



# ECONOMIC DEVELOPMENT COMMISSION MEETING MINUTES

Date: Monday, January 8, 2018  
Location: Milpitas City Hall, Committee Conference Room  
Start Time: 4:07 pm  
End Time: 6:22 pm

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## I. FLAG SALUTE, CALL TO ORDER, ROLL CALL

Chair Ablaza called the meeting to order at 4:02 PM and led the Pledge of Allegiance.

### MEMBERS PRESENT:

Ricardo Ablaza, Chair  
Warren Wettenstein, Vice-Chair  
Lynne Rice, Commissioner  
Anna Wang, Commissioner  
Donald Peoples, Commissioner  
Minh Nguyen, Commissioner  
Raghu Reddy, Alternate Commissioner  
Charlene Tsao, Commissioner (4:09pm)  
Dhaval Brahmabhatt, Commissioner (4:42pm)

### MEMBERS ABSENT:

Jeffrey Chen, Commissioner (Excused)  
Anthony Phan, Councilmember

### CITY STAFF PRESENT:

Edesa Bitbadal, Economic Development Director  
Daniel Degu, Economic Development Specialist  
Noa Kornbluh, Economic Development Specialist  
Zhenzhen Jiang, Economic Development Intern

## II. PUBLIC FORUM

Milpitas resident Rob Means spoke about the Personal Rapid Transit technology that aims to relieve congestion and provide connection to transit stops.

## III. APPROVAL OF AGENDA

Economic Development Director Edesa Bitbadal requested to hear today's agenda items in the order of: Item E, Item C, Item D, Item A, and Item B.

Motion: to approve the agenda, as amended.

Motion/Second: Wettenstein/ Rice

Motion carried by a vote of:	Ayes:	8
	Noes:	0
	Absent:	Brahmbhatt, Chen
	Abstain:	0

## IV. APPROVAL OF MINUTES

### A. November 13, 2017

The November 13, 2017 Economic Development Commission meeting minutes will be provided at the February monthly meeting.

## V. NEW BUSINESS

### A. Review the Economic Development Commissioners Roles and Responsibilities

This item was not heard and would be continued.

### B. Election of Officers

This item was not heard and would be continued.

**C. Receive Update on Affordable Housing Nexus Study**

Planning Director Brad Misner gave a presentation on Affordable Housing Nexus Study. Mr. Misner first described the history and current status of affordable housing in the city and existing Council policies and future priority on affordable housing developments. Commissioner Rice asked for a clarification regarding the definition of affordable housing, to which Mr. Misner responded by showing a detailed chart that breaks down different income levels for qualification for affordable housing in Santa Clara County. Mr. Misner then presented the amount nexus fee yielded for developments, and the maximum amount that the city could charge for different types of developments. He compared fees that other neighboring jurisdictions have imposed and talked about the range of potential fees on non-residential developments. Mr. Misner summarized options of fees and types of exemptions for policy consideration and level of affordability. He concluded the presentation by listing the next step for the Affordable Housing Nexus Study.

Ms. Bitbadal commented on the merits of affordable housing by stating that she believes more affordable housing is needed, but noted that our trade areas, Fremont and San Jose for example, impose limited or no non-residential impact fees for commercial businesses. Ms. Bitbadal also noted that such fees would impact the City’s ability to attract companies to the Milpitas, and such trade areas would gain a competitive advantage over the City when recruiting businesses. Vice-Chair Wettenstein mentioned a tour he took with Commissioner Tsao to affordable housing communities and opportunity for site visits. Mr. Misner discussed the Regional Housing Need Allocation (RHNA) for housing, and the expected number of affordable housing units RHNA allocates to Milpitas and state legislation on RHNA enforcement. Commissioner Peoples commented on justification of fees and the proper ratio for land use in consideration to the amount of city service available and housing units increased. Vice-Chair Wettenstein asked how Milpitas compares to other cities in the region in terms of affordable housing target, to which Mr. Misner responded that outside of San Jose, Milpitas has one of the highest RHNA allocation for affordable housing in the region.

Motion: to accept staff report on Affordable Housing Nexus Study

Motion/Second: Brahmbhatt/Tsao

Motion carried by a vote of:	Ayes:	9
	Noes:	0
	Absent:	Chen
	Abstain:	0

**D. Accept Report on Wage Theft**

Economic Development Director Edesa Bitbadal introduced Economic Development Specialist Noa Kornbluh, who gave a presentation on the issue of wage theft. Ms. Kornbluh informed the Commission of the definition and types of wage theft, and discussed the wage theft policies and enforcements implemented by Los Angeles, San Francisco, and San Jose. She then presented statistics on past wage violations and judgements issued by the State Labor Commission to Milpitas businesses. In regard to the adoption of Wage Theft Ordinance, Ms. Kornbluh explained to the audience possible policy options that include administrative fines or revocation of business license, and a procurement policy that prohibits businesses with wage violation from conducting business with the city.

Commissioner Brahmbhatt commented that as the minimum wage increases, there will be more cases of wage violation. Ms. Kornbluh addressed his concern and mentioned that minimum wage compliance is a separate issue and there is already procedure in place for minimum wage enforcement. Vice-Chair Wettenstein mentioned past wage violations he witnessed in San Jose, and questioned if it is necessary to pursue further than what is already implemented by the current State Labor Commission. Ms. Kornbluh responded that the policy does not aim to punish business and is a last resort effort if the business does not pay its judgement. Ms. Bitbadal informed the Commission that staff has received City Council direction and Wage Theft Coalition has approached the City to pursue a wage theft policy. She noted that the wage theft issue is different from adopting a minimum wage and the focus is on compliance and enforcement of fair labor practice. Commissioner Brahmbhatt asked how the City discovers violations. Ms. Bitbadal responded that the process is complaint-driven except during the City’s procurement process, the City will ask for identification of violations in the past five years. Commissioner Brahmbhatt then asked if public notice will be sent to employers for posting. Ms. Bitbadal responded that his recommendation will be taken into consideration. Chair Ablaza asked which department is in charge of enforcement, to which Ms. Bitbadal responded that Economic Development Department is currently in charge. Commissioner Wang asked if staff will send out notification letter to inform businesses, to which Ms. Bitbadal responded that notices will be sent to all businesses once the ordinance is adopted. Commissioner

Peoples commented that the policy will cause a negative economic impact on businesses and add another layer of compliance for businesses which does not serve any purpose.

Motion: to accept staff report and recommend the City Council to direct staff to draft a Wage Theft Prevention Ordinance and Procurement Policy

Motion/Second: Nguyen/ Brahmbhatt

Motion carried by a vote of:	Ayes:	7
	Noes:	Peoples
	Absent:	Rice, Chen
	Abstain:	0

**E. Accept Report on Land Conversion Study**

Economic Development Director Edesa Bitbadal introduced consultant Doug Svensson from Applied Development Economics who has been conducting a study on the issue of land conversion in Milpitas. Ms. Bitbadal gave an overview of land conversion in the three neighboring cities: Milpitas, Fremont, and San Jose. Commissioner Rice asked Ms. Bitbadal about the previous study conducted on the BART station regarding residential uses near the station. Ms. Bitbadal responded that the study was completed in anticipation of the BART station and to draw federal funding for the station. Ms. Bitbadal further discussed the scope of land conversion that has taken place in each of the three cities and the property tax share that the City receive. She compared sales tax, hotel tax, and revenue trend of Milpitas to those of other cities in the region. She further discussed revenue types for the city and then introduced Mr. Svensson who continued the presentation.

Mr. Svensson presented the fiscal impact of land use conversions. Mr. Svensson first discussed the vacancy rate of Milpitas in comparison to the county. Then he talked about City revenue generated from each type of land use, and cost of each type of land use on the city. He compared the two to demonstrate the net fiscal impact caused by different types of land use. He summarized his presentation by noting the economic and fiscal connection between different types of land use and concluded that the City’s fiscal foundation depends on a good balance between land uses.

Commissioner Peoples asked if the consultant attempted to capture the indirect cost related to the land uses. Mr. Svensson responded that the City keeps detailed records of types of revenue and discussed briefly about the methodology used in the study. Commissioner Peoples commended Mr. Svensson for utilizing charts to illustrate revenue types in the presentation, and suggested that a normalized chart could be included to show revenue generated versus square footage of different land uses. Mr. Svensson responded that one possibility for next steps would be looking into land use impacts from the standpoint of acreage. Commissioner Reddy asked if the study has taken into account the impact of residential land use on school services and capacity for residents. Mr. Svensson addressed his inquiry and mentioned that it is not included in the scope of study, and Ms. Bitbadal supported Mr. Svensson’s response by citing direction received from the City Council. Vice-Chair Wettenstein added that Milpitas Unified School district has already looked into the issue. Commissioner Peoples mentioned that he would considered floor to area ratio as the measure for density for industrial land. Ms. Bitbadal mentioned that the focus of the study is land conversion and preservation, and his point could be taken in future policy study.

Motion: to accept staff report on Land Conversion Study

Motion/Second: Rice/Wang

Motion carried by a vote of:	Ayes:	9
	Noes:	0
	Absent:	Chen
	Abstain:	0

**VI. ANNOUNCEMENTS**

**A. Council Liaison Update**

None

**B. Commissioners Update**

Commissioner Brahmhatt briefly mentioned information regarding hydrogen charging stations and opportunity from the State about applying for the stations.

**C. Great Mall Update**

None

**D. Staff Report**

Economic Development Director Edesa Bitbadal invited the Commission to attend the Joint Venture State of the Valley at the San Jose Convention Center on February 9. Ms. Bitbadal distributed to the Commission copies of the new edition of the city-wide newsletter which has been sent out to the Milpitas community. She notified the Commission that the City Council has recently passed the resolution to join Silicon Valley Clean Energy and the resolution to expand the number of Property Assessed Clean Energy programs in Milpitas to help the city achieve sustainability goals. She noted that the Going Green Workshop was a success and received a large turnout of residents. Furthermore, she informed the Commission that a Milpitas-based company, Efficient Drivetrains Inc., received \$750,000 of California Competes Tax Credits. She ended the staff report with the announcement of the retirement of Chief Building Official Keyvan Irannejad and Fire Chief Robert Mihovich.

**VII. ADJOURNMENT**

Vice-Chair Wettstein motioned, and seconded by Commissioner Brahmhatt to adjourn the meeting at 6:22 pm to the regularly-scheduled commission meeting on Monday, February 5, 2018, at 4:00 pm. The motion carried unanimously.