



ECONOMIC DEVELOPMENT COMMISSION MEETING MINUTES

Date: Monday, September 10, 2018
Location: Milpitas City Hall, Committee Conference Room
Start Time: 4:10 PM
End Time: 5:40 PM

I. FLAG SALUTE, CALL TO ORDER, ROLL CALL

Vice Chair Chen called the meeting to order at 4:10 PM and led the Pledge of Allegiance.

MEMBERS PRESENT:

Jeffrey Chen, Vice-Chair
Ricardo Ablaza, Commissioner
Warren Wettenstein, Commissioner
Anna Wang, Commissioner
Donald Peoples, Commissioner
Minh Nguyen, Commissioner
Chris Norwood, Commissioner
Anthony Phan, Councilmember

MEMBERS ABSENT:

Lynne Rice, Chair (Excused)
Dhaval Brahmhatt, Commissioner (Excused)
Charlene Tsao, Commissioner (Excused)
Raghu Reddy, Alternate Commissioner (Excused)

CITY STAFF PRESENT:

Steve McHarris, Deputy City Manager
Ned Thomas, Planning Director
Jessica Garner, Planning Manager
Noa Kornbluh, Economic Development Specialist

II. PUBLIC FORUM

Francie Soito, a reporter for the Milpitas Beat and local business owner on Main St., asked if there was a joint effort between the Police Department and city businesses for crime prevention. For example, she asked if there were incentives for businesses on Main St. to help with the crime prevention by having cameras that face out into the street.

Commissioner Chen asked if that is something EDC could address or something that staff could pass onto the Police Department. Deputy City Manager McHarris responded that he would pass on Soito's contact information to the Police Department.

Commissioner Peoples asked if Soito could provide him with her contact information, so he could send her an invitation to the recently reactivated Milpitas Downtown Association. Commissioner Peoples commented that such concerns are common with other business owners, and the Downtown Association could be a catalyst for that kind of thing.

Commissioner Wettenstein added that in Fremont and some other cities, there is a database of private security cameras.

Rhonda Shapiro, who runs the Milpitas Beat, a digital newspaper, shared that the Milpitas Beat has been up and running for the last several months and hopes to be a presence at meetings like the Economic Development Commission because the Milpitas Beat is committed to serving the community. Shapiro asked that if the Commission ever has anything it wants to get out to the public, to please let her know. One of the missions of the Beat is to highlight businesses and organizations. At the end of this month, the Milpitas Beat is launching a livestream television show called Unfiltered. Shapiro is shooting four episodes and is currently looking for advertisers and sponsors. Currently, the Milpitas Beat website gets 25,000 visitors a month. On the most active week, the website had 10,000 visitors. She added it is a great opportunity for business owners to get more involved.

Commissioner Ablaza asked if the Milpitas Beat was online or paper-based and if Ms. Shapiro was familiar with the website, NextDoor. Shapiro responded that the newspaper is online at MilpitasBeat.com and clarified that the Milpitas Beat does not post on NextDoor, but neighbors and users have shared Milpitas Beat articles on the platform.

Asok Chatterjee, representing the Tri-City Voice, stated he has been covering the Milpitas City Council meetings and will be attending Economic Development Commission meetings as well.

III. APPROVAL OF AGENDA

Motion: to approve the agenda.

Motion/Second: Wettenstein/Ablaza

Motion carried by a vote of:	Ayes:	6
	Noes:	0
	Absent:	Rice, Brahmhatt, Tsao, Norwood
	Abstain:	0

IV. APPROVAL OF MINUTES

A. April 9, 2018

Motion: to approve the August 13, 2018, Economic Development Commission meeting minutes.

Motion/Second: Peoples/Nguyen

Motion carried by a vote of:	Ayes:	5
	Noes:	0
	Absent:	Rice, Brahmhatt, Tsao, Norwood
	Abstain:	Wang

V. GENERAL PLAN UPDATE

A. Informational Item – Update from Planning Staff and GPAC Members

Jessica Garner, Planning Manager, provided an update of the General Plan process. Staff is currently reviewing a Land Use Alternatives draft. This draft marks the midway point in the General Plan update process. The City is hoping to wrap up early next year. The General Plan Advisory Commission (GPAC) is meeting on September 20 to talk about the Land Use Alternative draft. The Land Use Alternatives outlines different portions of the city where there may be other ideas for how the City can re-characterize the land use, for example, from residential to commercial or commercial higher density to mixed-use. The consultant has looked at 13 draft opportunity area alternatives and presented the possible impacts they might have. The GPAC meets on September 20 and again on October 17 to wrap up the conversation about the Land Use Alternative report. Consultants are tentatively scheduled to meet with City Council on October 23 to give updates in a public forum and answer questions and solicit feedback on the proposed alternative land uses. Next, the consultants will be providing an analysis of the fiscal impacts these changes could have on the city. Commissioners Peoples and Tsao are members of the GPAC, and there will be opportunities to report back to the Economic Development Commission. Garner informed the Commission that that GPAC meetings are open to the public and anyone is welcome to attend.

VI. NEW BUSINESS

A. Discussion Item – General Plan Economic Development Strategies

Steve McHarris, Deputy City Manager, stated that as part of the workplan, the Commission will discuss parts of the elements of the General Plan that impact economic development and then inform the Commission's delegates of the GPAC with the Commission's recommendations. For the September meeting, the Commission will talk about economic development in the General Plan and discuss examples from neighboring cities.

Before getting into the discussion McHarris introduced Ned Thomas, the City's new Planning Director, who was present to help facilitate the discussion.

McHarris explained to the Commission that they were provided information from the State about economic development and what it means in the General Plan. Additionally, the Commissioners were given a few examples from neighboring cities on how they use economic development in their General Plan.

Noa Kornbluh, Economic Development Specialist, explained there are seven required elements to the general plan. Economic development is not a required section, but the State of California has suggestions on how to include economic development in either a standalone chapter or throughout the entire plan. Commissioners were sent

examples from San Jose and Fremont, and included in the slides and packets, were additional examples and recommended policies from the State.

McHarris started the discussion with examples from San Jose and Fremont. Fremont, one of the first cities to adopt a General Plan that combines five communities into one, developed a robust economic development program. Fremont re-examined what was happening in their industrial properties, which led to some conversion to retail and mixed-used, high-density residential around their transit station at Warm Springs. San Jose is a huge city, and it expanded to incorporate additional low-density residential development. To find more space for residential, the City ended up converting industrial to residential, dropping the percentage of employment-generating lands in San Jose. Low-density residential does not generate a healthy, long-term tax base for a city or jobs for residents. San Jose is now focusing on development in the City Center and repurposing land. The San Jose General Plan has strong emphasis on not converting employment lands and transit-oriented development. San Jose and Fremont are good examples to look to when discussing how to plan for industrial lands in the future, such as 20, 30, or 40 years out.

Commissioner Norwood asked why staff chose San Jose and Fremont, cities both much larger than Milpitas, as examples. McHarris responded that both Fremont and San Jose are neighboring cities that have regions similar to Milpitas; for example, North San Jose and Berryessa, which is just south of Milpitas.

Thomas explained that the Commission could look at comparable cities somewhere else in the State, but these examples give an idea of what is in the Economic Development Element. Economic Development is not a required element, but it is often included because it is important to the development of the General Plan. The Economic Development Element will be highly tailored to the Milpitas community. The City wants to look at what are the economic drivers. The General Plan is a long-term strategy, so the City wants to look 30-40 years out, which makes it tricky to put policies in place. The General Plan should set the direction the community wants to go.

Commissioner Norwood observed that in larger cities, there are so many different elements in terms of staffing and resources, so the City may have to plan further out. However, Milpitas may not have to look so long-term because it may be more flexible due to its size. Thomas also mentioned that it is important that Milpitas sits at a crossroads between two major freeways.

Kornbluh explained that staff provided examples so the Commission could see what was typical of the Economic Development Element or policy set. There is an overarching goal, then a policy, and then an action or implementation.

Thomas explained that planners use the document when a Developer comes to the City, and the project is contrary to the general plan. Staff points to specific policies to tell the applicant that the project is not in line with the City's values.

Commissioner Peoples remarked that it is important to look into the future but what creeps into this process is fear and politics. Residents often feel development means more traffic. The residential development community organized to push for higher density, but the industrial developers have not pushed for higher floor area ratios (FAR). It's a flawed process, but the Commission can be valuable for planners and politicians by setting up the right policies.

Commissioner Norwood said it would be helpful to define what a Job is. McHarris responded that the jobs come from census data, and staff is not proposing that Milpitas take the same approach that San Jose did but should be conscious of the issues that have developed in other cities. In describing the process, the goals, policies, and actions become the Economic Development Workplan, which is to be carried out either by the commissions or City staff. The General Plan is the document driving all the economic development work that comes out of City Hall.

McHarris explained the next example from Fremont. Fremont's goal is a bit broader than San Jose's and focuses on a dynamic local economy and a business friendly community. To achieve this, one of the policies is focused on streamlining permitting. There is not the same urgency in Fremont's policies. Fremont focuses on studying specific geographic regions of the City and turning them into specific plans, more like the model Milpitas may use. San Jose is more prescriptive and detailed.

Thomas commented that San Jose and Fremont provided good examples of the structure of the general plan. Under the economic development element, there will be several different goals, and each goal may have several different policies, and each policy will have several different implementation actions.

Commissioner Peoples remarked that one of the strengths of Milpitas is the size of the City. Whenever someone has an issue, they can talk to City Staff and work out an accommodation when it makes sense, which is the benefit of the smaller size of Milpitas.

Kornbluh stated that staff also provided additional examples in a handout from the State of California, which are more general but a good starting place.

Thomas added that some of the examples are broad but could be adapted to Milpitas. For example, Milpitas has transit-oriented development but instead of wording it as ‘throughout the City,’ Milpitas would target it to areas where it would apply, for example the TASP. Updating the General Plan can be a complicated process, and that is why the City contracts with consultants to help with best practices. The City wants to make the goals and policies of the General Plan meaningful to the Milpitas community.

McHarris explained the State had provided examples from other cities, and staff tweaked a few words to make it more appropriate for Milpitas, just to give the Commission an idea of what can be included in the Economic Development goals and policies.

Commissioner Peoples remarked that terminology and definitions are important. For example, industrial in the 1960s and 70s has a clear definition, but we don’t know what industrial will mean in 2030. McHarris responded that Commissioner Peoples is correct, and staff is working with the consultant to update the City’s land use designations.

Garner explained that the City is currently using manufacturing and industrial park as designations, but with the General Plan Update, staff is trying to find the right language to capture the right uses even as those uses evolve. Additionally, the Commission should keep in mind the City should be updating its general plan every 10 years, if not sooner, so it can keep up and adapt to change. The General Plan has fairly detailed designations for commercial, different types of retail, and mixed-use, but the challenge is staying on top of how quickly the industry is changing.

Commissioner Norwood provided an example from China, where they have communities planned around industrial complexes that are called innovation hubs. Modern industrial companies exist under a new form, and this example includes multiple companies coming together collaboratively in one building or complex.

Peoples added that we often think of industrial as chemical or having heavy environmental impacts from production processes, to which Commissioner Norwood responded, saying that global warming, how we take care of our planet, and how we use our water, all have to be included in what we are talking about because certain types of development affect the environment, air quality, and resources.

Thomas continued, saying that it is an interesting topic because some of what is being talked about is in the conservation element. Staff wants to make sure the different parts of the General Plan are consistent, so that it all heads in the right direction. They also want to ensure that economic development is not impacting conservation or public safety. The newer updated general plans are often self-mitigating, referring back to CEQA, so that the City is informed about any environmental impacts from future decisions. Current best practice will be to vet general plan policies carefully so that they move towards the City’s goals of sustainability rather than in conflict with those goals. For example, Richmond specifically included a health element in their general plan because it was important to the residents. Since then, other communities have started to include a health element.

Garner added that she comes from a public health background, and staff will be including a health element in the Milpitas General Plan Update as well. The health of a community is not just economic and environmental health; it is also human health.

Thomas provided an example from the transportation element: the City can make transportation healthier through better facilities for walking and biking, or it might provide more equitable access to healthy food, jobs or amenities. From an urban planning background, it ties into land use because the layout of a subdivision will impact people’s ability to walk or drive, which in turn affects their health. The General Plan tries to be as all-encompassing as possible.

McHarris added that the General Plan is very comprehensive, looking at all the facets of building and maintaining a community. The City is using what we know today to plan for the next 20-30 years, understanding that the City will likely update it sooner than that. As the General Plan gets more fine-grained, it will have policies that direct staff to start looking at specific areas that may lead to additional area or specific plans for certain geographic regions of a city.

Commissioner Wang asked if Milpitas is classified as urban or suburban. McHarris responded that the whole Bay Area is considered urban. Milpitas is part of an urbanizing area and has neighborhoods, like that transit area, that are very urban in form. There are other neighborhoods that could be more urban in form, such as commercial corridors, but there are also single-family neighborhoods that will be preserved. The City has opportunity areas that could be

redeveloped to be more urban than they are today, with mixed-uses and higher density. The General Plan sets the stage for which neighborhoods are going to be preserved, which areas can accommodate growth, and what that growth can be.

Commissioner Peoples commented that he felt the process is flawed because the community can all get together and say this is what we want, but that might not match reality. In reality, the City has immediate problems. Therefore there is tension between what the City should do and the immediate pressure of the City needs to do.

McHarris added that the General Plan needs to be broad enough because things change quickly. For the general plan to last the test of time, it needs to be broad and give enough flexibility. The City can use specific studies to analyze and describe how things should look in more details.

Thomas shared that the less glamorous but just as important part of the General Plan, is the capacity of the urban service area, meaning the City's sewer and water service, both now and in the future. The City has to consider if it has the capacity in our sewer, water, and even police and fire, to serve the community we are planning for. That is arguably the most important part of the General Plan.

Commissioner Norwood commented that he felt the terminology used in economic development is not keeping up with the times. For example, working from home means the internet is significant in terms of opportunity for economic development, and that might not appear in the context of the General Plan. There are many things that can be done in virtual space that are significant for the economic development of the region. And if that is not reflected in the language of the General Plan, the City might end up missing out on new innovative companies. The City should try and encapsulate in the language of the General Plan that Milpitas is a technology region where economic development can occur in more ways than can be seen right now.

Thomas responded that the idea of obsolescence is fascinating and that a great example in Milpitas is Main Street. For generations, Main Street was the place where the road from San Francisco met the road to San Jose/Oakland. A lot of the buildings that were there are now gone now, which is unfortunate, but as McHarris said, the General Plan sets the foundation for the Midtown Plan that will give us detail about what the community wants Main Street to look like in the future. Main Street could easily become one of the centers of the community again if that is something the citizens of Milpitas want. Main Street is an opportunity and should be an important part of the Economic Development section.

Kornbluh commented that as the Commission is discussing the new plan, they also should look at what is in the existing General Plan to give the Commissioners a sense of the policies that are currently in place. In the current General Plan, economic development policies are in the Land Use section under principles and policies. On the slide on the left are the policies, and on the right, McHarris and Kornbluh tried to explain the policies more clearly.

McHarris added that the current policies are very wordy, but it says the City should encourage economic stability, promote Milpitas as a location for businesses, and maintain policies that support a strong economy, sustain an economic base, and expand employment by promoting business retention and expansion. There are some Regional Development Agency policies that are outdated.

One of the policies is to prohibit encroachment of incompatible uses in industrial lands, which the Commission may want to discuss, because the City has had some conversions in industrial areas. When the City allows incompatible uses, it can quickly become a big problem. Unfortunately, Milpitas had singled out assembly-uses, but it applies to a number of different uses going into industrial areas such as retail or residential. Another policy essentially states that if the developer converts land uses, the City will require substantial public benefit, but it is a one-time benefit that does not typically provide long-term stability to the City.

The most important point is that the General Plan policies are used by staff to analyze a project, whether it is a conversion or conditional use. If these policies are not strong enough or as strong as the Commission would like to see, they will not be helpful to evaluate projects as they come forward.

Commissioner Peoples commented that there is a place in Dublin he and his wife go for dinner. It's a normal shopping center, but it is surrounded by high-density housing, and there are people walking through the shopping center all the time. Those are the types of uses that perhaps should go together.

McHarris stated that Commissioner Peoples has a good point. Residential development is not always bad, and density in residential help drive retail. If the City wants to introduce mixed-use, particularly in close proximity to housing, it will have to be higher density. McHarris also mentioned that when the Commission gets to discussing Calaveras

Blvd., that the corridor there has many trips that are unrelated to residential development and are just people passing through.

Kornbluh summarized that these were the overall trends in Milpitas, Fremont and San Jose's General Plans, and the policies the City develop will have to be specific to Milpitas.

McHarris added he felt it was a pretty good high-level snap shot that could be turned into specific policies and then asked the Commission if there was any direction they would like to give staff in terms of the General Plan Update.

Commissioner Wettenstein commented that he gets exasperated with all the tall buildings on North First Street in San Jose and when he gets to Milpitas, a two story building is a novelty. Additionally, Wettenstein stated that a lot of the commercial land has been converted to residential, and the City should consider putting a stop to that type of conversion or put it in limbo. He added it would be nice to have jobs in Milpitas so people did not have to drive to Menlo Park or Mountain View. In summary, he asked to increase vertical height limits and density.

McHarris asked if the Commissioners could go around and provide input. Staff will then report back on what they have assembled. The General Plan Update will stay on the Commission agenda.

Commissioner Ablaza contributed that to help with traffic problem, the City could develop a point to point transportation program from the business parks to the transit station to the Great Mall. For example, Flex has electric cars with room for about 20 people.

Commissioner Peoples asked for more mixed-use on Main Street. For example, McCarthy Ranch is a vibrant commercial area next to this business area, and that works really well together. If there was high-density residential and the freeway wasn't there, it would be even more successful. The right mix is needed, and the City needs the flexibility so that planners can make an argument that this kind of mixed-use development is a good type of development. The City needs to build that flexibility in because conditions will change from 2018 to 2028 to 2038.

Commissioner Norwood observed that with people passing through on 237 and the population of Milpitas significantly swelling in the daytime, the air quality and other environmental factors are affected during the day. He would like to see flexible, innovative, and safety-science language permeate all throughout the General Plan so that the community will never get too far away from the core elements that make a thriving, healthy society. Flexible, innovative language that is environmentally mindful and health-conscious will speak for generations.

B. Discussion Item- 2018/2019 Workplan

Kornbluh announced that the Commission will hold off on setting the upcoming workplan. At the August 21 City Council meeting, Economic Development was merged with the Sister Cities Commission and officially became Economic Development and Trade Commission. As things get rolled out in the next 6 months, staff will pass on any changes to the Commission. Staff does not yet have an update for the Commission bylaws that set the number of Commissioners. Council has only approved the roster of Commissions and the Commission Handbook. The new Economic Development and Trade commission will create a workplan in early 2019.

Commissioner Peoples asked how the mission of Sister Cities is going to fit with the goals of the Economic Development Commission. McHarris mentioned that there have been discussions at the City Council about this issue and that there may be an opportunity to bring International Delegations to tour our local manufacturing businesses and other local companies.

C. Discussion Item – Manufacturing Day October 5, 2018

For Manufacturing Day, fifty high school students will visit local companies who either have their manufacturing or R&D facility in Milpitas. Students have the chance to see different career opportunities in manufacturing that are in their City. Manufacturing jobs are often good-paying jobs even though many don't require higher education.

Manufacturing Day is on October 5th. Unfortunately, September 10th is the only Commission meeting before the event, so staff wanted to get the Commission's input on the tentative agenda. The two hosting manufacturers will be View, Inc. in the morning and Nanosys in the afternoon. This year, the City is only visiting two Manufacturers because last year, the event was a little rushed with three companies. Staff is still figuring out where participants are having lunch and still looking to confirm a lunch sponsor. Commissioner Chen offered Embassy Suites as the lunch sponsor and requested a head count from staff two days prior to the event.

Staff then asked to receive feedback from Commissioners who attended Manufacturing Day last year.

Commissioner Wang suggested that the students be provided with more time to talk and ask questions this year.

Commissioner Chen agreed, suggesting a time for questions and answers from the employees at the manufacturing firms. Kornbluh mentioned that the School District had also requested time for the students to ask questions and learn about career opportunities, so staff will emphasize that to the companies as they set up the tours at the facilities.

VII. ANNOUNCEMENTS

A. Council Liaison Update: No council update.

B. Commissioners Update:

Commissioner Wang updated the Commission on a cultural festival that took place on Saturday, September 8, 2018. The event was a partnership with the Milpitas Public Library. The School District Superintendent and Board member, Chris Norwood attended, along with Milpitas Vice Mayor (Grilli), Councilmember Nuñez, and City Manager (Julie Edmonds-Mares). The Festival is for cultural education, and the San Francisco General Consulate from China also attended.

Commissioner Wettenstein provided the Chamber update. The Chamber Business Breakfast will take place at the Senior Center on Tuesday, September 11, 2018, from 7:30-9:00am. Councilmember Nuñez will be the speaker. The event is \$15 in advance and \$20 at the door. There will be a Monthly Mixer on Thursday, September 13 from 5pm-7pm, which will take place at The Fields, a new residential development.

Vice Chair Chen reminded the Commission that they are invited to the unveiling at Embassy Suites on September 27 from 4:30 -7:00pm and requested Commissioners please RSVP in advanced.

C. Great Mall Update: No update.

D. Staff Report

McHarris reported that Economic Development Coordinator, Daniel Degu is out today because he had a baby boy.

VIII. ADJOURNMENT

Commissioner Peoples motioned and was seconded by Commissioner Ablaza, to adjourn the meeting at 5:40 PM of the regularly-scheduled commission meeting on Monday, September 10, 2018, at 4:00 PM. The motion carried unanimously.