents for coming out taking your time to address us this issue. You know I see there's some benefit to the city, but I feel that the interest of the residents really outweighed the benefit of the city that we may receive. So I will not be supporting the motion. [cheering and applause]

>> Mayor Reed: Councilmember Liccardo.

>> Mayor Reed: Thank Mayor. Matt I know this has been discussed ad nauseam. But I never hesitate to beat a dead horse. How is the use changed before and after?

>> Matt Cano: Right now, Mitty is using this park, I have a note from our team, about 3:00 to 5:00. They go and request the field from 3:00 to 5:30 on school days.

>> Councilmember Liccardo: Throughout the school year uniformly?

>> Matt Cano: I'll have to ask staff about uniformity, but an additional 15 minutes a day and they don't have to go to the twice annual meetings for the sports field reserves. We did at through negotiation about 20 hours were year. So the 20 per year that they will also be able to reserve without paying for and we'll be negotiating those and working on an annual basis with them on those. Any hours Mitty wants to use outside of that they will be able to go through the reservation process and pay the going rate just like everybody else.

>> Councilmember Liccardo: I assume in the reservation process, if people have been frequent flyers, and they would tend to have some amount of priority anyway, is that generally true?

>> Julie Edmonds-Mares: It is actually a very collaborative process. We bring all the potential users together at a meeting, on a Saturday on a weekend. And we actually ask the users to work with each other to decide who will be able to book on Sunday, who will be able to book on Saturday, who will get Wednesday and who will get Tuesday. And it's been a very successful collaborative process that we do several times a year for the next booking season.

>> Councilmember Liccardo: Okay. And the outcome of this process has been Mitty has been getting more or less the same amount of time that is contemplated in this agreement, I say more or less, I guess they get 15 minutes more in this agreement essentially per day?

>> Julie Edmonds-Mares: On a daily basis, 15 minutes more, from 2:45 to 5:00.

>> Councilmember Liccardo: Do we have a sense about the percentage of kids at Mitty who are San José residents? Assume it's fairly high perming.

>> Matt Cano: I'd ask for help from Mitty staff on the question.

>> Councilmember Liccardo: Unless they know, Joe feel free to nod or shake your head if you don't know.

>> Sorry I tried to nod on the question about the same hours. Roughly two-thirds. So 65 to 70% of our students are San José residents.

>> Councilmember Liccardo: Thanks Joe. I guess the injuries and infections, and things were brought up and you addressed this initially Matt. In the '80s and '90s the artificial turf fields were controversial because young athletes were getting injuries. The materials have changed hasn't it?

>> Matt Cano: Yes, the California office of environmental health hazard assessment, they did a survey of all the information out there, they addressed Staphylococcus and they don't see any connection more than any grass field.

>> Councilmember Liccardo: Okay in terms of infections?

>> Matt Cano: Yes, the material continued to evolve over time and last longer and get better and softer and more playable.

>> Julie Edmonds-Mares: There is an additional story on sports injuries and actually that study found out that there's a same, similar to sports industry, so the turf isn't really the issue. It's the sport. So football injuries which is more contact tends to have more regardless of the type of surface they're playing on and noncontact sports have less. But it's the same based on the type of ground you play on if you will.

>> Councilmember Liccardo: Okay thanks Julie I know the materials have come a long way. And I guess finally Matt has talked on this twice, the developer fees we are using and C&C revenue, that's restricted under state law is that right? We have no control over that restriction, correct? We can't use it for grounds keepers or anybody else, it's got to be used for construction.

>> Matt Cano: You are correct.

>> Councilmember Liccardo: Okay. I guess I asked these questions because I'm certainly troubled whenever I see a community as opposed as this one, at least the folks who have been here today, as opposed as they are and I appreciate the fact that they're here and expressing their opposition very clearly. I think we're getting that message loud and clear. I think my concern is, is that the mandate we got from the voters in measure M was at a time, 2008 when we all agreed we were out of money that we need to find ways to make partnerships, to help us maintain our parks. And our community centers and other facilities. And the voters overwhelmingly supported measure M because they recognized the values of these partnerships. As I understand Mitty isn't getting much more about 15 minutes more a day than they were getting before and were able to have a partner that's going to help us maintain these fields and I think that's awfully important for us. I think one of the speakers said it very well, we just need the field to be taken care of and I couldn't agree more. It is critical that we have fields that are safe and attractive and it's helpful to have a partner like Mitty to help us. Mitty's kids are our kids. It is not an us versus them. We are all in this together. It's important that we look at potential partners in that light.

>> Mayor Reed: Councilmember Rocha.

>> Councilmember Rocha: Thank you, mayor. Matt you spoke to the sports field master plan was this that the term you used?

>> Matt Cano: Sports field feasibility studies.

>> Councilmember Rocha: And that looked at all types of sports uses?

>> Matt Cano: The community facility survey we did in 2008, outreach, we had community meetings in every district and we did a study, how many fields do we have out there versus national standards. And based on the national standards as Julie mentioned in her intro, we are way down. We are not going to find land to build hundreds of new sports fields. So one of the key recommendations is to really look for partnerships for artificial turf conversions throughout the city. By making our existing fields much more playable we can help serve the community sports fields community and the community by not buying land that we can't buy anyway.

>> Councilmember Rocha: When you say can't buy, are the neighborhood services and education committee next or in June to discuss the status of our bond projects. And for softball we are still looking at a location, but in council district 1 there is really for a softball complex we are looking to get three or four fields in one location and there's no in council district 1 that we're aware of that we could ever find that and that's why we're bringing that proposal today to serve the sports field needs of that region of the city.

>> Councilmember Rocha: And that's looked at more as a specific area overall city facility where we would be trying to push a lot of the uses such as the faithful for soccer in Morgan hill or Gilroy. There's two approaches here. You could talk about bringing the neighborhood ones or big picture and really get aggressive and be committed to this issue about our sports programs here in the City of San José whether it's adult sports or youth sports and approach it that way and we wouldn't be in this position of having a neighborhood that's really not supportive of a use of a park that they've been using for quite some time. And that doesn't -- I'm not suggesting that I don't think this is the right approach. That Councilmember Liccardo I think put it quite well in terms of the situation we're looking at. And we're faced with not individual interest but a spaller interest in looking at the bigger picture in terms of the citywide interest. But I think that takes me back to the point where I would rather see us be more aggressive in terms of looking at more citywide facilities where we wouldn't be faced with the situation again so I'm sorry for that long diatribe. You were going to talk but --

>> Matt Cano: Thank you. I did want to mention we do have a citywide strategy, the citywide strategy is looking for a citywide complex for soccer and a citywide complex for softball as well as part of the citywide strategy is to make sure that every community is served with a close use district 1 need through this proposal.

>> Councilmember Rocha: Well how long have we been working on the softball one?

>> Matt Cano: The softball complex was passed by the voters in 2000.

>> Councilmember Rocha: So we're 12 years into it?

>> Matt Cano: Correct.

>> Councilmember Rocha: To my point we could be a little more aggressive. This is my personal opinion on what I think we should be focused on. I get that we've been focused on a lot of other issues in terms of our fiscal situation, but I hope we would look bigger encouraging us to have that conversation again because I'd like to see us get a little more aggressive. I would 11 acres for this site?

>> Julie Edmonds-Mares: 11.7 acres.

>> Councilmember Rocha: And how large is the field, how much does that take up?

>> Matt Cano: 38%.

>> Councilmember Rocha: Okay and the hills and the humps that were referenced was there any discussion to maybe try and level those out and making improvements to allow for more level area where there could be more use outside of hilly?

>> Matt Cano: That's not proposed as part of this project.

>> Councilmember Rocha: Was that considered or discussed at all?

>> Matt Cano: We did internally talk bit as staff but from a cost standpoint weigh didn't feel it was feasible, we didn't pursue this as part of this project although we could look at it in the future.

>> Councilmember Rocha: So you did get a sense of what the cost was?

>> Matt Cano: No, just conjecturally, based on our experience it was not something we could afford in this budget.

>> Councilmember Rocha: Maybe at this point it might be something Councilmember Constant or staff would consider if we are seeing use restricted to certain areas and maybe overcrowded. I want to thank the community for coming out and I know this is a tough decision as some of my colleagues already spoke to and assuming the council supports this and you know won't feel like democracy in action, I know it won't for me but again I'll go back to Councilmember Liccardo's points and I think he put it quite well in terms of what the council has to consider as part of this picture. I see partners willing to help us in times that are tough but they are willing to do this so thank you.

>> Mayor Reed: I'm going to support the motion. My time as a councilman or mayor, there's never enough park land. There's never enough sports fields. And what staff has done is I guess out of the box thinking trying to figure out a way to utilize what we've got in a way that compromises everybody's interests a little bit. Because it's not a full-time sports field. And it's certainly going to be not just a neighborhood park. But there are probably about 100,000 people in district 1, served by a handful of parks. So we don't really have neighborhood parks that only belong to neighborhoods, just because we have a lot more people who don't have access to the park. So we have to come up with these compromise is and I think this is a real compromise to improve the park and allow us to use the park much more intensely. Because it's clear that we have to use the parks much more intensely. Queer not getting much more park land and we continue to grow and we're not going to grow at the periphery because we have an urban growth boundary so as we continue to grow within the city we have to figure out how to use the parks much more and the field turf helps us use it a lot more. And I no longer am foolish enough to go out and play with the kids on one of those so-called natural grass fields. I know some councilmembers still think they can get out there with the young ones. And I see them limping through City Hall from time to time. So I know that the fields that we call grass are not grass. You know, they are in poor condition. Poorly maintained. And dangerous, especially to somebody in my age group. Which is why I don't get out there with the kids anymore. But the field turf offers a much better playing surface for kids and adults as well. Plus we can have happy but I've never found a neighborhood that liked other people coming from far away to use their park. And that's just the way people feel

about it but we don't have the luxury of having a neighborhood park in every neighborhood and we have to use them as best we can so I'm going to support the motion. Councilmember Herrera.

>> Councilmember Herrera: Again, I want to thank the community for coming out. I think all of us up here have been paying very close attention to what you've had to say and a lot of the questions you've heard are related to that. It's clear that this park has folks that feel differently about what it should be doing. But what it is actually doing is a big part of it has been sports fields. The question today is whether we're going to have a smaller plan that the city would manage, or go with the bigger sports field. And the city asked Mitty to be involved in this project. They didn't come forward and ask to be involved in it. We asked them. I'm very pleased that Mitty is willing to do that, that they are interested in helping the city and joining with us and micking some of the ongoing costs we have. I have a concern about the artificial turf and I guess I'm thinking about it from long ago so maybe it's changed. Can you address environmental concerns about artificial turf vs. natural turf. Help me get over my concern of artificial turf.

>> Matt Cano: The reports from environmental protection agency, Connecticut, San Francisco New York, Department of Health and out there and they all indicate that whether it's from the infill material or the artificial turf grass blades that this is a safe surface and the technology's continuing to get better over time as well from way back in the day.

>> Councilmember Herrera: And it certainly would use less water in that regard so --

>> Matt Cano: Correct, we're going to use less water, it's always going to be playable.

>> Councilmember Herrera: When we do the cleanup would that be true?

>> Matt Cano: We still use water absolutely but we use less water and the turf is always in playable condition.

>> Councilmember Herrera: Since we injuries or other things that have been result of the artificial turf, what's been our experience with that?

>> Matt Cano: We haven't heard anything disproportionately from the rest of our fields.

>> Councilmember Herrera: I'm concerned that there is soful opposition to this, I wish I heard someone say I like this idea from the community but I do know there's a huge need and a huge cry for sports fields. This park that's what's being used for it we are simply yum grading it we're getting a partner in to help us. I hope that as part of the motion we can have an ongoing dialogue with our community. I'm concerned about these two use park there can be some plan in the future to make sure that every -- that there's opportunities for other uses in the park as well as the organized sports. We have lots of different cultures in our community have lots of different desires and needs and we have to continually work to meet those needs. But I will support this motion because I think it's the best compromise we have today in going forward.

>> Mayor Reed: City Attorney.

>> City Attorney Doyle: Yes, thank you mayor. I want to make sure the record's clear and based on Mr. Crabtree's comments that the City's operating under a categorical exemption. There's not an EIR in this project and there was some comment to that effect and I want to make sure the record's clear.

>> Mayor Reed: Thank you. I think we're done with the council discussion. We do have a motion on the floor made by Councilmember Constant some time ago. On that motion all in favor? Opposed? I count one two opposed, motion passes on a 9-2 vote. The motion is approved. That concludes that item. We now will take up the minimum wage initiative. Little bit of house keeping. Please leave quietly as you go. Those of you who don't wish to stay. Have your conversations outside. In the minimum wage initiative I have at least a couple hours of requests for public testimony. Not everybody in the room wants to speak apparently but nearly everybody does. So we also have some blue sheets that have been passed out. If you wish to get your comments into the record without having to testify, that's certainly acceptable. What I anticipate doing is taking testimony until 6:00,

or thereabouts. And then taking a dinner break and coming back and finishing up the testimony. So those of you who got your cards in at the end of the stack, it's going to be a couple hours or at least before we get to your testimony. Again we're having a one minute limit to allow as many people to speak before we get into taking action. This matter, so we'll have a staff presentation. Describing the work that they've done since this got agendized and then we'll take public testimony and then we'll have the council debate but I do anticipate taking a dinner break around 6:00 or shortly thereafter so the councilmembers can get dinner and then when we get about when we're taking that break we'll talk about how much we'll take. I would anticipate 6:00 or 6:15 to 7:00 to take our dinner break. I'm going to turn it over to our City Clerk.

>> Dennis Hawkins: Thank you, Mr. Mayor, I'm joined by Ed Shikada and Kim Walesh and Dave Sykes. I also want to acknowledge that the staff team that's worked on this report includes staff from the housing department, Planning, Building, and Code Enforcement, and we received input from Parks, Recreation, and Neighborhood Services. the proposed minimum wage initiative establishes certain things. One is a municipal minimum wage of \$10 per hour which would be effective 90 days after adoption by the city council, or voter approval. The ordinance would provide annual cost of living adjustments based on the consumer price index. This is a complaint-based process where employees would need to file a complaint with the city if they felt they were not being fairly compensated and afixes responsibility to the city for the enforcement. A brief chronology how we got here today. The proponents filed their notice of intent on January 19th and we notified them they would need to get at least 19,161 valid signatures to qualify the initiative. The proponents started circulating the petitions on or about February 16th. On March 29th the proponents turned into our office almost 5100 petition sections containing over 36,000 signatures, and on April 24th, the registrar of voters confirmed that they had achieved at least 19,500 valid signatures and the initiative qualified. On May 1st the city council accepted the certificate of sufficiency from the registrar of voters and ordered an elections code section 9212 report on the effects of the proposed ordinance. On pages 2 and 3 of our staff report we detailed the areas that would be addressed in the report. I did want to mention that on May 1st, staff bring back a report or an alternative measure that the council could consider at the time that you're considering whether to adopt the ordinance or to call an election ordinance to the voters, as well as we felt we needed time to develop an alternative should the council direct us to do so. Under the city charter if an initiative petition receives 5% of the signatures of eligible voters which is how we got to the

19,161 signature requirement, around the ordinance is not adopted without alteration by the council, then it must be submitted to the -- by the council to the voters at the next general election. Our next general election will be November 6th. In the event that the council submits the proposed ordinance to a vote, the council may not at the same time submit an alternative ordinance. However, the council could consider adopting an alternative ordinance, at a later time. Under elections code 9215, the council that is choice of either adopting the ordinance without alteration, and that must be done within ten days after this report is presented, or it may submit the ordinance without alteration to the voters. And this talks a little bit about the time line based on the ordering of the 9212 report which the council did on May 1st. I'll turn it over to Ed Shikada.

>> Ed Shikada: Thank you, Mr. Mayor, council. 9212 report provides staff's analysis directed by the council when the council previously discussed this on May 1st. A variety of departments have been involved and provided input into the analysis that's before you. So you do also have a supplemental memo from the administration indicating our recommendations that given the complexity and significance of this public policy issue that the item be placed on the November ballot. This would provide additional time for both outreach as well as public dialogue on the options that are before the council and before the community. With that, we'd turn it over to you for any questions or testimony.

>> Mayor Reed: I think we'll take the public testimony, there are a lot of people that want to speak and I want to get as many people that want to speak before we take the dinner break as possible. So please come on down when I call your name so you're close to the front. Joe Sabia, Josh Peruse, Jerry Mungai, Ross Signorino. And if you want to fill out a blue sheet with your comments and your position on that we will tally those and report those to the council before the council makes a decision. You're welcome to do that. Mr. Sabia.

>> Those who support raising the minimum wage in San José to \$10 per hour, are motivated by a laudable goal to ensure those who work hard and play by the rules shouldn't have to live in poverty. This is an objective with which I wholeheartedly agree and one which has a great deal of public support as you can see from the signs in the audience. But good intentions can't justify bad public policy. A large body of empirical research including my own at San José State university helping the poor to make ends meet. Nearly two-thirds of poor individuals do not

work and are unlikely to benefit from minimum wage hikes. Moreover while some low skilled workers who are affected may be lifted out of hardship by minimum wage increases others will be pushed into poverty due to being laid off or having their hours cut. Finally minimum wage increases are poorly targeted to those in need. My research finds that 85 to 90% of the beneficiaries lead in know nonpoorhouse holds poorly targeted and largely counterproductive policies like minimum wage hikes councilmembers who wish to improve the economic well-being of the poor should promote a progrowth economic agenda and encourage greater.

>> Mayor Reed: Sorry, your time is up. (saying names) Jerry Mungai.

>> Good afternoon, honorable mayor and city council. My name is Joshua Bruce. I'm here on behalf of the Silicon Valley council of nonprofits. You might know that we conducted a provider network over 200 local health and human services agencies, while the potential increase of the City's minimum wage. The results yielded that an overwhelming 86% of our service providers would not be impacted by the minimum wage initiative, as most nonprofits already pay their employees above the city's minimum wage tight budgets. However our nonprofits are providers of services to marginalized and low income communities and the majority of our respondents filled out a new minimum wage ordinance will positively impact the clients we serve. In fact our limits yielded that 60% stated that the will increase their client's standard of living. Now I would like to thank San José State and for we would not even be having this discussion without the impact of poverty in our city. We believe that is important to the clients that we serve in San José --

>> Mayor Reed: Sorry, your time is up. Next-d sorry, your time is up. Next speakers is Jerry bun Guy. Jerry Mungai, Ross Signorino Gail Chandler.

>> Thank you mayor. This measure will have unintended consequences sort out all the issues and vote in November. Some observations. In exchange for a low wage employees get on the job training. If this thing passes the employers will have to pass on the cost to its customers which is unlikely, absorb the cost, have likely situation considering the numerous tax and regulatory changes coming in the future. Numerous studies show that minimum wage laws especially hurt minorities and teenagers who have frequently limited job skills and

education. The studies show that if someone's labor value is only at the minimum wage but not higher than raising the minimum wage means that person will lose his job. This is another feel-good proposal that will have disastrous consequences for the poor and especially the minority poor the very people intended to be helped. It is a social justice scheme and reminds me of the old adage that you cannot make a poor man rich by making a rich man poor. Thank you.

>> Mayor Reed: Sorry, your time is up. Gail Chandler, then Carl San Miguel.

>> Thank you, Mr. Mayor members of the council. It wasn't too long ago that Cesar Chavez tried to organize the farm workers and we would so afraid that a head of lettuce was going to go up a nickel. Then we had one of the employees who was working at our airport fully dressed in his red uniform standing where I am right now who said he had a full time employment at the airport but he was homeless! What we should try to do was try to follow that famous Republican president Ronald Reagan who once said trickle down economy. The only way the economy trickles is it goes up not down we need it at our level and many people are afraid to give some people a decent wage. I can say this to you, the only thing we have to fear is fear itself. By the way I made that up. Take care of yourselves. [cheering and applause]

>> Mayor Reed: Gail Chandler Karl San Miguel, Gail Strickland.

>> I have owned a business in downtown San José for 35 years. That means I have met a payroll for 35 years. I have stayed, I have paid my taxes, I have employed people for 35 years. In all honesty I feel this is the first time I have to take a real deep breath and say, can I stay down here? I don't know. You go around downtown and you look and see how many businesses are vacant. People are not butting in because they can't afford to be in here. And I also wanted to say if they're not going to come here they're going to go to Los Gatos, Sunnyvale, I wish you would wait and have other discussion on this so we could meet this on November I appreciate your time, thank you.

>> Mayor Reed: Carl San Miguel, Jim Vick Vigland,.

>> 40% when you factor the workmen's comp, SDI unemployment FICA and everything else into the payroll. This translates into a 5% margin or the profit or at the very least cause layoffs or cut in hours not to mention the are in in cost to everyone including the people that they hope to help. Not all business owners are evil but almost already pay above the \$8 million. Most small business owners have taken loans against their homes if they own one and some have used their life savings to create a business. They risk their assets in hopes of being successful. No one of them when their business fails, they are still stuck with all the bills and commitments. Sometimes employees make more than the owners and the owners put up with that in hopes that it will improve to the point where they are making more. This new law will complicate the process and not encourage people to take the risks of operating a business in San José. Please do not enact this law, let the people decide what the city needs.

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

>> Thank you.

>> Mayor Reed: Jim Vigland, Jim will be followed by Ron Patterson and Sandy Perry.

>> We have 26 Kentucky fried chickens in San José I think I would give you perspectives, we own ten in San Francisco and they have the \$10 minimum. We froze all wage increases and we raised menu prices to offset this. Now, most of the adults in our stores make \$10 anyway. In our industry which is a lot different than a lot of people in the room all this does is pay kids 14, 15, 16-year-olds \$10 an hour in our stores. We're not talking about 18 or older, we're not talking about emancipated minors or minors that are single heads of households. To us this is paying kids \$10 an hour. Our accounting year starts in July and we have an objective to raise the staff staffing in our stores 9%, that would be 100 in San José part time for a lot of them albeit miles an hour a lot of them. But I'm the father of 14-year-old triplets and would I much rather have my kids working than out screwing around someplace.

>> Mayor Reed: Sorry, your time is up. Ron Patterson, Sandy Perry, Pat Saucedo are you Ron Patterson? Ma'am, you're going to have to wait your turn just like everyone else. Everyone wants to speak. I'll call your name. Sorry this is the way it works, there are a lot of people that want to speak. Ron Patterson. Sandy Perry, Pat Saucedo.

>> Yes, I am Ron Patterson. I'm with the gentleman before, we employ about 1200 people here in the City of San José. We encourage you guys to at least put this off until the November ballot. We're going to need some time to figure out our business. This is not an easy decision. We're at 1% maybe 5% profit margin. This is a huge impact. It is about \$120,000 per restaurant per year cost increase as a business owner we have to figure out how to suck it up. It's not going to be easy. We'll have to make some adjustments that will affect some other vendors. There is a lot of impact that's going to hit our City of San José. Our landscapers we might have to cut them to every two weeks. There's things that we have to do to make this thing work but it's going to have some impact on the city and other employers who are out there just not us ourselves so we plead with you to give us some time put this off until the November vote and let's make a good decision and more study.

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

>> Thank you.

>> Mayor Reed: Sandy Perry, Pat Saucedo and then Matt mahood.

>> My name is Sandy Perry I'm with CHAM deliverance ministry 20 years in this city and the causes of homelessness are not a mystery. about they're high rents and low wages. We discussed housing earlier today and now we have a chance to address the wage side of the equation, we've all read the newspaper commentaries and representatives of the poor and nonprofit service providers on the other. The issue is now becoming a defining moment and litmus test that will determine and shape the aggressive antipoverty coalition for years to come. I personally believe God has brought each of you to this position of leadership in this city, in order to make

this decision today. Now is the time to answer the question in the old labor song which side are you on. [cheering and applause]

>> Mayor Reed: Spades spades Matt mahood and Ron campo.

>> I'm here silicon Valley coalition of chambers which represents all the chamber of commerce throughout Silicon Valley took a position to oppose the adoption of the minimum wage ordinance before you today and the recommendation that it go to the voters and let the voters speak in November. So I wanted to share that since it happened yesterday. Please put this on the ballot in November. Thank you.

>> Mayor Reed: Matt mahood (saying names).

>> Council and staff, Matt mahood president and CEO, San José Silicon Valley chamber of commerce. 67% of our members are actually located in the South Carolina. We serve as the voice of business for a very large group of businesses large and small businesses. On this members have been very, very vocal about their opposition to an increase in the current minimum wage. An informal poll showed that of our San José businesses 67% oppose the measure outright. Many of our open-ended comments mention negative impacts to hiring youth and other unintended consequences mainly leading to job losses. Although I respect the initiative process this policy decision requires a lot more research, a lot more outreach and analysis to clearly understand the implications. The San José Silicon Valley chamber opposes the wage inflation is a big deal for small business, thank you.

>> Mayor Reed: David campo followed by Richard Caliska and tanzir ahmed about 100 are on minimum wage worth north of \$10 per hour with only two to 3% making up between 9 and 10 at entry level positions. Most full service restaurants work ole off of a similar business model over \$10 per hour when combined with their gratuities. The restaurant industry operates on very small profit margin and the immediate effect of this initiative would cost us over \$300,000 per year. We are unsure how we would re for folks offer \$10 an hour and we'd have to look at menu pricing increases. The minimum wage would become a deopportunity for new businesses to open

in San José. When there are other cities to open businesses. The economics simply wouldn't make sense. In closing we ask the initiative be moved to November ballot so more loo sorry, your time is up.

>> Thank you.

>> Mayor Reed: Ripped Caliska tanzir Ahmed, Kimberly Brady.

>> Mayor and councilmembers my name is Rick Caliska I reside in district 8. I would like to suggest that you put this vote off until the general election in November 6th. So if voters could determine what they perceive is correct. My wife and I are both disabled. We work professionally. We pay our own caregivers ourselves. We don't receive any government funding for this effort. This will drastically increase our own cost and our ability to stay in the City of San José about in the future. I thank you for your time. Thank you. [applause]

>> Mayor Reed: Tanzir amed Kimberly Brady,.

>> I'm here to provide an opportunity. I've always been here to provide an opportunity and implement everybody in the City of San José. And the community that I've done business with and it's all about the community without which we would never exist. All I want to say is let's not make a haste decision, which would be a bad decision regarding this initiative. Can I tell you from my personal experience, that the entire restaurant industry lives on pennys and a 25% increase, the minimum 25% increase in minimum wage will be devastating to everybody and taking San Francisco for example, we have closed a lot of locations, and each location had an average of 25 really good employees. And we don't want to see that. It is loss of jobs, loss of filing we want a friendly environment to grow and to provide opportunities. Finally all I can ask for is for this initiative to be put on the November ballot.

>> Mayor Reed: Sorry, your time is up. Kimberly Brady, Aurelia Sanchez. Martha O'Connell.

>> My name is Aurelia Sanchez and I'm just to here to tell you that there are many businesses the chamber will tell that you \$10 is going to hurt their businesses. That's a lie. There are so many businesses in San José so by having \$10 is going to drive them out of business I doubt it. There are so many of them here. If they have bad business practices they're going to be out of business anyway. Another thing is under the mayor and a lot of people on this council you have bad policies. You give away a lot of our tax money to big corporations to private schools, charter schools, schools such as Mitty high. When was the last time Mitty high invited the public to their public swimming pools? It is a bad policy of the mayor and a lot of his friends here that we're in trouble. If you really want to help the poor let's do rent control but the developers won't let you talk about that. I could say a lot more but there's a lot of people here that can say better things than I can.

>> Mayor Reed: Martha O'Connell. Then Matt Sutton and Saresh Dixet.

>> Approximately five days ago I received an e-mail as hundreds and hundreds of people in the city asking for my input on the \$10 minimum wage. I immediately fired off an e-mail saying I supported the \$10 minimum wage. I made a mistake, I didn't read Councilmember Liccardo's memo, I didn't read recycle plus!, the mayor's. I this is a badly written ordinance. we need exemptions for small businesses, potentially exemptions for youth, potentially for some senior jobs. This is the wrong law. I ask you to use your heads. I'm also concerned about enforcement. The city is going broke and now we're going to spend God only knows how much money enforcing this and I think adding 4.3 city positions. Good intentions badly written law put it to the voters.

>> Mayor Reed: Matt Sutton and then Saresh Dixet and Alexandria Dorian.

>> I'm Matt Sutton of the California restaurant association. We are opposed to the adoption of this today. We believe adequate public debate or economic analysis. The restaurant industry has been struggling to cope in the fallout of one of the worst comes economies since the great depression. Costs continue to rise and other operational costs. A minimum wage increase can ultimately hurt those it intends to hurt in the restaurant industry. The hardworking nontipped employees who generally make more than minimum wage. At restaurants with table servers a minimum wage mainly benefits tipped employees who they don't have the money to pay

those that are on the hourly wage. Indexing puts the minimum wage on autopilot. Ignoring other critical factors such as the strength of the economy or the job market. Indexing will inevitably lead to absorb new cost.

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

>> Hi gate beings I'm the owner of Emile's restaurant. My grandfather Moses came here in 1869, got off the boat of the lower East side of Manhattan i'm also a member of the California restaurant association. And I am for this amendment. It is smoke and mirrors. [applause] It is smoke and mirrors that my restaurant -- my could-current restaurant owners are telling you. This will do nothing but drive the economy here. Nothing but drive the economy. I sat here last week and I heard these people tell you how much they cared about the City of San José. And they want you to give them a living room. The citizens of San José don't need a living room, they need a living wage. You guys were hired. Do your job. Give it back to the people. Thank you. [cheering and applause]

>> Mayor Reed: Dave Gonzales Susan Price Jung Neil Collins. Schuyler Po-rras.

>> Thank you, my name is Nicky Gonzales. I'm also here to represent our unions, PAC, representing 1500 members. We strongly support this measure. Students should be making a choice that they shouldn't have to putting gas in their car or go to clues or go to work, to buy food or pay rent or buy books or pay their fees. Raising the minimum wage would give them just a hand-hold on a ledge that they could pull themselves out of poverty with. It is time for 10. This is good for the city, it's good for the students it's good for everybody. Raise the wage please. [cheering and applause]

>> Mayor Reed: Susan Price Jung.

>> Good evening, members of the city council and Mayor Reed. My name is Susan price Jang and I'm representing pact, people acting in congregation together. We support this mission to moving the minimum wage of \$10 an hour. Putting lowest earning adults. Most of the people earning minimum wage by the way are over 20 years old. Putting infusion of more money into local businesses. And I want to point out that Henry Ford did two

radical things many one he produced cars using the assembly line and the other was that he paid his workers enough so they could go out and pay for the cars that they made. The rest is history. [applause]

>> Mayor Reed: I'm sorry let me call a few more people. Neil Collins, circular Porr.

>> What happens here may spread out throughout the county. Our members were surveyed 68.6% of them said they were opposed to this ordinance. 58.4% said they would be deterred from opening a business in San José. This is a job killer. The ordinance includes all businesses in San José and any business that is subject to the business license requirement which includes any business wherever it's located that conducts any business transactions within the city limits. Think of the logistical RFPs take risks on teenagers and college students --

>> Mayor Reed: Sorry, your time is up. Skylar Porras, Stanley Taylor, (saying names) please come on down.

>> Hi, I'm Stan Taylor. I live in district 2 with my wife, I'm a retired cognitive psychologist. They work way too hard for too many hours with too little compensation and my faith tradition we understand that what we do to these least of God's children we do to God. This bump in their compensation as was learned in San Francisco will be good for them for the community and for business. It's time for 10. I strongly urge you to do the right thing and adopt the minimum wage ordinance. Thank you.

>> Mayor Reed: Steven Herrera. [applause]

>> My name is Steve Herrera and my family and I live in district 10. I'd like to speak on behalf of increasing the minimum wage. I'm deacon in the Catholic church. It's time to think about the common good and to think of the impact this has on the poorest people in our county. It's imperative that the voices not only of the business community but also the voices of nonprofits who worked with low-income people be heard throughout the process during this consideration of the minimum wage being increased. Many people have two jobs just to make ends meet and an increase of \$2 would help to put more food on the table for them. 20 to 30% of high school students

drop out in our community and increasing the minimum wage would help them since we fared paid more as well, thank you. [cheering and applause]

>> My name is Larry yamasaki , restaurant jobs that all of us depend on but we must pay these workers enough to live a quality life. Pay their bills feed their families and access good health care. Raising the minimum wage will bring thousands of dollars into our economy. Low wage earners are spending what they make and they are spending it locally. By adopting this ordinance now the city council can avoid a costly election process. 36,000 people have already made their wishes known. And would prefer the wage increase be enacted now. By adopting this ordinance now, the city council has an opportunity to be recognized as outstanding proactive leaders for all working families. Now is the time for 10. Thank you. [cheering and applause]

>> Mayor Reed: Colin Eldred Cohen, Lucille yah Ortiz, Ann Dayton, Stein prohibitingren, Clarence Madrajos. And Judy Chirco.

>> Hello everyone. My name is Colin Eldred Cohen. I probably have much less right to be standing before you talking than any of the people here. I don't live in the county. I only got my job because my father knew my boss and I got through college because my grandparents set up a trust fund years in advance. But I still support raising the minimum wage. I -- the person representing KFC said that he saw a bunch of kids working. Well, kids are going to be the next generation of adults. They need money to pay for their college. College funds in and of themselves are already getting ridiculously high. We have already suffered fee hikes up at U.C. Santa Cruz and honestly we can't afford to lose any more people in the education system. Not only that but increasing the minimum wage will also help people afford rent, afford food for their family afford to put their kids through school as I mentioned before --

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

>> Thank you.

>> Mayor Reed: Lucila Ortiz.

>> Hi, good evening, my name is Lucille Ortiz I'm here representing Siren. Working with the immigrant community I see a lot of our community working two jobs and still can't afford to support their family. I think it is unfair, I don't think this is a society we want to live in. I think it's time for San José to dignify and to pay their hard workers the right amount. It is time for 10 now, I urge the council to adopt the ordinance now. [cheering and applause]

>> Mayor Reed: Hello councilmembers. My name is Collins, member of the human rights commission, NAF Santa Clara Valley chapter. I support -- the human rights commission supports this ordinance and as a member of Naf-a we support this also. This is an issue that gives people a fighting chance in this valley. This is not a living wage but it gives them a fighting chance to buy that extra bottle of milk. Instead of buying Ramen they can buy a can of soup. I have an aunt that works at goldilocks in Evergreen. The extra \$2 April hour makes her life live a little bit easier. She can buy the things she needs and pay her share of the rent every single week. I'm asking the council do the rattling support this ordinance and support giving people a fighting chance in this valley, thank you.

>> Mayor Reed: Steve Hicken and Judy Chirco and Bob Brownstein.

>> My name is Stephen Hicken, division director for economic development services. Catholic charities helps hundreds of people per year with barriers to employment, to work constructively, to produce and also to receive a just wage. These are adults, these are single mothers. These are people supporting their households. They do contribute constructively to our community but they are not receiving a just wage. So I urge you to raise minimum wage and the extra money that these families earn doesn't just evaporate. They go back into the economy and the studies show that this could result an extra \$5600 per year per household affected in San José. Raise the minimum wage, it will help families help themselves and will build prosperity in our city, thank you. [cheering and applause]

>> Mayor Reed: This would be Judy Chirco. Yes it would, welcome back, Judy.

>> It's an honor to be back. I'm here to ask the councilmembers to increase the minimum wage to \$10. When I was on the city council, the council approved making a legislative priority working with the federal government to come up with regional federal poverty levels. There is a precedent. It exists in Hawaii and Alaska. That was a statement by this council that they felt the cost of living in this valley was so terribly high that our residents were not able to access resources that they needed to live. As this legislative priority indicated our community needed a higher level of financial income for our working families. That includes wages, that began to allow our working families to feed clothe and house their families. I have often said a community is never so tall as when it stoops to help a child. But a community also stands very tall, when a hand is extended when we as a community of working families a hand up instead of having working families forced to need a hand out. From our increasingly battered community support services. I ask all of you, to support this. Thank you so much. And it's an honor. [cheering and applause]

>> Mayor Reed: Jan Schneider.

>> Mayor and council, my name is Jan Schneider. I own and operate a small business in Downtown San José and I'm also a resident of District 3. Businesses in downtown are barely hanging on. Ground floor retail space once considered in short supply is now being considered to be converted to office space. Unintended consequences of this ordinance include staff reductions, business relocations and closures. To add to that, the convention center rehab will greatly affect the restaurant hotels and businesses, which supply daytime and nighttime foot traffic through retail. Restaurant traffic makes up a lot of downtown shoppers. This will not increase their economy in which today's small businesses are operating. I urge you to give this very important decision the due time and consideration that it deserves and to let the initiative process work as intended. Let the voters decide. We cannot fix the economy or the educational system on the backs of business. Thank you.

>> Mayor Reed: Bob Brownstein, fret Hirsh, Tom Lyonberger.

>> Mayor Reed phony report opposing the \$10 MMI report .about the report says minimum wage earners don't need a raise because they live in households with median incomes of \$37,033. There it is on the screen, 37,033.

what's the alleged median household income in New York? 37033. The exact same number. Obviously, San José and New York state don't have the exact same median income. These guys cook up a number, and then paste it into every report they write. [cheering and applause]

>> So if you're going to believe these guys, please see me after the meeting because I have a bridge in Brooklyn and I can get you a great deal. 37,033. In cash. [cheering and applause]

>> Mayor Reed: Fred Hirsh, Tom Lineberger, (saying names).

>> I'm Fred Hirsh. Today's is your two buck increase now. Act as morally generous and reasonable people. Deny the increase, and you cede the political clouds for hard rain, in November and beyond. Vote yes because it's right, yes to build the economy, yes to respect work and workers, yes to show you were raised to be decent human beings. Vote no, to show your place in the chamber pot of commerce and vote no speak at the time ballot box will turn to hard rain and thunder at your blunder. It's time for 10.

>> Mayor Reed: Sorry, your time is up. Tom Lineberger, (saying names).

>> Tom Lineberger with painters 113. Payday lenders we have enough and if you approve of this \$10 raise now payday lenders will have a lot less to capitalize on. The people will be getting that \$10 an hour who are now getting 8 a lot of them live in the area where the payday lenders exploit them. And you know from the testimony last week that three quarters of those loans are taken out because people don't have enough money to pay a previous loan. This is a needed raise. \$2 may not be important to you or me. But to someone who's making \$8 an hour, \$2 is very significant. It is fair, it is right, it is necessary. Do it now. [cheering and applause]

>> Hello. Good evening guys. So while executive pay over the last 40 years has quadrupled, wages for the average worker has stagnated or declined by 10%. Wage workers who are most vulnerable in the society are slipping through cracks. Trickle down economics doesn't work, we've tried it for the last 40 years. We can't afford

while businesses sit on this is Silicon Valley, Silicon Valley businesses can't afford to raise the wage and if not now, when? Thank you.

>> Mayor Reed: Joann Pham, Joseph, Bill, Ann Maria.

>> My name is Joann Pham. I wanted to say that yes, we shouldn't rely on the trickle down effect why should we wait for that and wait for the big corporations with a lot of the money to give us what's rightfully ours. It should belong to us in the first place. We work very hard as well. I know a lot of people who work on jobs for \$12 an hour, they will never try to go back to school because they know that invest in their own education and invest in their own community. Thank you.

>> Mayor Reed: (saying names).

>> Good evening, mayor, Joseph Rosas member of occupy San José and a small business owner. The large time I spoke we saw a large number of payday lenders who claimed to be in favor of low wage workers. They are not present today but we do have a measure that would truly help the people. Most San José minimum wage workers cannot afford to commute in and out of the city to work or simply to put this money in the bank. Any additional income would be promptly spent in the city, regardless of how low our taxes as small business owners are, no other than in their right mind policies that improve communities and the city as a whole. Let's pass true pro-market measures, let's increase the minimum wage. [applause]

>> Good afternoon. My name is Anna candela and I'm a member of the of the board of directors measures of human well-being in our community based on the last census. And what it found no Santa Clara County is we're not only home to the 1% the Shangri La but also in San José in particular in Santa Clara County has the lowest median income and the lowest life expectancy rates and this is because we are the home to the struggling 38%, a large sector of the sector of the California community. These people are not children working in fast food restaurants. They work in an office in administrative sectors, they work in sales and transportation sectors. They have 17.5% of the population living below the poverty line including 24% of their children. And 28% of the renters

within this Sergeant of our community must spend over 50% of their wages on rent. In Silicon Valley this is atrocious. I encourage you to raise the wage now and help these people who would be most effective.

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

>> Demand matters more than anything to ogood small business climate. When we've raised the minimum wage regularly and kept up prosperity has always been followed. The minimum wage hasn't been raised since 2007. That cost of living. The fact that minimum wage is so minimal is the problem. If minimizing wages were good for the economy we would be in an economic paradise. As for endless tax break an outright tax subsidies for it is a spectacular failure. Wage earners will buy things and Fay bills with this raise and that is good for small business and finally is there any greater obstacle to commerce than the national chamber of commerce? [cheering and applause]

>> What makes today truly historic is that we're finally talking about pot of and the reality of low income workers in our community. We are shedding a light on the tens of thousands of family sacred heart community service feeds each year. Parents who have unimaginable choices to I'm I I met Brandon in March a young veteran who came to feed his family. Expressing his cynicism, stupid wars in Iraq and Afghanistan because of self serving politicians who don't care about anyone but themselves. They don't care about me, my family. But when I told him the grass roots coalition was raising signatures medium would do that that's so cool I'll sign the petition. You have the opportunity today to show your leadership on behalf of families like Brandons. But if you choose not to conscience to show our leadership to fulfill our vision of a community United to ensure that every child and adult is free from poverty.

>> Mayor Reed: Ricky Alexander. [cheering and applause]

>> Mayor Reed: After Ricky we'll have Rhonda Lakotas, Allison misty Christy.

>> Thank you, honorable mayor and city council. I'm here representing sacred heart Catholic service and as a human being. Please raise this wage now. I wanted to share one story. A mobile home sits in the western trailer park from that side to here, her husband, works two full time jobs night shift and graveyard shift. 16 hours as a janitor in office buildings and she's living in a tiny mobile home and can barely afford food for her family. This is urgent, this is critical for human beings. Yes, there may be cost for business. It needs to happen for the human beings that this would impact. Please raise this wage now. It is time for 10. Please. Thank you. [applause]

>> Hello, my name is Rhondalakatos, I live in district 6 and I volunteer with housing a thousand. I death on the streets. And one of the surprises to me as I've been interviewing people is how many of them have jobs. And yet are homeless. I urge you to vote yes on this and show the leadership that I would expect from my city council to raise the minimum wage to \$10 an hour. Thank you.

>> Mayor Reed: Allison Lasser, misty tanner.

>> I'm Allison. I just want to say that this is a huge opportunity to improve our inequality that we have in this county. In our cities, and I'm sure you see it all the time. But we really have a huge problem in filling jobs for qualified workers, instead of bringing them in continuously. Please invest in your local people. This is a huge step in doing that. 8 to 10 may not seem a lot to you. Have you ever tried to live off 8, have you tried to live off 10? It is certainly a start and we need to work on our inequality. It helps with inclusion and makes people feel they really have something to do, they work harder they produce more for our businesses, it makes society healthier and more effective overall. Please please, it's time for 10 today, thank you.

>> Mayor Reed: Misty tanner.

>> Good evening, my name is misty tanner, I'm a former assistant manager with Walmart. As an assistant I can say I made a decent wage. But you have thousands of below poverty wage. We depend on -- sorry we depend on associates like Walmart workers on a day-to-day basis. It's time to pay these associates a minimum wage so some them can come off state aid \$89 million a year to take care of a Walmart associate alone. I think it's a

disgrace. Let these employees and time for 10. With the wage going up, it's a win win for everyone. The more you make, the more you spend. Now it's time for 10. I strongly urge the city council San José to adopt the minimum wage.

>> Mayor Reed: Christy Wong, Nancy rivera. Bill Walsh. I surround at sacred heart in the job link program picture help people without jobs work on their resumes and \$10 we at sacred heart have helped many people get jobs however it's very discouraging when they captain even make ends meet with the job they have obtained. The average rent double the national average yet our minimum wake image is only 75 cents more than the national minimum wage of \$7.75. Increase of minimum wage but at the end of the day, the people I work with at sacred heart who want to work hard whom I can help get a job who I can help by increasing the minimum wage it will help them just get over that hump to pay their rent to feed their family to pay their bills, please help them as it will decrease poverty in San José. Thank you. [applause]

>> Good afternoon, mayor and city council. My name is Anna Slotz I live in District 1. The chamber of commerce has called some of the provisions of the minimum wage alarming. Let's look at what those provisions are. The minimum wage 10 wage will still be worth 10 in the future not a penny more. The initiatives allow the city to impose fees for enforcement but the city currently has a right to impose fees for any and all of its regulatory program. There is nothing new here. Enforcement purposes and federal and state minimum wage laws already provide for access to business records. The initiative will apply to businesses with facilities in San José exactly the same way the City's business license tax does. All of these provisions are rue technologically for San José. And sadly the chamber's attempts to mislead the public are also become being routine. Now is the sometime for 10. Woo strongly urge you to support this ordinance. Thank you. [applause]

>> Mayor Reed: Christy Wong, Donna Ferudu, Bill Wallace or Wallum. I can't quite read the handwriting. Joe Kenny.

>> Good afternoon, Mayor Reed. Councilmembers. My name is Bill Wallace. I've been a member of the district 9 for 40 years. I personally urge that you adopt this ordinance, I think it's very important. Because the impact of low

wages is that there's less money for people on the lower end of the economic scale to buy goods and services. The argument that the compete as far as business goes, in order for them to compete they need to pay low wages, is not only false, but it's factually I don't think, has proven to be factually wrong and logical and morally wrong. in order for them to buy their product his product, now, consumers with extra income, they spend and energize the economy. Consumers with disposable income --

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

>> Is that it? Okay, thank you very much.

>> Good evening, I'm Caroline op Compos, Catholic charities. We serve over 30,000 people county and many of them are low wage workers children in America, 16.4 million children live in poverty and she said no one should be hungry in our nation. So I want to repeat that, no one in San José the heart of Silicon Valley should be hungry. With that in mind. Let's not wait -- in 1980 to year 2000 the national wage was 3.10, to 5.75, \$2.65, took 20 years for \$2.65. With that I ask you to be bold and pass this ordinance, thank you. [applause]

>> Mayor Reed: Hello. My name is Jo Malone, I live in district 6 with my husband and three children. I'm an educational therapist at valley Christian elementary school and my husband and I own a small construction company. Diocese of San José I work with corporate leaders to create a better city for everyone. There's been a major question about why now? Why not wait until November. For suffering every week is too long. The reality is a lot of us in this valley don't make \$8 April hour but if we did we would all likely support raising it to 10. \$8 is just simply not just in this valley. The time is now, let's not prolong justice. San José city must stand with the county and be leaders and adopt this ordinance. It's time for 10. I strongly urge you to adopt the San José minimum wage ordinance today. Thank you. [applause]

>> Good afternoon, mayor city council members. I lived in Santa Fe, New Mexico, when the city council passed the living wage ordinance to 9.60 in 2003. That was nine years ago. Right now the Santa Fe has the highest minimum wage of \$10.29 an hour. Santa Fe's cost of living is 18% higher than the national average. A bunch of

businesses said they were going to go out of business and they would be bankrupt when this passed and actually every single argument I've read in the paper, and heard today, were the same things that was said to us in 2003. However, they were wrong and the data has proved it. The unemployment rate in Santa Fe is the lowest in the state of New Mexico at 5.5%. Albuquerque which is much larger is at 7.2% and the whole state is at 7.2%. The gross receipts have gone up and that's in a city of 67,000 people.

>> Mayor Reed: Your time is up.

>> Are you serious?

>> Mayor Reed: Your time is up. [applause]

>> I'm Richard Hobbs, an immigration attorney the families of city employees have improved because of your decision then to raise wages. Human agenda has been working with San José state students and low wage workers on this campaign since April of 2011 so they can claim their human dignity. We consider raising minimum wage to the strategic. Without this basic human needs like shelter food utilities health care education and transportation. We challenge anyone in this room to try to live on \$320 a week and come to a different conclusion. I headed a study in the office of human relations on immigrants, and the biggest obstacle for two fifths of our city population was the lack of time. By having to work 60 hours a week they didn't have time to learn English or a vocation or imparting values to their children.

>> Mayor Reed: Sorry, your time is up. Carol bean, Reginald swilly, go ahead ma'am.

>> Hello I'm here to support the wages of the employees and I was wondering why we as a San José Silicon Valley are the most way-behind wages of -- ahead of San Francisco and all. Why we were so -- why we are so behind. It hurts our employees, and everything that is cut off, health care and all the housing and education and all the other stuff, I support all the people that are hurting in this world. Thank you.

>> Reverend carol bean. I'm with justice advocacy for the Evangelical church of America and I live in District 6. I think all of you are smart economically I think you can stimulate the economy with this measure. You are smart politicians, you can do that without raising taxes. I think you're smart thinking about small businesses who have a fair playing field and those who want to do the right thing can do that. I think you're smart politically look at that time massive support but I think hopefully you're smart morally. When I had radio minimum wage worker spy speak to me around my bishop he said every month he makes a decision between feeding my child or paying my bills. When he was asked how he solved the dilemma he said I pay my bills because there are penalties. He didn't count the penalties of his child going to bed hungry, of his poor school performance or what it meant to be raised in a family living on the edge. You can think about that kind of wise decision making, you can make a difference now.

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

>> Pass it now.

>> Mayor Reed: Reginald swilly, Tom coop. Reginald .

>> I really would like to know what would it take for you to change your mind or what would you need to hear to say that people should be able to make \$10 an hour? All the history has been laid out, everywhere is done, the economy has been improved and, families are being helped. The question is this. We know that the chambers is the only person in the room saying, we don't want to do this. But every small business know that the more money that's being made in any city, in any community, in any economy, it always helps. The only ones that's against this, I mean it is pro-family it's pro-economy it's pro-business. The only thing it is is antichamber. We cannot be caught on the wrong side of history again. They fought against the ten-year-olds, they thought against every time the minimum wage come up and every time it has always helped our economy. Please do the right thing. I believe you will. [cheering and applause]

>> Mayor Reed: Tom coop, Cara moneyham, (saying names).

>> Mayor Reed, honorable councilmembers, my name is Tom coop, I'm the pastor at Santa Maria hills chapel in East San José. I come before you to support raising minimum wage. Members of my congregation making only the minimum wage and they can't afford to feed their families. We have a food pantry we make available to them and other folks in our community and that continues to rise. I've tried to think about what it would be like to have to live on \$8 an hour. And my guess is, none of you here have ever had to do that. [applause] Raising the minimum wage by just \$2 will help people be able to feed their families, to be able to live in affordable housing and to do the things that they need to do to live. My faith commands me to serve --

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

>> Thank you.

>> Mayor Reed: Cara moneyham. Just a minute, Ms. Moneyham. We're get going to break slightly after 6:00. We're going to have cara and two others. Go ahead.

>> My name is cara moneyham. sometimes they invent phony organizations to present that information. Recently, the Silicon Valley chamber of commerce hired something called the employment policies institute to write a paper attacking the \$10 minimum wage. Who is the employment policies institute? It is one of 25 front organizations all setup by the same Washington, D.C. lobbyist. Each organization pretends to do serious research i'm submitting to the city council the list of all 25 groups and the D.C. lobbyist who created them. We can't believe a word they say.

>> Mayor Reed: Wayne Robert Spalding.

>> Thank you for having me. My name is Wayne Robert Spalding and I'm afraid of not making rent. Some people claim that if this wage increase goes through then there will be less jobs available. I would like to work two or three jobs but what I would like to do is work one job that pays well. San José needs to be an early adopter of this

issue. Henry Ford's in the interest of time. There are arguments that we should send this to the ballot to let the voters decide. I don't believe that that's being done with the expectation to defeat the measure. I think it's a delay tactic. There are many countries and cities around the world that have similar minimum wage when you convert their currency to U.S. dollars it's somewhere around 9.25, 9.50. A cursory look on Google or Wikipedia can give that. Negative effects that are being expressed by these business owners. Speaking of that I've only heard just the restaurant owners --

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

>> Thank you very much.

>> Mayor Reed: Diane fisher.

>> I'm Diane fisher director of the Jewish community center of Silicon Valley. I'm here to share a faith based wisdom that I know is universal for all of you. Jewish teaching tells us that the highest level of charity is to help someone help themselves before they have to ask for charity. Once someone falls into poverty we know it takes much more money to raise them back out of that hole. They knew this in the time of Leviticus and we knew this now. We know an extra \$2 an hour is not going to end poverty in San José. But rabbi Tarfon said somewhere in the 1st century, you are not required to complete the work but neither are you to desist from it. To say the time is now, we know that 30,000 other people raised their voices in support of this and we stand with those thousands. To infuse dignity and economic stimulus into our community. Thank you.

>> Mayor Reed: Sorry, your time is up. [cheering and applause]

>> Mayor Reed: It's about five minutes after 6:00 I think we'll recess until 7:00, that will give councilmembers time to have dinner. Okay, we're going to recess until 7:00 dinnertime. [Recess]

>> Mayor Reed: Good evening. We have a council quorum. We have people who still want to speak. I've got some fresh cards to add to the stack. So we're going to continue with the testimony. Again, for those of you who might not have been here this afternoon, if you want to submit a blue sheet with comments in lieu of testimony, you can certainly do that. All right. I'll call a few names and we'll get going on the testimony. We've got about half of the stack done but I guess we probably lose a few in the evening as we usually do. So come on down when I call your name. Angis teeter, Claudia Shope. Greg Miller, jamilla hashima. Go ahead.

>> Hello, thank you councilmembers. My name is Angus and I'm a college student. So are many of my friends. Many of them are here. But too many of them are not here today and not in college because they're too busy working multiple minimum wage jobs. The shame is they're still struggling to make their rent and their groceries. I think this is an absolute tragedy. This is some of the most brilliant people I know. I feel honored to have met these people because is despite all the burdens that poverty has placed on them, they still find ways to make their communities a better place. Despite that they're working a minimum-wage job it stuns me to think what we could be doing if we weren't shackled this way. We know we need generations to get better jobs. But we shouldn't need a better job to get an education. This is your chance to break this cycle. It won't break the economy. It will benefit us all. I think San José deserves better than this, so I urge you to adopt this resolution. It is time for ten. Thank you. [cheering and applause]

>> Mayor Reed: Greg Miller, Claudia Shope. Jamilla hashima, Mickey Gonzales Ewen. Tony Alexander. Ross Gomez.

>> My name is Greg Miller and I'm appalled that a minimum wage increase for San José is controversial. \$10 an hour is minimal in a city with a with one of the highest costs of living in the country. According to a recent comprehensive study on self-sufficiency a family of two adults and two children would need more than four minimum wage jobs to maintain a minimum, a minimal standard of living in this county. As a nurse, I am especially aware of how low wages and long hours affect health. \$16,000 or \$20,000 means that a household must have multiple wage earners or multiple jobs. When families live that close to the edge the question keeps

coming up. What do I give up, healthy food, the rent, seeking health care when I am sick, quality time with my family, rest and relaxation, low wages --

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

>> Put our family at risk.

>> Mayor Reed: Misty tanner. Misty tanner, Enrique bagnet. Antonio de Castro, Oscar Florez, Sonia Abulla, Alicia St. Laurent. Lorena Sanchez. Raul Sanchez. Alberto Sanchez. Carolyn Straub. Go ahead.

>> My fame is Alicia St. Laurent. This is my son St. Laurent. I'm a full time student at San José State and I'm a minimum wage worker. Unfortunately I am affected by this minimum wage personally. I choose whether or not I'm going to put gas into my car or whether I'm going to pay my PG&E and a lot of the times me and my son have to go without. And I will not pay my bills for PG&E because I'm unable to. I'm unable to pay -- be able to provide for my son. So with this ordinance being passed today and saving the city thousands of dollars, you guys are making impact would not only in my life but in my son's life. And in addition to thousands of mothers who are single mothers living in Silicon Valley who are unable to provide for theirs families, recently this past Saturday we went to small businesses me and my son and found that there is no impact because of minimum -- or for small businesses, that they're impacted for raising the minimum wage because they're already paying that minimum wage. Half of the business owners on 4th Street are already paying minimum wage or \$10 I'm sorry. And I believe --

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

>> If you pass this today you could make a difference.

>> Mayor Reed: Lydia Goull.

>> Good evening. Mayor, councilmembers. My name is Lydia and I'm with sake receipt heart community services. Working people deserve a fair wage and businesses need people with cash. Our local economy could use a stimulus, a boost, a shot in the arm, well here it is. Increasing the minimum wage to \$10 is estimated to bring in additional dollars to San José. Low wage workers spend almost all they earn, they spend it close to home in San José. To help our low income families and help our local economy, please use your political will, your moral compass. Raise the minimum wage, now is the time for 10. Thank you.

>> Buenos Noches [Spanish] my name is Raul Sanchez. I'm a community leader with sacred heart community service and I'm here representing all the people in our neighborhoods who are not represented. [Spanish] I'm here representing all of my low-income families in all of the districts that you represent who have to make tough decisions between paying the rent, between eating, and taking care of their children. [Spanish] I'm here to ask you to please support all of these people who need to take more control of their lives and with better income will be able to do that. All these low-income families need your support and we're asking to you pass this today, thank you. [applause]

>> Mayor Reed: Lydia Goull Rosa de Leon, Karen Goggery, Mahesh Goggary, Lisa Salas.

>> Good evening, my name is Rosa de Leon and I'm the lead organizer with Californians for justice. We organize we organize high school students in the east side of San José and have a membership of over 120 students who are actively involved and I'm here to here to argue to pass the increased minimum wage for San José. This is not only important for San José but it is very important for our youth. We have students who have to get a job, not only to save money to go to college but also as part of their family incomes. One of our students has a part time job and that supports the family with the bills. This is very, very important and we need to take the hard work that our students do in our community and acknowledge that. And this is very, very important for our community in San José. And I argue to please do not wait until November. Now is the time when our working families need your support. They vote for you to be sitting there and making decisions for our community. And now is a perfect time for you to be accountable to the San José community, and give back to them. We need your vote, and we need your vote today. Thank you. [applause]

>> Mayor Reed: Karan Goggary, mahesh Goggary, Shilta Goggary, Lisa Salas.

>> Good evening. I just want to bring up something that hasn't been touched on yet, and that is, that minimum wage workers work traditional jobs such as grocery check out or cashiers in fast food are facing new competition in the form of automation. I'm sure we've all been to a grocery store with self-check out by now, and many fast food places are offering kiosks which allow customers to put in their orders themselves. We also have a population which is increasingly becoming familiar with these digital interfaces and some like myself who prefer them. These machines already give the employers the benefit of higher efficiency. Increasing minimum wages would only increase the financial incentives to switch over to these machines and eliminate a job altogether. They not only reduce time and food waste via eliminating human error but also operate at a much more fixed cost. I'm sure those of you with an iPhone realize siri has never asked for a raise. So I submit to the council, a wage increase such as this will actually hurt the very people it is trying to aid as it will limit their ability to compete with the rapidly changing world. Thank you. [applause]

>> Hello, my name is maesh Goggary, and I'm one of the employees and owner of jack-in-the-box and I'm operating this this jack-in-the-box right across from San José State university. I started with 3.35, I sweep and mop the floor so I am a minimum wage worker, I was, now I'm owning the jack-in-the-box. Personally I'm against it. It's going to hurt, going to laid off people, I'm going to adjust my labor in order to be profitable. At the presently I'm not profitable. So yeah, what let's go on ballot. Let the public decide and do the right things. Thank you. [applause]

>> Good evening. Respected leaders and fellow community leaders. I'm a small business owner in downtown San José. Raising the minimum wage would force me to cut my labor force. To make ends meet, even though if I'm paying you \$10, you will not be able to afford to my burger or my two tacos for 99 cents anymore. So it does not help development, and it will move away people from investing within this community. Just San José, having \$10 wage will only move businesses to neighboring cities. Thank you.

>> Mayor Reed: Lisa Salas, Dana Bainbridge, Patrick Kuyoe Brian Lee. Brad Gianacaro. Mike Cassas.

>> Dana Bainbridge pastor of first Christian church, San José. I'm here as a PAC congregation and join many others from other faith traditions I've heard today, that say our mission is to bring good news to the poor, we're asking the city council today to bring the working poor good news, by immediately adopting the minimum wage ordinance. We -- minimum wage is an accessibility issue, without an increase in the minimum wage, people do not have access to housing, to health care, to transportation, just the basic needs of life. Low wages are creating a whole class of people who are becoming financially disabled. Government can intervene. The Americans with Disabilities Act created access where there was no access. We are financially disabling people with our wage structure. We're here today to ask our government, the city council of San José, to intervene, and to adopt the minimum wage ordinance. [applause]

>> Good evening, my name is Patrick Kuyoe, and I'm a student at San José State University and we've arrived at a point in history where the average minimum wage worker makes \$16,000 a year, while the CEO of Goldman-Sachs makes \$16,000 an hour. This stat difference, this wage difference is a microcosm of the socioeconomic inequality that exists that existing in today's country. Today you guys have the ability to alleviate some of the symptoms of that inequality. Do the right thing. It's time for ten. Thank you very much. [applause]

>> Mayor Reed: Alex Guberman, Anna Sabuhi Sadiki, Carol Stevenson, Veronica Abendano, Steve Kline. Otto walker, Jeff Moore. Daniel Zapien, Doug Jones, Matt King. Ryan Sarena, Mark Shagaz. Scott Lipton.

>> Thank you, councilmembers for hearing us. My name is Doug Jones. I'm a political organizer for SEIU United health care workers West. We represent thousands of health care workers workers in the City of San José. They work at over a dozen facilities in the city. And fortunately because they have shown solidarity in improving both wages and working conditions at the workforce, the employers where we represent workers will not be affected by this ordinance, but we have gone through decades of supply-side economics. And it doesn't work. I would notice that the chamber who by the way led the comments today, almost entirely, had very little real evidence that they brought to bear on this. We heard a number of anecdotes about how this would force me to do this. One of the

things that one of my brothers said earlier today is that this increase would result in \$5600 in new consumer spending. Understand that that stat came from the federal reserve bank of Chicago not --

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

>> So raise the wage, thanks. [applause]

>> Good evening, I'm Matt King. I work at sacred heart community service. I had a very flashy visual aid but it's disallowed as being too large going off the cuff, sitting in the chamber and the guy from jack-in-the-box just now, their argument or what is presented as an argument reminded me of a story from the 1940s. The 1940s the owner of the New York Yankees was asked, why are there no black players on your team, his response was, if we integrate the major leagues, the Negro leagues will go out of business and people will be hurt. That was his answer. And he was right. The Negro leagues are defunct, they did not survive when major league baseball was integrated. And we ask that you raise the minimum wage to \$10 right now it will thank you. [cheering and applause]

>> Doesn't really work. Hello my name is Ryan serene, like all of you I make more than the minimum wage but not as much as some you. What you have on the screen is a comparisons of three types of minimum wage workers. Report on page 11 and 12 that shows survivability. After a few monthly expenses the money quickly runs out. I'm not an accountant or can financial planner, as can you tell, without using credit cards or predatory payday loans or maybe you can do the right thing today to raise the minimum ways to \$10 an hour so they don't have to. The minimum wage should have been addressed by the state legislature years ago, but the up themselves and show true leadership. Today we're above the political divide that this city's been facing and do the right thing and raise the minimum wage please don't ask the residents of this greatity to bare a burden can you not. Thank you.

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

>> As you know my students and I helped to initial the campaign to increase the minimum wage. We did it because of the simple truth. \$8 an hour is not enough to survive in Silicon Valley and if you work a full time job you should not live in poverty. This simple truth is what's inspired so many of us to be here today to say to you pass the minimum wage initiative today. It's time for 10. For \$10 an hour well give our families the ability to buy more and better food. \$10 an hour will allow renters to pay, is tuition has increased 141% since 2008 with no minimum wage increase. As one community leader recently said, this is the most important decision in a generation for Silicon Valley on the issue of poverty. My hope and prayer is that you stand with the students workers faith community and nonprofits and vote yes, on immediately passing the minimum wage initiative. It is time for ten.

>> Mayor Reed: All right, we have a few more people who still want to speak. (saying names) come open down, whatever order is fine.

>> Mayor and council, my name is Victoria bardone and I'm a resident of District 6. I might say earlier comments made by some other people from chamber of commerce you know previous comments like thing a minimum wage raise to a charity case for minorities excuse me I mean people color. Let's see poor people and the homeless these comments are patronizing if not really insulting. This is not some inconvenient handout. This is your chance to invest in the hardworking constituents who are looking to you. To pass policies that are going to help our city. I'm talking to you city councilmen I'm looking at you Mayor Reed, do the right thing and get it up to 10. Thank you so much.

>> Good evening, I'm Dr. Victoria Alegretto. Heavily scrutinized by other economists in the field. A new large body of growing empirical literature that grow it decreases turnover thereby saving in recruitment and retention costs for firms. It increases efficiency thereby saving more money. The hard facts are that the bottom 30% of workers in California the bottom 30% today make 8% less than those workers did 30 years ago. There's been no real wage increases because the minimum wage increases in California. It is simply kept low wage workers from slipping even further behind.

>> Mayor Reed: Sorry, your time is up. The problems in California paying.

>> I'm available for comments if you need me.

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

>> Good evening, council. The staff report states that a full time worker earning \$8 an our can't pay for the necessities of life. But these people are live and working. They must be basically procuring the necessities of life. Who is helping them we are. Housing for workers who otherwise can't hold down jobs in Silicon Valley depending on the wages alone. But the chamber of commerce wants more from the taxpayers. As an alternative to raising the minimum wage they want San José to start a new subsidy program a supplement to the federal earned income tax. They particularly like the one in Washington, D.C, it cost the city over \$30 million a year. Today taxpayers and low wage workers are on the same message. For the city council. It's time for 10.

>> Mayor Reed: Raleigh Johnson, Josiah Lee. Jamila hashima.

>> Mayor and city council members. You've heard so many things in support of something so monumental. Something that's not just supported ethically. For businesses, you see something that is here to empower the youth here to empower the people. You are letting officials you're not just here you know to make those elections to get elected by campaign finances. You are here to represent the people. The people are here speaking today, the people are here talking today showing you that we care. We not only care how much we make, we care about quality of life. If you raise this wage what are we the people that make that minimum wage going to do with it? What am I going to do with that extra \$2? I'm going to be an honest person and be able to afford school. Yes if I want to go out Friday night once a month I might be able to afford that thank you for your time. [applause]

>> Hello, my name is Diana crumb and I'm honored to be here. I'm actually here, supposed to be at school to do mygrad walk. I came to San José State because I want to be involved in activism. I said why would I be walking

the streets right now? I want to be here, I want to be part of something a degree can I get that but this experience, they don't teach you this in school. They don't teach you how to come here and say that you can really be a part of change. And talk to the mayor, and councilmembers, and real really be passionate about it. I have something written here do you know what it means when someone pays you minimum wage? Do you know what your boss is trying to say, he's trying to say, if I could pay you less I would but it's against the law. Minimum wage is not enough. I'm graduating I'm bringing my ten closest young cousins I want to the show them this is where I want them to go but I know they can't do this on \$8 an hour.

>> Mayor Reed: Sorry, your time is up. Michael Cervantes. Sol Gonzales Rob savage, Rob Shibata. Scott Knies and James Duran.

>> Hi my name is Rob and I would like to urge the city council to adopt the resolution submitting the minimum wage initiative to the voters open the ballot. I think that you have a very concentrated group of people who would like to have it voted on immediately. But I urge you to take it to the broader base of voters, and not be railroaded by a single group. Tonight. The true cost of business is not just the increase in the wages but you have to pay higher workers compensation rates, workers comp which is required by law, every business has to pay it is a percentage of the total wages. Payroll taxes have to be paid. Small businesses provide probably 60 or 70% of the jobs, in San José. I can't speak for bigger companies. But small companies are just like your family. You have a family budget. If your costs go up that means you have to cut someplace else. If I sell doughnuts my costs go up 20% do I automatically sell 20% more doughnuts to make up for that, no I don't. So --

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

>> Thank you very much.

>> Good evening councilmembers. My name is Sol Gonzales and I'm a member of the leadership of cafej. Students of San José State university. I'm here to speak on behalf of if students. Do you know that the students loan have grown 511% since 1999? Student loan in America is more than \$1 trillion in fact, student debt

is now even greater than the national credit card debt. San José tuition has also increased 141% since 2008. Is for this reason I urge you to increase the minimum wage for the sake of thousands of students who will graduate to nothing but debt. Students are counting on you to raise the minimum wage and to save the city some money. You recognize the living wage for city employees and contractors, we ask for you do the same for the rest of San José. If you haven't heard it, it's time for 10.

>> Hi, I'm Josiah and I'm in fifth grade in hacienda school in San José. If there was a minimum wage people would be able to eat healthy nutrition food, longer and live a happy life. Also many people don't have health care and nutritious food will prevent diseases and many people will not be hospitalized. You may not want the chamber to influence you for your saying they will not support you in your election. If you pass the minimum wage you might land with 36,000 aextra votes. Also when you are making lots of money many people are making 8 bucks an hour why don't you cut your salary and spend it on public schools or helping poor, providing them food they can't afford oh and pass the minimum wage ordinance. Thank you. [cheering and applause]

>> It's a tough act to follow. Good evening. Mayor Reed and members of the city council, last Tuesday we spent nearly two hours talking about gore park. Mostly, the issues about insufficient public outreach. The decision we came to is we need a design charrette. I think we need a design charrette on minimum wage except we can't get together and reengineer this. The initiative process has been followed. We have something that's been presented for the voters in November. And that's what we should do. Let's the resolution in front of us today. And we should follow that. You would do great honor to the community by allowing them to follow the values, public outreach that you've modeled and by letting the voters make the decision at the ballot box. There's nothing that's more fair or more just or democratic.

>> Mayor and city council, I'm James Duran representing the Hispanic chamber of commerce. We have 400 plus members in the San José Silicon Valley area. The vast majority of them are opposed to an increase in minimum wage. These are difficult economic times. We would like to employ more people rather than last people. The increase in the minimum wage means we would employ less people. A minimum wage would reflect itself in higher prices. We also have business owners who have expressed their concerns to it that an increase in

minimum wage in San José will for certain new that they will not come to San José. To end I echo Mr. Scott Knies's comments and say put the measure to the ballot and make the voters make the decision. They need to have a voice in this also. Thank you.

>> Mayor Reed: I called a lot of names of people who weren't here. If anyone has put in a card and you didn't hear your name come on down. And I might have pronounced some names so poorly that you didn't recognize your name so I'll confess to that as well.

>> Hi, my name is Annette Diaz Nagatani, first time I've ever done this but I'm here representing those single moms who are disabled and who are victims of domestic violence. As you know, financial issues are a big thing in families and a lot of domestic violence comes from that. I am now with five children. And I need to put them all in college and school, and I can't afford it. The minimum wage to \$10 an hour would be helpful to finance some of their schooling and have a better life and a better education. I hope you support this ballot and I think I'm done. Thank you so much.

>> Mayor Reed: That concludes the public testimony on this item. We'll now come back for some council discussion and ultimately, we'll take some action here after we have a chance to discuss it. Councilmember Constant.

>> Councilmember Constant: Thank you, mayor. You know there's a lot of things that we can debate about the minimum wage initiative. We can debate whether it's the right time in this economy to put additional burdens on businesses, we can debate whether minimum wage jobs are designed to develop and build skills. For those entering the workforce. Or to establish career jobs. We can argue whether raising the minimum wage lifts people out of poverty, or traps them into poverty. We can debate whether an assignment like this is best suited for a sociology class or an economics class. But what we can't debate is that there has been no public debate on this. And we really, on an issue of such substantial public policy, must allow time for the residents and businesses in the City of San José to engage in the process. Given the limitations of the council's purview tonight, there are really only two things that we can do. And the reasonable thing for us to do is to approve the staff

recommendation to allow the residents and the businesses of San José to have a full and open public debate on the merits of the issue, on how this public policy piece will affect our residents, our businesses and all the stakeholders and I urge my colleagues to support putting this on the November ballot. I'd like to make it a motion to approve the staff recommendation.

>> Mayor Reed: All right, we have a motion to put this on the November ballot. Councilmember Pyle.

>> Councilmember Pyle: Thank you. I'd like to begin for once in my life I'm wordless practically but I'd like to begin by saying I think the intent of the initiative was certainly well deserved and it was certainly something that brought an awareness that all of us need to come in touch with from time to time. I don't think any of us are competent to vote on this and the reason I'm saying this is that normally when we have a process to bring about something, there is a process that's followed. This is an initiative. There is not much in the way of process. And by process, I'm talking about bringing in both sides of the argument, for an in-depth analysis of what the whole thing means, and what it would do. So I think the progression is extremely flawed and for that reason I will join in with the, what has been proposed to bring this to the voters. It shouldn't be 11 people making the decision. It should be the voters of the City of San José. Thank you.

>> Mayor Reed: I'm going to support the motion. As I was sitting here for the last couple of hours listening to people talk and we had hundreds of people here and I was thinking about the people who are not here and there's almost a million people out there and some of them will be affected in this and they haven't engaged in it. And people that came to mind are the people that are going to lose their jobs. As you heard from these small business owners they are going to have to make some cuts. Those people don't know who they are. We don't know who they are and they're certainly not here to defend themselves. And we did have a group of people who didn't speak today but we did get written communications today. They are not here to speak either, the independent peer training program it provides employment for 20 teenagers to provide social skill training for 35 young adults with autism and the director of that program says if this minimum wage is imposed on him he will have to close his program. Well, some people are going to lose out on that. They're not here and I'm concerned about that. San José he conservation corps, they do a lot of work in our community help a lot of people who can't work don't have

the skills to work and have to learn how to get the skills to work and they say if the minimum wage is imposed on them it will put them at a disadvantage in getting grants. They didn't speak today but we do have a lot of written communications. We have communications from dozens of restaurants and others who have just said if we impose this on them they're going to have to make cuts. They'll raise prices, lose business lay people off and we don't know who those people are. So I'm going to support putting this on the ballot. That will give folk who have a stake in this the channels to weigh in on the argument. I'm sure that some people would be opposed and some people would be in favor of it but that's what elections are for and it can be on the November ballot so I'm going to support the motion. Vice Mayor Nguyen.

>> Vice Mayor Nguyen: Thank you, Mayor Reed. I wanted to thank all the people who came out to speak today. Obviously there's a lot of passion on the issue. Let me begin that my initial response to the issue, is why wait, let's go ahead and implement this, it's the right thing to do, it's more based on the values of equity and fairness and reinforces the American ideal that anyone can make it if you are willing to work hard. But this issue is not just a moral issue. It encompasses so many factors and as an elected official we all have the responsibility to bring those factors into our decision making process. And make sure that what we're doing is right for the entire city and not for just a small selective group of people or the working class of people in the city. Families living on this edge -- I think you have an opportunity to speak. It's my turn now. Families living on the edge of extreme poverty and fighting to keep their heads above water desperately need this initiative. Small business owners who each month face the possibility of having to close the doors and shelter their dreams are hoping this initiative isn't the final blow against them. We must have vibrancy to attract and keep businesses here. We must be a city that families can also afford to live here. This debate is not about the business community or the working class or the working poor. This is about family businesses that need to survive and thrive in our city. It's very evident from the staff memo that staff have not had time to conduct outreach on this very important issue. When we voted to accept the certificate of sufficiency several weeks ago on this issue we haven't had time to conduct our own outreach in our council district. We only had a couple of weeks. It's not enough time to bring everyone to the table to hear and listen to the concerns. We simply do not know the long term impacts that this could have open small and minority owned businesses. Just as we simply do not know if the implementation of the minimum wage today will put some families out of work due to the down-sizing of the companies they currently work for. Simply put, we

just don't have all the answers at this time. And also, when I take a look at this petition which is circulated and 36, more than 36,000 voters have signed this, the first line I saw was, initiative measure to be submitted directly to the voters. So I don't know how you interpret this, but my interpretation of this is very simple. That these people when they signed this petition understand that they have an opportunity to weigh in at a later date. Of what that later date is I'm not sure. But I would assume that November 6th would be the earliest that we can vote on this. And so what I'm saying is that I'm simply following what this petition has outlined and so it's not a matter of supporting to increase the minimum wage or not. We have an obligation to do what is right and what this petition actually stated. So as we move forward with this debate I also want you to recognize one thing. Let's allow the people who are working at a minimum wage, let's allow them to weigh in on this process. Mayor Reed said.

>> Councilmember Liccardo: Almost one million people in this city and we have roughly about 300 people here tonight or today to speak on that issue. Let's give those people an opportunity to weigh in in November. Thank you.

>> Mayor Reed: Councilmember Campos.

>> Councilmember Campos: Thank you, mayor. There's an opportunity to pose questions to experts and so I'm asking, there seems to be an expert from Cal Berkeley here, would I be able to call her and ask some additional questions of her?

>> Mayor Reed: Sure.

>> Councilmember Campos: Okay. Is she still here?

>> Mayor Reed: She testified, yes professor come on down. [applause]

>> Councilmember Campos: Thank you. Just a couple of questions. You know, in the City Manager's supplemental memo, it says that research on local minimum wages is based on a few years, and doesn't indicate

what the long term effects might be. Are there longer term studies that can give us some sense of whether there's a long term impact of an increased minimum wage on employment levels? That seems to be one of the issues that you pass this, and immediate layoffs are going to happen.

>> Well, I think there are three really important studies. One, a study that was done on San Francisco. A study that -- citywide minimum wage. Citywide minimum wage in San Francisco. And probably even more importantly, a 20-year -- a 22-year study that was done that many economists smarter than myself call really the, you know, the definitive study on minimum wages. If you just bear with me a second. Imagine if you took two states and at that state border, one had a higher minimum wage than the other state. And that there were these local labor markets that crossed into both states, right? And you took all of those states in the country over a 20-year period and all those local labor markets and you estimated the effect of the one state having a higher minimum wage than the other. And that's what was done in this study. And even in that study, again showing local labor markets like what would be here in San José, this whole local labor market, with the you know the one area having a higher minimum wage and there simply was not the disemployment effects that came about from all of these minimum wage changes. Again at the federal, state levels, over I think a 22-year period. And also, the two studies done on the minimum wage -- citywide wages in Santa Fe and San Francisco also looked at retailers, big box, restaurants they looked at employment, they looked at if there was mass exodus of stores and found none. And as a matter of fact, found that they were increasing over the period of time that better reflected what was going on in the economy. And not some reaction to any minimum wage policy.

>> Councilmember Campos: So going back to San Francisco, and as you answer, can you comment on the following specific issues: One, and I know you briefly touched on it, did businesses in San Francisco just raise their prices to cover the higher cost of the minimum wage? As regards to effects on jobs, is there a reason to believe the San José regional labor market is very different or even any different from San Francisco's regional labor market?

>> Well, as far as as far as the issue of menu prices, there was a small, a very small effect on menu prices. Once the citywide minimum wage went into effect over a period of time. We're really talking what can be described as

like pennys for a hamburger and fries. You're talking about a modest but there was a small increase in menu prices. Now, whether San José is different than san Francisco I imagine there are some differences, certainly. But I think that it's you know that the study that I just spoke about really shows you that especially when you're looking at the businesses that we're looking at, restaurant industry, restaurants you know, anybody that's in the restaurant industry knows it's location, location. So this idea that restaurants are going to say oh I'm paying \$10 an hour now, you know after six years of paying \$8 an hour, that somehow now we're going to get up and move I doubt that that's going to happen. I would be more concerned if we were talking about something like manufacturing jobs where over a period of time you might get up and move your manufacturing plants but fortunately most manufacturing jobs don't pay on minimum wages.

>> Mayor Reed: I'm going to have to put a time limit on your answers. Try to answer your question and focus.

>> I think I did, thank you.

>> Mayor Reed: Okay.

>> Councilmember Campos: From your understanding of our economy do you believe a declining wage growth is contributing to our slow-growth economy, can you explain how that could impact the economy?

>> Yes, there's actually been studies done very recently because of the great recession what just happened and all the attention turned towards inequality and it has been the case that the 30 years of ever-increasing inequality and it's been massive right? Over the last 30 years for instance the top 1% have had incomes raised about 275%. Well, the bottom 40% had increases of about 18%. And certainly when you don't have a broad middle class, a broad consumer base, most people have realized now with all the discussion on what drives the economy, our economy is 70% consumerism. That goes for San José, too. So when you don't have a large body of workers, making decent wages that they can recycle throughout the local economies, that growth is hurt because people at the top who take all the money they're spending everything they already want to spend. So

they're not spending more in these local economies. So I would say over the last 30 years that in places like California where wage inequality has been fairly devastating, that it has been detrimental to growth.

>> Councilmember Campos: So then would you say that you you know folks that would benefit from jumping from \$8 an hour to \$10 an hour just as they're spending appearance are right now it's survival that income comes in and comes back into our economy immediately?

>> Yes, you're not going to go two bucks more an hour and go out of survival mode. We became of know people on low wage scale if you put more money into their hands they will effectively spend it.

>> Councilmember Campos: Those are the questions I have. Since you're up here I'd be willing to give any of my colleagues questions if they'd like to ask anybody. Okay. Thank you.

>> Thank you.

>> Councilmember Campos: I do have some comments though.

>> Mayor Reed: You can sit down for the comments, you don't have to stand. [applause]

>> Councilmember Campos: You know, there were some comments that were made that you know, this is -- this is you know a tough issue for a number of folks that are up here deciding what to do today but there was a comment of this not being a moral issue but I think the reality is that you know, the fact of the matter is that having to have a minimum wage makes this a moral issue. You know there was a speaker up here that actually made a comment that the reason why, you know, someone gets paid a minimum wage is that well they get paid lower but it's against the law. That fact is -- it's a moral issue and you know, I understand, you know, a petition was circulated, but, you know, we're dealing with an issue you know that we've got to grapple with up here, whether or not to extend six months, let the voters decide. And that six months of kids or families not having enough food on the table, having to decide whether or not, you know, to pay for their electricity or pay for gas or pay for you know

bus fare. You know, I think that as we debate this, as a council, we really, really need to look at this for what it is. This is a moral issue. You know, this has been an issue we've been -- [applause]

>> Councilmember Campos: This has been an issue we've been dealing with way before I was born, you know and that's -- you know there's been inequality in terms of what people earn to survive, you know that's been the history of this country. Even though that's been the history of this country it's a great country because at the end of the day, we gravitate to the right decision. You know, and economically you know this country or we've made some decisions that have just widened this gap of income disparity. And as we continue debating this I ask my colleagues to really think about that as we make our decision tonight. Thank you.

>> Mayor Reed: Councilmember Herrera.

>> Councilmember Herrera: Thank you, mayor. Thank you everyone for speaking tonight. And I think back a few weeks ago, there I remember the exact day that I met with the professor and students in Evergreen and heard about your project and it's still very impressive to me that you came together you found an issue that you not only wanted to study in a book you wanted to get involved and grapple with it and raise it as a public policy issue and here we are today. I respect you as a professor and everybody involved in this, it has dimensions in this issue, it does have a moral issue, an economic issue, I think it is an issue we need to grapple with. I believe in -- I believe very much in process. And many of the issues that I've heard up here during the four years that I've been up here have come down to are we following the correct process for moving something forward? And the process becomes very important because that's how I measure -- that's how I measure whether we're making a decision that really includes the whole community and really does get to include their input. So process is very important. And I remember our previous Vice Mayor Judy Chirco who used to talk a lot about process. She was here today but I also think if she were sitting in my shoes today she would be thinking about that process and she would be talking to us about it. We have one of two decisions we can make today. We can implement this today or we can have it go to the ballot. And I think the right process is to have it go to the ballot. And so I am going to support moving this to the ballot. Thank you. [applause]

>> Mayor Reed: Councilmember Oliverio.

>> Councilmember Oliverio: Thank you, mayor Reed. The initiative policy is a process in San José. Between medical cannabis it is an achievable goal to put things on the ballot. With that said the Vice Mayor has said and others have said, the signatures were gathered with the clear intention to go to the voters. I believe that's the case we should do. Any given week or month an initiative process could start in San José and each of us may or may not like the topic but there's a level of consistency. I know I'm going to see a number of these initiatives I want to put it on the ballot and let the voters decide. A lot of people have had a lot of e-mails on this topic a lot of form e-mails. I do want to comment whoever was running the form e-mail Website we got some odd ones. We got some with my own name on it which is inaccurate and one where my friend e-mailed. I e-mailed him are these your comments? He said no. I'll read you, now that's fascinating. I actually wrote the letter to resist the minimum wage. I guess the editor is just a shill to make that sender think they have a pretty slimy whoever organized that Website I don't disparage the movement I think someone made a mistake there by editing people's comments I think that's not good but I'm supporting the initiative to put it on the ballot.

>> Mayor Reed: Councilmember Kalra.

>> Councilmember Kalra: Thanks mayor. You know, one thing that was said that I agree wholeheartedly with, Pancho Guivara is, we are talking about pot of. That is something we have not talked about as a council in the three and a half years that I've been on this council it's not something that's come up even though it's something that's devastating our neighborhoods and our communities I'm one that has stimulus including you know, reducing some of the taxes, to help companies and corporations come here reducing some of the fees, streamlining permitting to help companies come here and to create jobs. But at the end of the day why are we creating these jobs? Why do we want to increase our tax base, what is it for? If we are having people, if we are having children that are going to sleep hungry and if we have people that can't even pay their rent and we all have at least I'm pretty sure we all have homes in our own neighborhoods and our own districts we have two three families living in one home, that was a new phenomenon where it is spreading so vastly that we have to do something about it. Now there are different arguments as to what we do or what can we do about it? And there have been some

issues raised, in terms of the petition, what the petition's asking us to do, and process, and first of all let's have -- let's be honest about you know all the people that came out to speak. Some that were for it some against it. The ones against it can fall on process but the reality is that many of them are going to spend the next several months fighting against it. It's not so much about outreach and education as it is an effort to wage a campaign against it which I really fear. Because if it's about simply getting the information and the accurate information to the voters to let them decide that's one thing. If it's going to be a campaign that [applause]

>> Councilmember Kalra: That's similar to the prop type where big tobacco is putting misinformation out there, against prop 29 to raise a dollar tax on cigarettes that's a problem, more of the latter than the former, especially because there is a clear sentiment there are some that don't want this to happen. It's not simply going to be an outreach process where we're getting information to the voters and to the electorate. As far as what the petition says, that's what the petition process, if someone signs a petition which I've signed many of over many years that says you know would you like to sign this petition to put this item on the ballot? Well, you sign it because you support what the item is not simply because you believe that oh well voters should have a decision on this. [applause]

>> Councilmember Kalra: It's common sense. I wouldn't sign a petition to put it on the ballot unless I supported what it was that they were trying to put on the ballot. That's the process that exists. The process that also exists is the opportunity for the council to put in an ordinance that's brought before us we don't have to go to the ballot, if we believe it's the right thing to do. Now, to that end, we haven't really talked about what the cost is of going to the ballot. And I know that's something that was raised in the report and there's a lot of helpful information in the report and so I want to thank City Clerk's office in a very short period of time, you know, somewhat of a miracle even getting this quality of reporting I know I'm sure you wish you had time to do even more thorough research. So Dennis what is the cost if there's no other item going to the ballot in November what is the cost for this item? Roughly?

>> Dennis Hawkins: Thank you thank you, Councilmember Kalra. The latest estimate we got from the registrar of voters was that the first measure on the November ballot would cost \$824,000. The second and subsequent measures would be less.

>> Councilmember Kalra: So if there's no other item on the ballot we right now are agreeing to spend \$824,000, to put this on the ballot. So that's something that we all have to be cognizant of and certainly I know that there's discussion of putting other measures on the ballot and frankly we may very well but we don't know that. And if it is -- if there is a second item do we have any sense what the cost is for every subsequent item?

>> Dennis Hawkins: It would be roughly half that so roughly \$400,000.

>> Councilmember Kalra: At that point you can average out him are going to be on the ballot and that's the average cost. At this point it's \$824,000 for a decision today to put this on the ballot. It is important to know, what's being done at that time is a great concern to me, if this is put on the ballot what is going to happen between now and the first week in November? We're saying putting this on the ballot, let the voters decide, not making a decision by the council. I'm very concerned that city funds are going to be used, election earring from inside City Hall is a grave grave concern of mine so how do we ensure that we are just getting facts and figures asked of the community, how do we ensures that happens and there's not electioneering, let them make the decision?

>> City Attorney Doyle: Councilmember Kalra [applause]

>> City Attorney Doyle: I'll take that question. Particularly at a staff level whether it's City Manager's office or whatever staff is putting information out about any measure that's on the ballot they run information or run the information past our office my staff. As you know and we make very clear to staff you cannot use city resources to take a position on the ballot measures. The city doesn't take sides in terms of using its own resources. That's not to say that city employees or public officials elected officials can't campaign and endorse and things like that. When it comes to printing materials phones anyity resources it's prohibited so any information goes out we

try to ensure that everything is neutral and that includes councilmembers if they want to print anything out in newsletters at public expense.

>> Councilmember Kalra: Okay.

>> City Attorney Doyle: So I don't want to say we're the guardians of that but typically the information is run past us and we sign off on it.

>> Councilmember Kalra: And what we do outside, whether it's with one group, another group that's allowable I know because if you look in the paper today the mayor and I had very different quotes. The mayor indicates all we can do is try to convince the voters it's a bad idea. And I have a quote that's a little different. That happens, and I want to make sure if it's me the mayor or anyone else up here the City Manager's office the clerks office and the city attorney's office really makes it very clear that only objective information is put out there, if we are deciding not to take a position today. And you know, another issue that's been raised I think you know it's a legitimate issue especially for small businesses, I know this is difficult for a small business, but it's always the small business that's referred to and not the fact that many low wage minimum wage employers are employed by large corporations. Now, the reality is the same thing happens in D.C., when you are going to tax people over a million, it's the same argument it's always the mom and pop shop on the corner. If we're really concerned about the mom and pop shops on the corner, if this goes into effect today, tomorrow, whatever let's focus on those that will be the most impacted because they are family run businesses and not kind of throw the whole thing out because of that same argument over and over again about a small segment of businesses that will be affected by this rather than the large corporations that continue to have us subsidize social services for people that have been making far too little in this valley. [applause]

>> Councilmember Kalra: And the reality is, I know the Vice Mayor may comment about small select group of people the working class the reality is that look the working class makes up a much larger segment of the community than any other unfortunately right now because of the amount of poverty because of the relative disparity that's occurred over the past decades. We could survey all the minimum wage workers and see if they

want a raise, but we know because it's so expensive to live in this valley, a \$2 raise is not a living wage. They're still going to be poor. They'll be able to buy a little bit more food or clothes ever week. These are people that are working and any hardships that may be suffered by businesses or any of the nonprofits very few of which will be impacted we can look at those issues rather than just saying it's a bad idea. And then in terms of you know, at the end of the day we have to understand that look, we're a city over 170 square miles a million people when we did the plastic bag ban we were to the told the same thing, we're going to shop somewhere else. It's going the studies have shown and I've read the studies I've done my homework on this on all the studies of the minimum wage that have been put into place, the Clerk's report makes the same mention that there was not an impact or there was no job loss that occurred after minimum wage hikes and in fact there's been a further evidence that in fact it encourages job growth because more money is being pumped into the economy now we can certainly -- you know we can certainly -- it's the easy thing to do for me or anyone to say well process, let the voters decide. What we do know is if we do that we're going to spend over \$800,000 in the process, it's going to be a campaign with misinformation, a lot of resources going to be spent. Ultimately I think that the Vice Mayor and Xavier and others mentioned this. This is a moral issue and we have the opportunity as been mentioned to make a decision that really is a decision that is a reset, because our lowest wage workers have not been compensated enough. We don't have to come back again. The wages will go at the same pace as the CEOs and everybody else in between, have more the cost of living goes up we don't have to revisit this again, it's indexed and then it's a done-deal. You know Robert Kennedy said I believe that as long as there is plenty, poverty is evil. For people to go hungry for people that are working full time to go hungry is unacceptable. I'm going to [applause]

>> Councilmember Kalra: I'm going to offer a substitute motion to adopt the ordinance today.

>> Mayor Reed: All right.

>> Mayor Reed: We have a substitute motion to adopt the ordinance. City Attorney.

>> City Attorney Doyle: The normal process is to adopt the ordinance after two readings.

>> Councilmember Kalra: At the end of the day, September, October time --

>> City Attorney Doyle: You're talking September.

>> Councilmember Kalra: And if it went to the ballot and passed?

>> City Attorney Doyle: Just for the audience September would be the effective date.

>> Councilmember Kalra: Sure. If it went to the ballot and if it were to pass the ballot then it would be until November. End of January.

>> City Attorney Doyle: 90 days from the end of November would be the case?

>> March 4th I did the calculation. It would be March 4th.

>> Councilmember Kalra: I think Xavier mentioned it before. You know we can talk about the difficulty of the transition period, it's going to be difficult no matter what to get our infrastructure in place. But every day that you have people living in poverty that's a difficult transition period for them. The more we can shorten that for them if it's the right thing to do I think we should do it. [applause]

>> Mayor Reed: Councilmember Chu.

>> Councilmember Chu: Thank you, mayor. First of all, I'd like to thank professional scarleton who great one of your students to talk to me and kind of got me excited about this, about this proposal. I have a question for the City Attorney I guess. The last increase of minimum wage is from the state mandate right?

>> City Attorney Doyle: Currently there is no minimum wage of the San José. It is whatever the state of California sets.

>> Councilmember Chu: Okay. And what is the deadline to put an item on the November ballot?

>> City Attorney Doyle: August --

>> Dennis Hawkins: 7th. The actual resolution needs to be to the registrar by August 10th but the council meeting preceding that is August 7th.

>> Councilmember Chu: I do believe that we have time to vet it through our city commissions, we have 30 some commissions, 43 commissions in the City of San José and this is a great opportunity to use some of the input, we're making decision here, I know that we cannot always just resort to the ballot box. And then we have those commissions and they should be able to help us with some input. I wonder, have we vetted to any commissions? I know that small business commission has called a special meeting, and provided some input. But any other commission? Neighborhood commissions?

>> Dennis Hawkins: Councilmember Chu, on May 1st the council directed us to do outreach with the city commissions. We were able to work and get input from the youth commission, from the human rites commission and the small business development commission. We weren't able to get input from any other commissions, many of which did not have a meeting between May 1st and now. If directed we'll do more outreach with the commissions in the intervening time.

>> Councilmember Chu: I guess with the outreach it will allow us to reach out to different commissions before the next meeting am I correct?

>> Dennis Hawkins: Would I have to look and see what commissions will be meeting within the next couple of weeks. But to the extent that we can do a further outreach with the boards and commissions we'll certainly do so.

>> Councilmember Chu: Okay. Because I do have a concern of spending another \$824,000 to put this measure on the ballot. And I also wanted to speak to the many of small business owners here. As a small business owner myself many of you know that I had a Chinese fast food restaurant for many, many years. And maybe you know I know the suffers and the difficulty of meeting the payrolls and paying the taxes and you name it. You know, public record will show you that I have a higher mortgage today than when I started my small business. So I understand your suffering. But also, I have paid all my employee more than \$10, you know, more than the prevailing living wage here. [applause]

>> Councilmember Chu: And the reason that I have a higher mortgage today than when I started my business is not because I've been paying my employee higher than minimum wage. It's just because of the economy, you know, and lot of business I will think it's the location. But in my case was just the general economy that really taken the big toll out of my business. So I don't believe -- actually I do believe that increasing the minimum wage will actually help with our economy like the professor the from U.C. Berkeley stated. [applause]

>> Councilmember Chu: So given the substitute motion I think it will give us the time to at least reach out to our commissions as our liable kind of source for input. I understand the youth commission do agree with it. The small business commission am I right?

>> Dennis Hawkins: The letters or the comments from all three commissions were included in the report. I think the youth commission there was a variety of opinions expressed by the members of the commission. I don't think they had a formal action because they didn't have an intervening meeting. I think we could say we had opinions from the youth commission but not a formal action from them.

>> Councilmember Chu: By reading the report I kind of concluded that we were supporting it. Anyway, I will be supporting the substitute motion. [cheering and applause]

>> Mayor Reed: I want to make sure there's no confusion about the motion. Because when Councilmember Kalra is making his comments he talked about considering nonprofits and considering very small businesses and

Councilmember Chu is talking about taking it to our commissions. No, we can't do that. We have a choice tonight. Either we adopt the ordinance as-is, exactly as presented to us, or we put it on the ballot. We don't have time to do the outreach and massaging and fixing and thinking like we usually do, it's not choice, it's not the process. It either goes on the ballot or we have to adopt it exactly like it is. The motion is to adopt it exactly like it is and that's the only choice we have.

>> Councilmember Chu: My understanding it's going to come back for a second reading right?

>> Mayor Reed: It may come back for a second reading but we can't change it.

>> Councilmember Chu: We cannot change it but --

>> City Attorney Doyle: It comes back as-is. You can't tinker with the language.

>> Councilmember Chu: But we would be able to take the opportunity window of opportunity to hear from our commissioners.

>> Mayor Reed: You can hear from them but you can't do anything about their comments. You either put it on the ballot or you adopt it. They say it would be great if we accepted small businesses less than 25 like they do in Santa Fe we can't do that, we don't have the power under this. The motion is to adopt the ordinance as-is.

>> Councilmember Kalra: Mayor, that's correct. When I made reference to the small percentage of nonprofits that maybe impacted or the actual mom and pop restaurants that might be impacted between now and the time of actual adoption, I think that's where we can do work to reach out to the true mom and pops that are affected and in termination see what we can do in terms of assistance if it's necessary.

>> Mayor Reed: Councilmember Pyle.

>> Councilmember Pyle: Just a point of clarification in reference to the dollars that the city will have to pay. Now, in November we're going to put measure B on the ballot, correct?

>> Mayor Reed: Measure something.

>> Councilmember Kalra: Measure B is in two weeks.

>> Councilmember Pyle: In November what did I say? In November measure B will be on the ballot. Oh, it's June. Sorry I'm in the wrong time frame. Yes. So we don't -- I got it now. I just wanted to bring up however the other part of it, and that is the administration. If this passes then we will be paying I think \$650,000 in order to administer it and make sure it's complied with, Dennis would that be --

>> Dave Sykes: Dave Sykes director of public works, the office of equality assurance resides in public. We did some estimates cost of enforcing and based on the San Francisco model we are currently estimating around \$600,000 annually.

>> Councilmember Pyle: 600 in addition to the 800, let's say it's 800 about \$1,400,000 to get it on the ballot and to administer it if it passes?

>> Dave Sykes: Well, the 600,000 is purely for whatever we would do in terms of administering and enforcing the regardless --

>> Councilmember Pyle: I'm talking about adding to it the cost to come about in order to put it on the ballot which you said earlier was 800.

>> Dennis Hawkins: Councilmember Pyle, the cost of the election is \$824,000.

>> Councilmember Pyle: Right.

>> Dennis Hawkins: What Dave is talking about is the cost of administration.

>> Councilmember Pyle: I know that. I'm trying to say if you combine those two costs then you come to -- close to a million 4. It is not as though the city isn't doing something to help with this process. Thank you.

>> Dennis Hawkins: Councilmember Pyle, I just want to also point out that under the terms of the ordinance that there are approximately 85 employees of the city that would need to have a salary increase. And that would cost the city approximately \$30,000 annually to bring those employees up to the \$10 per hour.

>> Councilmember Pyle: Thank you.

>> Mayor Reed: Councilmember Rocha.

>> Councilmember Rocha: Thank you, mayor. As I mentioned last time I wanted to applaud and thank the students of San José State and Dr. Lipton it was an amazing feat and sitting with you in that meeting I was impressed as heck and I think you did fantastic work. And I also want to thank staff for this work as Councilmember Kalra mentioned darned good work for a short time, great turn around. I think I was a little naive I think sitting in the meeting just not thinking of the big picture. What I was thinking about what was before me the discussion you had with me and the importance of this issue I got caught up in it too. Philosophically I'm behind you and as I mentioned it's pretty darned incredible. The bigger questions for me, I'll get to, let me ask a few questions of staff first. What is the percentages of businesses in San José we consider small businesses? Is it somewhere around 80%? I can't remember the numbers that I used to know off the top of my head.

>> Kim Walesh: This is Kim Walesh director of economic development. If we consider small businesses to be businesses with under 30 employees, including self-employed businesses, about 93% of all companies, establishments in San José would be considered small businesses. And as a share of employment it's about 45% of all employment in San José is in businesses under 30 including self employment.

>> Councilmember Rocha: So in looking through the report I read it one and a half times I didn't finish it the second time I don't remember seeing anything about the percentage of jobs in San José that are preliminary wage. And if we have that type of information, if I missed it and forgot it please forgive me. I saw the list in the appendix of all the jobs that are listed under \$10 --

>> Kim Walesh: Let us try to do that.

>> Councilmember Rocha: Did we do that analysis? I'm not sure, I don't think we did. If we did I think that might be helpful at some point.

>> Mayor Reed: Keep asking your questions. They'll dig around and see if they can find it someplace else. While you're asking your questions they can come back to it.

>> Councilmember Rocha: Okay. I too share some concerns that Councilmember Kalra brought up and I guess I pose this question to City Manager's office. Is reading the supplemental memo that you put out just based upon the tone I got the impression that we didn't see this as a good policy initiative. And forgive me if I'm reading between the lines it sure read that in my mind.

>> Debra Figone: We are not taking that position at all. This is really about providing the time for -- if the council's interested in the community debate, that's your policy decision. Ours, our recommendation is really based on the time for businesses to be able to prepare for this sort of ordinance, or this sort of measure if it was put into effect.

>> Councilmember Rocha: So then there was reference to a community process and community outreach. And did you have something in mind or your expectation that that direction would come from the council?

>> Debra Figone: Staff help with this.

>> Ed Shikada: I'd be happy to add to that. Really nothing in mind and frankly we have anticipated as we have seen the input this Evangelical to inform some of the key issues and would look forward to any further specific direction from council as to how the outreach should proceed.

>> Councilmember Rocha: I guess what I'm trying to pull out is were we just going to tell the businesses we're speaking about, about this and here's the report we did and that's it outside of that I don't know what more outreach we would be doing except any additional direction coming from the council I guess. And that's what I'm trying to understand what would that outreach look like. So I guess what would you need generally outside of what I just covered is further direction from council beyond just letting them know and sharing with them in the report.

>> Ed Shikada: Yes, we would need that additional direction. One of the memos was from Councilmember Liccardo, that had suggested some alternatives. We would need direction from council as well as clearly council from the city attorney's office as to what role the city could have in that going forward.

>> Councilmember Rocha: Okay. I don't know if she had it.

>> Kim Walesh: I have the answer. So our estimate was that had about 17, 000 jobs in the City of San José pay the minimum wage this amounts to about 5% of the jobs in San José.

>> Councilmember Rocha: So 95% of the jobs in San José wouldn't be impacted by this, theoretically. I'm sorry?

>> Kim Walesh: Directly impacted, I do think --

>> Councilmember Rocha: I understand the compaction issue, if you raised one -- 95% of the jobs wouldn't. So this economic Armageddon, I'm not compelled to believe that there would be that. To all due respect to the fast

food industry which I support now and then, driving industry hypothetically, they may in terms of their landscaping or janitorial services but I'm trying to really and this goes to Councilmember Kalra's point about a fair discussion on this issue come November and elections using the word discussion to describe an election is a stretch and if this were a policy discussion I would feel a lot better about that discussion. But an election in November for me I'm not sure if this issue would get a fair shake. So that's my struggle. [applause]

>> Councilmember Rocha: So that's my struggle with this issue. I'm concerned with a number of different issues and the bigger picture that I talked about that I was going to get back to eventually even though it's getting quite late is the initiative process in my concern and we've seen what that's done to the State of California and this is my home San José and I plan to be here to the day I rest somewhere and I don't want San José to be driven by policy through initiative process. Because I don't think it does us any good. Regardless and this isn't speaking to the validity of this one, this may be a perspective initiative but what I don't want is the next special interest group that may be coming along in the next election cycle, sorry I'm looking at you I'll look here that I need to be supportive, I need to be consistent, and say if this one goes to the voters this one would need to go to the voters. It would be very difficult to be selective and see which one has merit. At the end of the day it's hard to argue against the voters having a say in it. That's where I've been going for back and forth as you can tell for weeks and weeks and months and months here should the voters have a say in this? To the Vice Mayor's point, will you sign this I actually signed it too at the grocery store. Will you sign this to put it on the ballot. I recognized Councilmember Kalra's point, we have two choices, that doesn't mean we have to do that. Philosophically I'm all behind you and you have my endorsement going forward. In my role as a city councilman, I'm making decisions what's best for the Downtown San José, I'm struggling like heck what we should be doing. I'm terribly sorry I can't support the substitute motion. Come November you have my support I believe in this I think these folks did a great thing. I struggle with the inequity that I see in terms of corporate America and the salaries right now. And there are a lot of people that need help and we have an opportunity to help folks and again I go back to now I'm arguing the case to make the decision tonight that I should be doing this but my gosh I struggle. I don't want to support the initiative process honestly, because policy shouldn't be done this way. And the mayor spoke that that quite well in that one instance. And don't often agree with him but on that case I do. I would much rather have had

an opportunity to have a policy discussion on this issue, because I think it's a great thing so I'm sorry I'm going on and on and it again reinforces how much I'm struggling with this and I apologize. Thank you.

>> Mayor Reed: I think it's time to vote on the substitute notion, we have the substitute motion which is to adopt the ordinance presented to us. All in favor, substitute motion, count in favor Kalra Chu Campos, 3-8 motion fails on a 3-8 vote. That takes us to the underlying motion which is send it to the registrar of voters to be on the November ballot. Councilmember Liccardo.

>> Councilmember Liccardo: I'd like a friendly amendment Councilmember Constant where we can modifications of this policy as identified on page 12 of staff's section 9212 report which are more or less identical I think to or very close to what I pointed out in my April 30 memorandum on the impacts of variations on employment and living standards of the working poor and have that returned to council before the end of this fiscal year. Will council to hear the results of that.

>> Mayor Reed: That's a referral to council, doesn't change the initiative.

>> Councilmember Liccardo: That's correct, would not change the initiative.

>> Councilmember Constant: I have no problem with that.

>> Councilmember Rocha: Can you clarify? Given the fact I just lost the opportunity to vote on the substitute motion what exactly --

>> Councilmember Liccardo: There was actually a motion a few weeks ago to incorporate this very direction and it was excluded from the 9212 report and I've indicated that I believe to the clerk that that was part of the original direction. I believe that's something we ought to do because ultimately although I know passions are very high on both sides of this I'd like to believe there's actually opportunities for us to think about alternatively formulations, that's something we can consider another day. But whether or not we actually do that we should be informed by

some facts and analysis so I'm asking that that analysis happen at some point, whether it happens by June or by August I'd like it to happen sometime in the next couple of months.

>> Councilmember Rocha: Sorry out of turn here but I've heard from this council quite often in terms of workload. I'm not sure assuming this passes what value is that and maybe I'm not understanding if outcome.

>> Councilmember Liccardo: It would be the same workload we considered giving staff when we approved that action a few weeks ago. It would be no different, Councilmember Rocha you had some specific requests in your own memorandum to have them consider. It seems to me that it may well be a consideration of ours at some point. I don't know what's going to happen in November I also don't know whether or not we might want to consider an alternative as an ordinance. But it's something we can think about.

>> Councilmember Rocha: I respect that but I think my request was for the decision today but I understand -- I get what you're saying, thank you.

>> Councilmember Liccardo: I take it that friendly amendment was accepted?

>> Mayor Reed: Yep. But I don't know who got the second. Is it okay with the seconder? All right.

>> Councilmember Liccardo: If I could speak very briefly.

>> Mayor Reed: Go ahead.

>> Councilmember Liccardo: I know there's a lot that's been said about the process. And I think my objection isn't simply about the process. It's that as a result of the process, I think we've -- don't have input from small businesses and employers in the formulation of this matter, that would create a proposal that would be substantively different. Not greatly different but different in a way that might provide for instance some protection for small businesses. And certainly Santa Fe has a permanent exemption for small businesses. San Francisco

exempted small businesses for two years. We don't have that opportunity before us and it seems to me that outreach with the business community may have offered a formulation that more of us would have been able to support. So my concern isn't use with the process but the process resulting in a product that I think has flaws. It's something I think -- I said this publicly and I'll say it again. I think the students of San José State, professor Scott Meyers Lipton deserve congratulations. When they walk out the door they are going to have a measure on November ballot, you can appropriate celebrate and I know it's going to be a long road to get to that point based on the votes I think can I count here. I think though that as we consider the passions as they rise on both sides of this I think even those of us who vote to put this on the ballot can probably acknowledge at least many of us would that this is a moral issue. It is absolutely a moral issue but that doesn't end the discussion. That's the beginning of the discussion. I think many of us would agree that 8 an hour isn't enough to support anybody living in this valley and certainly not anybody with children. I don't believe \$10 is enough either. Again, it's a moral issue but there are also pragmatic issues we are considering. We might be concerned about employment impacts. There is certainly evidence and we have been presented by the advocates of this measure significant evidence that there might not be significant evidence of a statewide level. And I would agree with Dr. Allegreto with the generalized notion that with modest increases nationally and statewide we haven't seen drops of employment. But really we're dealing with a different problem here and I think most of us acknowledge that, it is a municipal increase and there are unique issues that apply when you're dealing with an increase in minimum wage within each jurisdiction as small as the City of San José. When I say small I mean something that's not a state or a country. And the Schmidten Rosnick study is an important one, it studies three cities. But I do agree with the City Manager's assessment that it's limited to largely early implementation, that is the first three years that those measures took effect. D.C. was largely thrown out as not being relevant, roughly San José and San Francisco, they exempted small businesses, one for two years and small business employment and it's certainly the reality I think we all recognize that San José is not Santa Fe and it's not San Francisco. There are very different dynamics at work here and we know folks will pay \$40 to park for a night on the town in San Francisco, and if we vote to increase parking rates in San José they burn down City Hall. We recognize that there are different elasticities of demand of consumers who go to a city because they're tourists, Santa Fe is a city of only 70,000 people, there are not a lot of people there obviously very different industries at work there and it just seems to me that we can't simply say well it worked here and therefore it plus work in San José. During times of considerable economic

growth and here we are trying to fend our way out of the worst recession in three quarters of a century. I'm not saying they're real because we hear it from owners of jack-in-the-box because we wouldn't hesitate to have one or two fewer jack-in-the-boxes in the world if we knew we could increase wages. We're hearing it from lots of business owners not just the fast food chains. It should give us reason to hesitate how we should sit around a table and try to formulate something should this not pass in November. I look forward to continuing the conversation hope this is the beginning of the conversation not the end of it.

>> Mayor Reed: Councilmember Kalra.

>> Councilmember Kalra: Thank you mayor. You know I just wanted to express how proud I am of the professor and the students but not just the professor and the student. Clearly, if it wasn't for them we wouldn't be here but we had a pretty good cross section of the community not just here today but over the last few weeks that have rallied around this issue. It's not simply you know, some cute thing that some students did. It was something that was very heavily studied some polling was done on it, they analyzed what the best options were, the polling results indicated that by and large the residents of San José would support a simple \$10, 8 to \$10 increase in and not a phased in and other approaches. And that's part of the justification as to why they came with this approach. Research was done, they reached out to many of our offices, I met with them before the signature gathering occurred. The opportunity was there. And, you know, as I indicated earlier my fear is that the next few months are going to be used for misinformation and distortion. I want to make sure that at the very least that those of us that are up here regardless of where we fall on the issue as November approaches that we're honest about the information that's put out there, we don't use fear as a way of trying to direct voters' opinions and that we try our best to make sure we get feedback from the entire community including those that are actually working at the Lowest wages to see how an increase would impact their lives. I think that we, you know, we are -- happy affordable housing week everybody. We talk about housing and women issues and all that thing. The vast majority of people on minimum wage are women, we talk about homelessness. This is a measure that will help people out of homelessness. We talk about those things and when we have an opportunity to act on it we don't act. And I think we lost an opportunity, to act. Lifted up our community, that being said again, I'm happy to support the opportunity for this to go to the voters and I hope that we can all be honest and engaging in our dialogue

together as we reach out to the business community, reach out to the neighborhood groups the nonprofit community and those that are suffering at the -- as working class folks in our communities, and let's have a real debate and a real discussion about it but let's not fall -- let's not simply just fall down the same patterns that cause the same people to come out against this every time there's an opportunity to raise wages in our -- in any city or state. And so to all the folks here that do support it, just one last thing I'll say is a quote from Nelson Mandela, which is a quote that I love, and I think that speaks to the issue today: Overcoming poverty is not a task of charity. It is an act of justice. Like slavery and Apartheid, slavery is not natural, it is man made and it can be overcome and eradicated by the actions of human beings. Sometimes it falls on a generation to be great. You can be that great generation. Let your greatness blossom. [applause]

>> Mayor Reed: Councilmember Oliverio.

>> Councilmember Oliverio: Mayor Reed I'd like to call the question.

>> Mayor Reed: All right going to call the question. It's a motion to cut off the debate. Takes a two-thirds vote to cut off the debate and there's no debate on the motion to cut off the debate. Right City Attorney? Okay. So on the calling the question, all in favor of calling the question opposed? Got one opposed, so the motion carries. That means we will now vote on the main motion which is in front of us which is to put this matter on the November ballot.

>> Councilmember Rocha: That lets me now as the only guy who had one more question. Thanks.

>> Mayor Reed: Well I'm not sure. On the motion the main motion all in favor, opposed, I count none opposed it's going on the November ballot. Congratulations folks. [applause]

>> Mayor Reed: Any cards under open forum, we already had open forum for Ross Signorino. Okay. Motion -- we're adjourned.