



**MILPITAS CITY COUNCIL MEETING AGENDA
AUGUST 7, 2007**

**7:00 P.M.
455 E. CALAVERAS BOULEVARD
MILPITAS, CA 95035**

SUMMARY OF CONTENTS

- I. CALL TO ORDER/ROLL CALL**
- II. PLEDGE OF ALLEGIANCE (7:00 p.m.)**
- III. INVOCATION (Councilmember Gomez)**
- IV. APPROVAL OF MINUTES (June 14 and June 19, 2007)**
- V. SCHEDULE OF MEETINGS**
- VI. PRESENTATIONS**

Proclamations:

- Joe House, former Mayor of Milpitas
- Milpitas National Night Out – August 2007
- National Payroll Week, September 3-7, 2007

VII. PUBLIC FORUM

Members of the audience are invited to address the Council on any subject not on tonight's agenda. Speakers must come to the podium, state their name and city of residence for the Clerk's record, and limit their remarks to three minutes. As an unagendized item, no response is required from City staff or the Council and no action can be taken; however, the Council may instruct the City Manager to agendize the item for a future meeting.

- VIII. ANNOUNCEMENTS**
- IX. ANNOUNCEMENT OF CONFLICT OF INTEREST**
- X. APPROVAL OF AGENDA**
- XI. CONSENT CALENDAR (*Items with Asterisks)**
- XII. PUBLIC HEARINGS**

- 1. Approve Twelve-Month Time Extension Request No. TE2006-2 for a Previously Approved Tentative Map (MA2005-3) for Apton Plaza, a Mixed Use Development Consisting of 93 Residential Units and Commercial Retail Space Located at 230 N. Main Street (APN 028-24-017 and 018), Zoned Mixed Use (MXD-S) (Staff Contact: Cindy Hom, 586-3284)**
- 2. Adopt Resolution Confirming Assessments, Weed Abatement Report and Assessment List for 2007 (Staff Contact: Patricia Joki, 586-3370)**
- 3. Approve the Five-Year 2007-2012 Consolidated Plan to the Department of Housing and Urban Development (HUD) (Staff Contact: Felix Reliford, 586-3071)**

4. **Introduce Ordinances No. 120.44 and No. 208.41, Amendments to Title VIII of the Milpitas Municipal Code for 2007/08 Water, Recycled Water, and Sewer Rate Adjustments (Staff Contact: Kathleen Phalen, 586-3345)**

XIII. UNFINISHED BUSINESS

5. **Updates on Roadmap for Service Improvements and Approval of Request for Temporary Dedicated Building Inspector (Staff Contact: Keyvan Irannejad, 586-3244)**
6. **Status on Construction of the New Proposed Building at 1880 N. Milpitas Blvd., at the Northeast Corner of N. Milpitas Blvd. and Dixon Landing Rd. (Staff Contact: Keyvan Irannejad, 586-3244)**

XIV. JOINT REDEVELOPMENT AGENCY AND CITY COUNCIL MEETING

- RA1. **Call to Order by the Mayor/Chair**
- RA2. **Roll Call**
- RA3. **Approval of Minutes (June 19, 2007)**
- RA4. **Approval of Agenda and Consent Calendar**
- RA5. **Approve Progress Report on Library, East Parking Garage, and Related Projects No. 8154, 8161, 8162, and 8165 (Staff Contacts: Steve Erickson, 586-3414, and Greg Armendariz, 586-3317)**
- *RA6. **City of Milpitas Investment Portfolio Status Report for the Quarter Ended June 30, 2007 (Staff Contact: Emma Karlen, 586-3145)**
- *RA7. **Adopt Resolution and Approve Allocation of Redevelopment Agency Funds to the Housing Trust Fund of Santa Clara County (Staff Contact: Felix Reliford, 586-3071)**
- *RA8. **Adopt Resolution Amending the Owner Participation Agreement with DR Horton to Change Unit Type and Mix for Centria Residential Condominium Project, West Building (Staff Contact: Felix Reliford, 586-3071)**
- *RA9. **Approve Certificate of Completion for Certain Residential Units within Tract No. 9698 for KB Home, Project No. 3160 (Staff Contact: Mehdi Khaila, 586-3328)**
- RA10. **Agency Adjournment**

XV. REPORTS OF OFFICERS, COMMISSIONS, AND COMMITTEES

City Council

- * 7. **Approve Mayor Esteves' Recommendation for Planning Commission Appointment (Contact: Mayor Esteves, 586-3029)**
- * 8. **Approve Mayor Esteves' Recommendations for Appointments/Re-Appointments to City Commissions (Contact: Mayor Esteves, 586-3029)**

Facilities Naming Subcommittee

- * 9. **Approve Recommendation to Name the Future Milpitas BART Station, Three Public Parks, and to Add Three Names to the List of Potential Streets and Facilities Names (Staff Contacts: Bonnie Greiner, 586-3227 and Greg Armendariz, 586-3117)**

Arts Commission

- * 10. **Approve Ten Milpitas Arts and Culture Grant Program Applications for the 2007-08 Funding Cycle (Staff Contact: Renee Lorentzen, 586-3231)**

Public Art Commission

- * 11. **Approve a Contract with Lynne Baer for Library Art Advisory Services for an Amount Not to Exceed \$30,000 (Staff Contact: Diana Whitecar, 586-3059)**

XVI. NEW BUSINESS

- 12. **Approve a One-Year Pilot Project for the Installation of Passenger Loading Zones Along Escuela Parkway from Washington Drive to Russell Lane (Staff Contact: Jaime Rodriguez, 586-3335)**
- * 13. **Approve Event Proposal for the 2008 Commissioners' Recognition Event (Staff Contact: Renee Lorentzen, 586-3231)**

XVII. RESOLUTIONS

- * 14. **Adopt Resolution Granting Initial Acceptance: Montague Expressway Eastbound Median Modification, Project No. 4179 (Staff Contact: Greg Armendariz, 586-3317)**
- * 15. **Approve Subdivision Improvement Agreement, Final Map, Public Improvement Plans and Adopt Resolution Certifying an Annexation to Community Facilities District No. 2005-1, for Town Center Residential, Tract No. 9886, Project No. 3208 (Staff Contact: Mehdi Khaila, 586-3328)**

XVIII. BIDS AND CONTRACTS

- * 16. **Authorize City Manager to Execute an Agreement with Harris Design for the Parks Master Plan, Project No. 5083, and Approve Budget Appropriation (Staff Contacts: Greg Armendariz, 586-3317, and Bonnie Greiner, 586-3227)**
- * 17. **Approve Agreements with Premier Recycle Company and South Bay Hauling for Debris Boxes (Staff Contact: Kathleen Phalen, 586-3345)**
- * 18. **Approve Contract Change Order and Approve Budget Appropriation for the 2007 Street Resurfacing Project, Project No. 4236, O'Grady Paving, Inc. (Staff Contact: Andrew Brozyna, 586-3315)**
- * 19. **Approve Amendment No. 1 to Contract with Valley Oil Company (Staff Contact: Chris Schroeder, 586-3161)**
- * 20. **Approve Agreement Renewal with California State Association of Counties, Excess Insurance Authority (CSAC-EIA) for the Employee Assistance Program Services Purchased Through Managed Health Network (MHN) for City of Milpitas Employees (Staff Contact: Carmen Valdez, 586-3086)**
- * 21. **Award Construction Contract to Valley Slurry Seal Company for the Slurry Seal Project FY 2007-08, Project No. 4242 (Staff Contact: Andrew Brozyna, 586-3315)**

- * 22. Award the Bid for Carpet Installation to Welker Brothers (Staff Contact: Chris Schroeder, 586-3161)

XIX. CLAIMS AND DEMANDS

- * 23. Approve Payment of Annual Software Support and Maintenance Fees (Staff Contact: Bill Marion, 586-2701)
- * 24. Approve Increase of Purchase Order No. C339800 for CRW Associates in the Amount of \$17,500 (Staff Contact: Bill Marion, 586-2701)
- * 25. Approve Payment Request to Alice Wright for Citywide Shopping Cart Retrieval (Staff Contact: Chris Schroeder, 586-3161)

XX. ADJOURNMENT

**SPECIAL CITY COUNCIL MEETING
TUESDAY, AUGUST 14, 2007 AT 5:30 P.M.**

**NEXT REGULARLY SCHEDULED COUNCIL MEETING
TUESDAY, AUGUST 21, 2007 AT 7:00 P.M.**

KNOW YOUR RIGHTS UNDER THE OPEN GOVERNMENT ORDINANCE

Government's duty is to serve the public, reaching its decisions in full view of the public.

Commissions, boards, councils and other agencies of the City exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and the City operations are open to the people's review. FOR MORE INFORMATION ON YOUR RIGHTS UNDER THE OPEN GOVERNMENT ORDINANCE OR TO REPORT A VIOLATION OF THE ORDINANCE, CONTACT THE OPEN GOVERNMENT SUBCOMMITTEE

at the City Attorney's office at Milpitas City Hall, 455 E. Calaveras Blvd., Milpitas, CA 95035
E-mail: rpioroda@ci.milpitas.ca.gov / Fax: 408-586-3030 / Phone: 408-586-3040

A free copy of the Open Government Ordinance is available from the City Clerk's Office or by visiting the City's website www.ci.milpitas.ca.gov, select Open Government Ordinance under News Features.

BECOME A CITY COMMISSIONER!

Currently, there are openings on the following Commissions:

*Arts Commission
Bicycle Pedestrian Advisory Commission
Economic Development Commission (Hotel Rep)
Mobile Home Park Rental Review Board
Planning Commission
Youth Advisory Commission*

Applications are available online at www.ci.milpitas.ca.gov or outside the City Council Chambers.
Contact the City Clerk's Office (586-3003) for information.

AGENDA REPORTS

XII. PUBLIC HEARINGS

- 1. Approve Twelve-Month Time Extension Request No. TE2006-2 for a Previously Approved Tentative Map (MA2005-3) for Apton Plaza, a Mixed Use Development Consisting of 93 Residential Units and Commercial Retail Space Located at 230 N. Main Street (APN 028-24-017 and 018), Zoned Mixed Use (MXD-S) (Staff Contact: Cindy Hom, 586-3284)**

Background: On January 24, 2007, the Planning Commission approved Time Extension No. TE2006-2 that granted a one-time eighteen-month time extension for the “S” Zone Approval Amendment No. SA2005-33, Use Permit Amendment No. UA2005-10 and Major Tentative Map No. MA2005-3 for the development of Apton Plaza, a mixed use development consisting of 93 residential units and approximately 3000 square feet of retail space. Per the Milpitas Subdivision Ordinance, time extensions for major tentative maps also require City Council approval.

Application: Pursuant to the Milpitas Municipal Code XI-1-4.06 (Expiration of Tentative Map Approval; Extension) the applicant is requesting approval of a twelve-month time extension for the Major Tentative Map that shall be retroactive to August 2, 2007, to allow additional time for the recordation of the final map. If approved, the tentative map extension shall expire on August 2, 2008.

Recommendation: Approve Time Extension No. TE2006-2 for Tentative Map No. MA2005-3 (Apton Plaza) based on the previous findings and special conditions.

- 2. Adopt Resolution Confirming Assessments, Weed Abatement Report and Assessment List for 2007 (Staff Contact: Patricia Joki, 586-3370)**

Background: In accordance with Title V, Chapter 202 of the Milpitas Municipal Code regarding weed abatement, the County Department of Agriculture and Resource Management Office of the Fire Marshal has filed with the City Clerk a report and assessment list on weeds abated within the City. The report has been made available and notice of tonight’s hearing published in the local newspaper.

The City’s ordinance provides that the City Council “shall hear the report together with any objections of the property owner liable to be assessed and make such modifications on the proposed assessment as it deems necessary.”

Upon adoption by the Council, the resolution will be recorded and charges thereon become a lien on the land involved, to be collected in the same manner as property taxes. A copy of the assessment list and the proposed resolution are included in the Council’s agenda packet.

Recommendations:

1. Close the public hearing after hearing any public testimony.
2. Adopt Resolution confirming assessments on property owners for 2007 weed abatement.

- 3. Approve the Five-Year 2007-2012 Consolidated Plan to the Department of Housing and Urban Development (HUD) (Staff Contact: Felix Reliford, 586-3071)**

Background: Every five years, the Federal Department of Housing and Urban Development (HUD) requires that each Community Development Block Grant (CDBG) entitlement city prepare a five-year strategic Consolidated Plan establishing the priorities and identifying resources anticipated to be available to address the priority needs. The Consolidated Plan is a comprehensive planning document that identifies the City’s overall needs for affordable housing, non-housing (public services) and community development activities. The Consolidated Plan

links identified needs in the community to the federal and local resources available to address those needs.

In order to meet the federal objectives, the Consolidated Plan is required to include the ten major components:

1. Housing and Homeless Needs Assessment
2. Housing Market Analysis
3. Analysis of the Priority Needs and Strategies and Objectives to meet those Needs
4. Action Plan including a discussion of general priorities of the use of CDBG funds and a list of proposed projects to be funded under the CDBG Program
5. Certifications
6. Monitoring Plan
7. Executive Summary
8. Performance Measures
9. Certifications
10. Citizen Participation Plan

Summary of Consolidated Plan Process

The Milpitas Consolidated Plan has been prepared in accordance with federal mandated requirements as established by HUD. The process for preparation of the document involved the following activities:

- Consultation meeting with Housing Authority of Santa Clara County and surrounding jurisdictions (November 2006/Countywide CDBG staff meeting)
- Letter sent out to housing providers, social services agencies and local groups and organizations requesting statistical information, data, reports, studies, etc. in their areas of expertise to support the Consolidated Plan (March 20, 2006)
- Three (3) Public Consultation Community Meetings were held to obtain input from the public about the housing and community development needs in the community and the City's proposed Citizen Participation Plan. This meeting was held prior to drafting of the Consolidated Plan, and was advertised in the local newspaper, Milpitas cable public television, City's website and posted on City buildings throughout Milpitas. Notices were also sent to CDBG service providers and other interested parties. Meetings were held:
 - Wednesday, October 25, 2006 at 7:00 p.m. (Milpitas City Hall)
 - Wednesday, November 8, 2006 at 7:00 p.m. (Milpitas Police Dept.)
 - Monday, December 4, 2006 at 2:00 p.m. (Milpitas Interim Senior Center)
- 30 Day Public Review Notice of the Draft Consolidated Plan (July 2 - August 2, 2007)
- Review of Public Comments received on the Draft Consolidated Plan (August 3, 2007)
- City Council Public Hearing on the Draft Consolidated Plan (August 7, 2007)
- Consolidated Plan scheduled to be sent to HUD before August 9, 2007

Citizen Participation in the Consolidated Plan Process

Numerous individuals, local groups and organizations were involved in the development of the Milpitas Consolidated Plan. A listing of individuals, groups and organizations who participated in the preparation and development of the plan is included in the background information along with citizen comments received during the public hearing process.

In an effort to encourage maximum citizen participation, Milpitas held a public consultation community meeting in the evening to benefit the general public; display ads were placed in the

local newspaper, and on the City's website to advertise the time, place and date of the meetings in advance notice. Also, letters were sent to housing providers, social services agencies and other interested parties during the 30-day public review period (July 2 through August 2, 2007) of the document. Copies were provided free of charge and were made available at Milpitas City Hall and at the public Library.

Strategic Plan (July 1, 2007- June 30, 2012)

The Milpitas Five-Year Strategic Plan brings the necessary resources together in a comprehensive coordinated housing and community development strategy. The City of Milpitas will use a combination of federal, City, and private resources to accomplish these goals. The following needs have been identified for the City of Milpitas Five-Year Consolidated Plan:

- Increase Supply of Affordable Housing
- Rehabilitation and General Maintenance of Existing Housing Stock
- Addressing Homeless Needs/Homeless Strategy
- Needs of Households At-Risk of Homelessness
- Addressing Other Special Group Needs (Elderly, Persons with Physical and Mental Disabilities, Persons with Substance Abuse, Persons Afflicted with HIV/AIDS)
- Actions to be Taken to Address Emergency Shelter and Transitional Housing Needs
- Anti-Poverty Strategy
- Fair Housing and Tenant/Landlord Services
- Youth Services
- Lead-Based Paint Reduction Plan
- Removing Barriers to Affordable Housing

A detailed review of these needs is included in the Draft Consolidated Plan (Pages 81-103) in the Council's agenda packet. To date, staff has not received any comments on the Draft Consolidated Plan. A copy of the Draft Consolidated Plan has been forwarded to the Council in advance of the meeting date.

Recommendations:

1. Open the Public Hearing to hear comments.
 2. Close the Public Hearing.
 3. Approve the Five-Year Consolidated Plan (2007-2012), subject to any revisions or comments as directed by the City Council.
4. **Introduce Ordinances No. 120.44 and No. 208.41, Amendments to Title VIII of the Milpitas Municipal Code for 2007/08 Water, Recycled Water, and Sewer Rate Adjustments (Staff Contact: Kathleen Phalen, 586-3345)**

Background: The City of Milpitas provides water, recycled water, and sewer services to its residential, commercial, industrial, and institutional customers. This year, the City expects to deliver 3.3 billion gallons of potable water at a cost to the City of \$14.2 million. The City purchases wholesale water from the San Francisco Public Utilities Commission (SFPUC) and the Santa Clara Valley Water District (SCVWD). The City expects to deliver an additional 279 million gallons of recycled water to irrigation customers at a cost of \$560,000. The City purchases recycled water from the South Bay Water Recycling Program. The City will provide sewer collection and treatment services for 2.5 billion gallons of wastewater at an estimated cost of \$10.9 million. The City has an agreement with the San Jose/Santa Clara Water Pollution Control Plant (WPCP) to treat this wastewater.

The City's practice has been to adopt ordinances adjusting water and sewer rates at the same time it adopts its annual budget and capital program. This required staff to rely on preliminary information from water wholesalers and the WPCP for expected costs. This spring, the water wholesalers' staff would provide only wide ranges of the possible rate increases. Therefore, it

was in the best interests of the City to wait until wholesales rates were adopted in June before completing its rate analysis.

The “2007/08 Utility Rate Analysis” report, included in the Council agenda packet, shows the City’s expected revenues and expenses for water, recycled water, and sewer and the recommended rates needed to meet the City’s short and long-term goals for operation, maintenance, and capital improvement of its utility services. Staff relies on policies and assumptions described in the “Utility Financial Master Plan,” adopted by the Council in 2003, to guide the rate analysis process. Briefly, these include:

- Strive for long-term rate stability,
- Emphasize preventive over reactive maintenance to reduce long-term costs and improve service to customers,
- Plan for long-term replacement of aging infrastructure as needed to maintain system integrity,
- Maintain minimum reserve balances in the water, recycled water, and sewer funds,
- Maintain first tier residential water rates at no less than the average wholesale rate,
- Provide incentive for appropriate use of recycled water to encourage growth of the recycled water customer base.

California State Constitution Article XIII(D), also known as “Proposition 218,” requires that the City notify property owners of its intent to adopt utility rate increases and that it give property owners the opportunity to protest the increases. The law is detailed and specific in its notification and protest requirements. The City must mail a letter to every property owner receiving water and/or sewer services within the City, allow a 45-day protest period, and conduct a public hearing to receive public comment and protests. The City may adopt new rates if less than 50% of affected property owners protest against the increase.

Discussion: Staff has analyzed the City’s FY 2007-08 utility expenses and revenue requirements as reported in the rate analysis report.

Water Rates: Staff recommends a 7% increase in water rates for FY07/08. This will provide \$14.4 million funding for the City’s wholesale purchases, operation and maintenance of its distribution system, the infrastructure capital improvement program, and allow a set aside of \$1.75 million for future water infrastructure replacement while maintaining the recommended fund balance reserve. SFPUC and SCVWD increased their annual rates 7% and 7.5%, respectively this year.

Average single-family residential water customers in Milpitas who use 2300 cubic feet of water in a two month billing period will see their bimonthly water bill increase from \$58.05 to \$62.03, an increase of \$1.99 per month. Other water and recycled water user categories will have rate increases as shown in the Proposed 2007/08 Water Rates table below. Recommended recycled water rates are 80% of the potable irrigation rate and 50% of the commercial, industrial, and institutional rate to encourage use of recycled water.

Recommended 2007/08 Water and Recycled Rates*		
Water and Recycled Water Quantity Charges	Current Rate	Recommended Rate
Residential 0-20 units	\$1.49	\$1.59
> 20 units	\$3.13	\$3.35
Potable - Commercial, Industrial, and Institutional	\$3.40	\$3.64
Potable – City	\$1.12	\$1.31
Potable irrigation - all others	\$3.89	\$4.16
Santa Clara County (Ed Levin Park)	\$1.02	\$1.30
Recycled irrigation - formerly wells	\$0.68	\$0.73
Recycled irrigation – agriculture	\$0.32	\$0.33
Recycled irrigation – city	\$0.61	\$0.71
Recycled irrigation - all others	\$3.11	\$3.33
Recycled Industrial Process	\$1.70	\$1.82
Recycled Dual-Plumb	\$1.70	\$1.82
Bimonthly Fixed charges; typical increase for all other sizes (not shown)		
Residential 5/8 inch meter	\$18.86	\$20.18
Non-residential 3/4 inch meter	\$21.16	\$22.64
Residential Fire Service 2”	\$30.16	\$32.27
Non-Resid. Fire Service 2”	\$31.90	\$34.13

*All rates are for one unit of water which is equivalent to 100 cubic feet or 748 gallons.

Sewer Rates: Staff recommends a 4% increase in single-family residential sewer rates for FY07/08. In accordance with U.S Environmental Protection Agency guidelines, other rates would also be increased proportionately and adjusted for flow and the measured strength parameters of biochemical oxygen demand, suspended solids, and ammonia as shown in the Recommended Sewer Rates table below.

This rate increase will provide \$10.1 million funding to meet the City’s expected annual expenses and will provide funding for the infrastructure capital improvement program in FY07/08 while maintaining the recommended fund balance reserve. Average single-family residential customers will see their bimonthly sewer bill increase from \$59.70 to \$62.09, or an increase of \$1.20 per month.

The WPCP is projecting that its capital improvement program costs will rise significantly in the future. Depending on the actual magnitude and schedule of the WPCP capital improvements, either the WPCP or the City may need to obtain alternate funding, such as from bonds, to stabilize the impact of WPCP improvement on future rates.

Recommended 2007/08 Sewer Rates		
Sewer Quantity Charges	Current Rate	Recommended Rate
Single Family bimonthly per dwelling unit	\$59.70	\$62.09
Multi-Family bimonthly per dwelling unit	\$43.14	\$44.36
Mobile Home bimonthly per dwelling unit	\$26.88	\$27.42
Commercial categories per hcf*	\$2.20-\$3.93	\$2.31 - \$4.17
Industrial categories per hcf	\$0.02-\$3.91	\$0.02 - \$5.26
Institutional categories per hcf	\$2.29-\$2.91	\$2.33 – \$2.75
Fixed charges		
Non-Residential bimonthly	\$10.08	\$10.48

*hcf = one hundred cubic feet = 748 gallons

Other Water Fee and Service Adjustments

Staff recommends adopting a new fee structure for use of construction meters, meter tests, and service deposits.

Construction Meters: Staff recommends adopting a new fee structure for use of construction meters and requests by customers for meter tests. Construction contractors typically borrow construction meters from the City to obtain a temporary connection to the City's water system. The City's current practice is to charge \$25 per month. Staff recommends increasing this monthly charge to \$75 per month to cover the City's actual maintenance costs for the meter. Staff surveyed nearby cities and found that this recommended fee is in line with what others are charging, and provides the City with full cost recovery.

Requests for Meter Accuracy Test: The City's current practice is to provide one free meter accuracy test in any 12-month period. Staff recommends changing this policy to allow up to three free meter tests in any 12-month period and charging \$50 for each subsequent test.

Refund of Deposit for Service: Customers are required to post a \$150 deposit with the City when establishing new utility services or restoring discontinued services. Staff recommends that the City collect the deposit from single family residents only, and refund the deposit without interest as a credit to the customer's next utility bill after a continuous twelve-month period of satisfactory payments.

The anticipated schedule to complete the adoption of the ordinances and adjust the rates includes these milestones:

- | | |
|-------------|---|
| August 7 | Council conducts public hearing on increases to water and sewer service rates and holds first reading of ordinances setting water, recycled water, and sewer rates. Council to provide staff direction to mail the Proposition 218 notification letter. |
| August 31 | The Proposition 218 letters must be mailed no later than this date to provide 45-day protest period before October 16 Council meeting. |
| October 16 | Council conducts public protest hearing. If there is not a majority protest, Council will hear second reading of the ordinances setting water, recycled water, and sewer rates and adopt the ordinances. |
| November 15 | New rates will become effective for services received after this date. |

Recommendations:

1. Accept the 2007/08 Utility Rate Analyses report.
2. Open Public Hearing for all public comments.
3. Close the public hearing for water, recycled water, and sewer rates adjustments.
4. Direct Staff to mail the Proposition 218 letter to all affected property owners.
5. Waive the first reading beyond the titles of two ordinances.
6. Introduce Ordinance No. 120.44 setting Water Service and Ordinance No. 208.41 setting Sewer Service.
7. Set October 16 as the Public Hearing date to hear protests, and to adopt new water and sewer rates by ordinances conditioned upon not receiving a majority protest.

XIII. UNFINISHED BUSINESS

5. Updates on Roadmap for Service Improvements and Approval of Request for Temporary Dedicated Building Inspector (Staff Contact: Keyvan Irannejad, 586-3244)

Background: At the last City Council meeting Councilmember Gomez requested an update on the Roadmap to Service Improvements. Since the Finance Sub-committee recommendations memo dated December 28, 2005 to the City Council, major improvements have taken place to provide a fiscally sound, proactive and effective process that is responsive and dependable. A

report on accomplishments and objectives in further improvement and streamlining of the permitting process is submitted to the City Council for review.

DR Horton, Inc. is requesting an additional dedicated full time building inspector for the Paragon Project to provide continuous and uninterrupted service for the duration of construction. Such service is currently provided by the City of Milpitas to DR Horton Centria project and other major projects and proved to be beneficial to both sides. It allows the City to provide high level of customer service by considerably reducing the number of re-inspections, streamlining and maintaining the construction schedule and minimizing the number of construction revisions. Existing workload will not allow staff to provide an additional dedicated building inspector from current staff to the DR Horton projects thus necessitating the hiring of a temporary building inspector at an annual cost of \$165,700. This service will require the developer to pay the full cost of the service, which includes salary and benefits for the building inspector and an administrative fee.

Recommendations:

1. Receive staff report on progress of the Roadmap to Service Improvements.
2. Approve D.H. Horton's request to hire a temporary, dedicated Building Inspector.
3. Approve budget appropriation for \$165,700 less the administrative fee, into the Building & Safety Division's budget.

6. Status on Construction of the New Proposed Building at 1880 N. Milpitas Blvd., at the Northeast Corner of N. Milpitas Blvd. and Dixon Landing Rd. (Staff Contact: Keyvan Irannejad, 586-3244)

Background: A new 3-story 13,040 square feet building is currently proposed to be constructed at 1880 N. Milpitas Blvd. It will have retail spaces on the ground level, a dental office on the second level and three apartments on the third level.

Currently there are four building permit applications submitted for the site. They include a demolition permit for the existing fire-damaged structure, a grading permit for the site, a site improvement permit for the site improvements, such as paving, parking, lighting, etc., and a building permit for the structure itself.

The following is the status of the permit applications as of July 27, 2007:

- Demolition permit application has been reviewed. Comments were given to applicant on 6/1/07. Applicant resubmitted revised plan on 7/25/07 and demolition permit was issued on 7/27/07.
- Grading permit application has been reviewed. Comments were given to applicant on 6/28/07. Currently, the City awaits re-submittal.
- Site improvement permit application has been reviewed. Comments were given to applicant on 7/26/07.
- Building Permit application has been reviewed. Comments were given to applicant on 7/23/07.

Recommendation: Receive staff report on the construction at 1880 N. Milpitas Blvd.

XIV. JOINT REDEVELOPMENT AGENCY AND CITY COUNCIL MEETING

RA1. Call to Order by the Mayor/Chair

RA2. Roll Call

RA3. Approval of Minutes (June 19, 2007)

RA4. Approval of Agenda and Consent Calendar

- RA5. Approve Progress Report on Library, East Parking Garage, and Related Projects No. 8154, 8161, 8162, and 8165 (Staff Contacts: Steve Erickson, 586-3414, and Greg Armendariz, 586-3317)**

Background:

The Library Subcommittee met on July 24 and heard a progress report on the Library, Garage, N. Main Streetscape and related projects. Construction continues on each of these redevelopment agency projects as well as other N. Main Street Development projects. Staff will provide a brief presentation on the progress of these projects.

Library

S.J. Amoroso continues with construction of the library. The reinforced concrete foundations, footings, mat slabs and curbs are complete. Structural steel for the north wing has been installed. Structural steel for the south wing is also in progress.

The Architect is working on the furniture, fixtures, and equipment (FF&E) packages for bidding by Spring 2008.

Parking Garage

Devcon Construction Inc. continues with construction of the parking garage. The contractor is in the process of completing the two stairways, the elevator, and safety screens, and other work.

N. Main Streetscape

JJR Construction continues on N. Main Streetscape Phase 1, from Weller Street to the Highway 237-off ramp. Traffic has been routed to the east edge of the right-of-way to allow construction along the west. Construction is being staged to maintain traffic and access.

Recommendation: Approve progress report on the North Main Street development projects.

- *RA6. City of Milpitas Investment Portfolio Status Report for the Quarter Ended June 30, 2007 (Staff Contact: Emma Karlen, 586-3145)**

Background: In compliance with the State of California Government Code and the City's Investment policy, the City of Milpitas Investment Report for the quarter ended June 30, 2007 is submitted for your review and acceptance.

The Portfolio Summary Report included in the Council's packet provides a summary of the City's investments by type. It lists the par value, market value, book value, percentage of portfolio, term, days to maturity and the equivalent yields for each type of investment. The Portfolio Details Report provides the same information for each individual investment in the City's portfolio as of June 30, 2007.

As of June 30, 2007, the principal cost and market value of the City's investment portfolio was \$244,916,346 and \$244,122,746 respectively. When market interest rates increase after an investment is purchased, the market value of that investment decreases. Conversely, when market interest rates decline after an investment is purchased, the market value of that investment increases. If the investments are not sold prior to the maturity date, there is no market risk. Therefore, in accordance with the City's investment policy, all investments are held until maturity to ensure the return of all invested principal.

The City's effective rate of return for the period ended June 30, 2007 was 4.16%. The comparative benchmarks for the same period were 5.00% for LAIF (Local Agency Investment Fund) and 4.81% for the 12-month average yield of the 2-year Treasury Note. Excluding the long-term GNMA securities and Repurchase Investment Agreement, the weighted average maturity of the portfolio was 470 days.

The investment portfolio is in compliance with the City's investment policy. A combination of securities maturing, new revenues, and tax receipts will adequately cover the anticipated cash flow needs for the next six months. Cash flow requirements are continually monitored and are considered paramount in the selection of maturity dates of securities.

Recommendation: Receive City of Milpitas investment report for the quarter ended June 30, 2007.

***RA7. Adopt Resolution and Approve Allocation of Redevelopment Agency Funds to the Housing Trust Fund of Santa Clara County (Staff Contact: Felix Reliford, 586-3071)**

Background: At its meeting on November 2, 1999, the Redevelopment Agency (RDA) pledged \$500,000 to the Housing Trust Fund of Santa Clara County. The goal of the Trust Fund was to raise \$20 million to address the housing crisis in Silicon Valley. That goal has been exceeded and the Trust Fund has started Phase III, requesting additional funds to provide more affordable housing.

Subsequently, the Agency's previous pledge required, by resolution, that the funds be spent in Milpitas on affordable housing projects. In the past, Milpitas contributed \$500,000 (2001) and \$150,000 (2005 and 2006) to the Housing Trust Fund with the understanding that the funding must be used for affordable housing projects in Milpitas. The \$500,000 has been awarded to Mid-Peninsula Housing Coalition for the Milpitas Senior Housing Project and the \$150,000 has been committed to Senior Housing Solutions for the acquisition of the single-family residence for five extremely low-income seniors.

On February 22, 2005, the Housing Trust Fund and Silicon Valley Leadership Group (formerly Silicon Valley Manufacturing Group) announced the proposed "Phase III," a public-private compact between interested private sector investors (employees, foundations and individuals) and public agencies, with a goal of assisting a minimum of 1,000 families per year for each of the next three years. A funding goal of \$10 million would allow the Housing Trust to invest funds into the creation of affordable rental housing, homeless and special needs housing and support for first-time homebuyers designed to help at least 1,000 families per year.

The Housing Trust Fund of Santa Clara County has raised more than \$25 million in local public and private contributions and invested more than \$1.6 million in affordable housing opportunities throughout Santa Clara County. Since it began distributing funds in 2001, the Trust has already helped more than 4,255 families, including assistance to 1,260 families to help them buy their first homes in Santa Clara County; enabled the development of hundreds of units of affordable housing rental housing, worth over \$238 million; and helped create hundreds of units of shelter and special-needs housing in our community, making it possible for people like teachers, police officers, firefighters, nurses and civic employees to live in the communities they serve.

The Housing Trust Fund of Santa Clara County and Silicon Valley Leadership Groups are completing "Phase III" and are requesting the final contributions from the private and public sector. The City of Milpitas has been asked to consider contributing the final \$150,000 towards "Phase III" of the campaign drive. Staff recommends approval of the request, pursuant to the Redevelopment Agency adoption of a resolution, which requires that the \$150,000 allocation be used within the City of Milpitas to financially assist future affordable housing projects. The Redevelopment Agency adopted a similar resolution for the previous \$800,000 contributions.

Included in the Agency's agenda packet is a resolution of findings for preference to Milpitas residents and workers and for the allocation of funds (\$150,000) to be used on a future affordable housing project within Milpitas. Also, included in the agenda packet is a list of contributions to the Housing Trust Fund from other cities within Santa Clara County.

Recommendations:

1. Approve budget appropriation of \$150,000 in the Housing Reserve Funds for payment to the Housing Trust Fund of Santa Clara County.
2. Adopt Resolution demonstrating a compelling need to prefer Milpitas residents and workers for housing units using Housing Reserve Funds contributed to the Housing Trust Fund of Santa Clara County.

***RA8. Adopt Resolution Amending the Owner Participation Agreement with DR Horton to Change Unit Type and Mix for Centria Residential Condominium Project, West Building (Staff Contact: Felix Reliford, 586-3071)**

Background: At its meeting on August 16, 2005, the Redevelopment Agency approved the Memorandum of Understanding (MOU) and Owner Participation Agreement (OPA) with Fairfield Great Mall LLC for the development of a 481-unit for-sale condominium project at the southwest corner of South Main Street and Great Mall Parkway in Milpitas. On November 23, 2005, Fairfield Great Mall LLC sold the project to DR Horton, who changed the project name to "Centria."

On June 20, 2006, DR Horton requested an amendment to the OPA to reduce the number of units in the project from 481 to 464 units. The Redevelopment Agency's funding and total number of affordable housing units was reduced to reflect the new 464-unit project.

At its meeting on May 15, 2007, the Council/Redevelopment Agency amended the OPA to permit the change in housing type and mix previously approved in the project. The Centria Project original and previously amended proposals to the OPA are stated below

Original Proposal

101 units (680-978 sq. ft.)
186 units (1,016-1,221 sq. ft.)
40 units (1,434 sq. ft.)
Total: 327 Units

Amended Proposal (5/15/07)

89 units (680-975 sq. ft.)
205 units (1,000-1,222 sq. ft.)
33 units (1,342-1,454 sq. ft.)
Total: 327 Units

The applicant is now requesting a new housing unit mix based on an omission and oversight by the architect. The new unit mix will be:

New Housing Unit Mix (8/7/07)

96 units (674-905 sq. ft.)
193 units (1,010-1,469 sq. ft.)
38 units (1,362 sq. ft.)
Total: 327 Units

The proposed amendment to the OPA would only change the housing unit type and mix in the West Building of the Centria Project. The total of 464 units (137 units in the East Building) would remain the same. The developer's rationale for the proposed second amendment to the unit mix is because of omission and oversight by the architect.

Included in the Council/Redevelopment Agency's agenda packet is the letter from DR Horton requesting the third amendment to the OPA for the unit mix and the draft Resolution for adoption of the proposed amendment.

Recommendation: Adopt Resolution to amend the Owner Participation Agreement with DR Horton changing the housing unit type and mix for the West Building of the Centria Project.

***RA9. Approve Certificate of Completion for Certain Residential Units within Tract No. 9698 for KB Home, Project No. 3160 (Staff Contact: Mehdi Khaila, 586-3328)**

Background: On January 18, 2005, the City of Milpitas Redevelopment Agency and KB Home South Bay, Inc., entered into a Disposition and Development Agreement (DDA) concerning the residential development, Terra Serena, north and east of the county's Elmwood Correctional Facility. The recorded grant deed, which conveyed the subject real property from the Agency to KB Home, requires that the Redevelopment Agency issue a Certificate of Completion upon the completion of the infrastructure improvements in accordance with the DDA. Certain improvements have been satisfactorily completed to serve certain residential units as shown on the Certificate of Completion, and therefore occupancy may be granted to only those housing units.

Recommendation: Authorize the Agency Executive Director to execute the Certificate of Completion, pertaining to certain residential units (described on the Certificate of Completion document), for KB Home Terra Serena Project No. 3160, subject to approval of the City Attorney as to form.

RA10. Agency Adjournment

XV. REPORTS OF OFFICERS, COMMISSIONS, AND COMMITTEES

City Council

- * 7. **Approve Mayor Esteves' Recommendation for Planning Commission Appointment (Contact: Mayor Esteves, 586-3029)**

Background: Mayor Esteves recommends that William Dan Manassau be appointed to the Planning Commission to a term that expires in December 2009.

Recommendation: Move to approve appointment of William Manassau to the Planning Commission.

- * 8. **Approve Mayor Esteves' Recommendations for Appointments/Re-Appointments to City Commissions (Contact: Mayor Esteves, 586-3029)**

Background: Mayor Esteves recommends the following Milpitas residents be appointed/re-appointed:

Citizens Emergency Preparedness Advisory Commission:

Appoint Jaime Odena (current Alternate No. 1) as a regular voting member with a term that expires in June 2010.

Appoint Michelle Celones (current Alternate No. 2) as Alternate No. 1 to a term that expires in June 2009.

Appoint Arlyn Swiger (Sister Cities Commissioner) as Alternate No. 2 to a term that expires in June 2009.

Mobile Home Park Rental Review Board:

Re-appoint Florence Romito to a term that expires in June 2010.

Sister Cities Commission:

Appoint Oliver Wan (current Alternate No. 1) as a regular voting member to a term that expires in September 2007.

Appoint Maria Magdalena Ortega (current Alternate No. 2) as Alternate No. 1 to a term that expires in September 2008.

Appoint Nolan Chen as Alternate No. 2 to a term that expires in September 2007.

Recommendation: Move to approve the Commission appointments and re-appointments.

Facilities Naming Subcommittee

- * 9. **Approve Recommendation to Name the Future Milpitas BART Station, Three Public Parks, and to Add Three Names to the List of Potential Streets and Facilities Names (Staff Contacts: Bonnie Greiner, 586-3227 and Greg Armendariz, 586-3117)**

Background: The Facilities Naming Subcommittee met on June 20 and requested that several recommendations be forwarded to the City Council. Draft (unapproved) minutes of the meeting are included in agenda packet.

BART Station Naming

The City Council recently approved the name “Milpitas BART Station” for the BART station planned at Montague Expressway and Capitol Avenue. A Councilmember also asked the Facilities Naming Subcommittee to consider the name “Milpitas Downtown BART Station” for the future un-funded BART station, south of Calaveras Boulevard and west of Milpitas Boulevard. The Facilities Naming Subcommittee met on June 20, 2007 and concurred with the recommendation. Upon Council approval, a letter will be prepared for the Mayor’s signature to request that the VTA incorporate the recommended names.

Three New Public Parks

On March 21 the Facilities Naming Subcommittee selected the names Tom Evatt Park, John McDermott Park, and O’Toole Elms Park for names of three new public parks, subject to approval by the respective families. Tom Evatt was the first mayor of Milpitas. John McDermott helped develop and prepared the original artwork for the City Seal. The original O’Toole elms lined the driveway of the O’Toole estate, which later became an almshouse and is now the site of the Elmwood Correctional Facility. The O’Toole Elms Park will be planted with new Elm trees in a configuration reminiscent of the historic elms.

The potential parks names were favorably reviewed by the Parks, Recreation and Cultural Resources Commission on April 2nd. Staff reported at the June 20 Facilities Naming Subcommittee meeting that the Evatt and McDermott families had given their consent, and that no surviving O’Toole family member had been found. The Subcommittee recommended that the parks’ names be brought to the City Council for final consideration, and requested that upon approval staff install park identification signage.

Additions to the Potential Streets and Facilities Naming List

Several people submitted nomination forms to add names to the list of potential streets and facilities names. The Subcommittee recommended these names for the list: (Manuel) Pimentel, Dooneway (White), and (Francisco Silvira) Gomes. Since there is already a White Court in Milpitas, the Dooneway White family suggested that the first name be used for a street name. Spc. Dooneway White was serving in the Army when killed in Iraq this year. Therefore, his street sign would also display an American flag symbol, indicating his Veteran’s status.

Several other nominations were made with specific recommendations, which require additional information to be brought back to the Facilities Naming Subcommittee for action. These include naming rooms within the new library for: Josephine Guerrero, Ed Cavallini, and Robert “Bob” Keely. Additionally, a nomination request for Michael De Jesus is being considered for a ball field at Peter Gill Park, and a request for Amritpal “Paul” Sandhu is being considered for something at the Milpitas Teen Center. These items will be brought to the City Council after the Subcommittee has received additional information and can formulate a recommendation at the next meeting on August 22, 2007.

Recommendations:

1. Approve the name “Milpitas Downtown BART Station” for the future BART station near Calaveras/Milpitas Boulevards, and send a letter of request to the VTA.
2. Approve the name for three new parks: Tom Evatt Park, John McDermott Park, and O’Toole Elms Park.

3. Approve adding three names to the list of potential streets and facilities: Pimentel, Dooneway, and Gomes.

Arts Commission

- * 10. **Approve Ten Milpitas Arts and Culture Grant Program Applications for the 2007-08 Funding Cycle (Staff Contact: Renee Lorentzen, 586-3231)**

Background: The Milpitas Arts and Culture Grant Program (formerly CASP, the Cultural Arts Support Program) is a competitive grant program designed to increase and deepen participation in arts and cultural activities for the Milpitas community. The Milpitas Arts and Culture Grant Program also encourages coalitions and collaborations between artists, art organizations and other sectors to infuse the entire community with art activities.

Twelve (12) applicants submitted Milpitas Arts and Culture Grant Program (MACG) grant applications by the May 18, 2007 deadline for the 2007-08 funding cycle. Two applications received from the Association of Viet Arts and independent artist Fei Wang were denied. The Arts Commission MACG Subcommittee reviewed the applications at a June 18, 2007 meeting and recommended to the Arts Commission ten (10) applicants to receive grant In-Kind Services and monetary amounts, up to \$2,000 each and two (2) applicants for denial. The MACG Subcommittee presented its recommendations to the Arts Commission at their June 25, 2007 meeting. The Arts Commission discussed the MACG Subcommittee's recommendations and recommended that the ten (10) applicants be forwarded to the City Council for approval in the total amount of \$15,000.00. In the Council's agenda packet is the list of applicants and recommended funding amounts, and the Unapproved Minutes from the Arts Commission's June 25, 2007 meeting.

Recommendation: Approve the Arts Commission's recommendations for 10 recipients of the Milpitas Arts and Culture Grant Program grants for FY 2007-2008, in the total amount of \$15,000.00.

Public Art Commission

- * 11. **Approve a Contract with Lynne Baer for Library Art Advisory Services for an Amount Not to Exceed \$30,000 (Staff Contact: Diana Whitecar, 586-3059)**

Background: On February 6, 2007, the City Council approved the Public Art Master Plan (Master Plan) as presented by the Public Art Committee (PAC). The first two priority projects to be located at the new Milpitas Public Library where the outer entry, or library plaza, and an internal area (tower) were identified as unique public art opportunities.

Art Advisor: At its meeting on July 23rd, the PAC voted to recommend that the City Council/Redevelopment Agency approve a contract with Lynne Baer to act as the Art Advisor to manage the recruitment and selection process for the Library Plaza and Tower art. Some of the Committee members have worked with Ms. Baer, who is familiar with Milpitas through her work with the Milpitas Alliance for Arts in the "Art in Your Parks" program. Prior to this recommendation, the Library Art Subcommittee of the PAC had considered the option of soliciting other art advisory providers but decided that this would delay incorporating and placing art in the Library's critical construction path. Ms. Baer previously worked with the Milpitas Library architectural firm, Group4, as the art advisor for the City of Santa Clara Public Library and also provided advisory service for the City of Dublin, CA for art installations and programs.

The PAC recommends that the City Council approve a contract with Ms. Baer for \$30,000 to provide Art Advisory services.

Art Selection Process: On July 16th, the PAC met with the Library Project construction management staff to develop a better understanding of the construction schedule. At this meeting

and subsequently at its meeting on July 23rd, the PAC decided to amend the art selection process set forth in the adopted Public Art Manual to conform with the Library construction schedule. As a result, the following schedule was established:

- August: Artist identification by Art Advisor.
- September 6th: PAC to select three artists each for Library Plaza and Tower art proposals.
- September: Artists to visit Site.
- October 16th: Public Art Reception at City Hall to unveil the proposals and to begin the public review and comment period.
- October 22nd: The PAC will invite the Library Advisory Commission to hold a joint meeting to review the proposed art and to solicit further public comment.
- October 23rd: Review proposals with City Council Library Subcommittee.
- November 6th: Present Plaza and Tower art recommendations to the City Council.

Estimated Costs: Based on preliminary discussions, the PAC believes that the cost of the Plaza Art work will be \$127,500: \$100,000 for the artwork, \$20,000 for engineering and foundation and \$7,500 for artists' proposals. It is likely that the Tower Art costs will be similar, as the Tower space is vast and structural impacts may be significant. It is estimated that the stipends for three Tower artists' proposals will also cost \$7,500.

Fiscal Impact: There are sufficient funds for the Library Art and Art Advisor available in the Public Art Fund. Appropriation of the funds for the art fabrication, structural engineering and installation will be presented to the City Council at the November 2007 meeting when the final art is selected.

Next Steps: If the Council approves the contract with Ms. Baer, she will begin solicitation of potential artists for the Library Plaza and Tower and the PAC will begin planning for the Artist Reception on October 16th.

Recommendation: Approve the contract with Lynne Baer for \$30,000 for art advisory services for the Milpitas Public Library, and appropriate \$30,000 from Public Art funds for the contracted services.

XVI. NEW BUSINESS

12. Approve a One-Year Pilot Project for the Installation of Passenger Loading Zones Along Escuela Parkway from Washington Drive to Russell Lane (Staff Contact: Jaime Rodriguez, 586-3335)

Background: Traffic congestion along Escuela Parkway peaks with the bell schedules for the three schools on the street, Pomeroy Elementary, Russell Middle, and Milpitas High. Observations and data collection show that there is twice the traffic on Escuela Parkway in the morning than in the afternoon, but that congestion is about equal at both peak periods. In the afternoons, pedestrian activity and transit ridership doubles, likely because parents that dropped their children off in the morning on their way to work, can not pick them up in the afternoons. Bike ridership remains constant during the morning and afternoon peak periods at about 10 students riding to Russell Middle School along the east side of the street; no bike activity was observed along the west side of Escuela Parkway.

Additional Observations:

1) **Roadway Use Conflicts** – The existing bike lanes on Escuela Parkway conflict with the existing 3-Minute Loading Areas along the frontage of Milpitas High School. This is also the only area where on-street passenger loading is currently provided for the three schools. The lack of on-street parking for the loading/unloading student activities results in congestion in the morning because once parking lot capacity in the schools is exceeded, the spillover occurs onto the street. In the afternoons, parents drive in circles

on Escuela Parkway while they search for the students or they dwell in the existing bike lane, impacting the visibility of crosswalks and school driveways.

To address this conflict, staff recommends the installation of Passenger Loading Zones (PLZs) for a one-year test period to better accommodate the loading and unloading of students, which should in turn help to reduce congestion. The one-year test pilot coincides with the development of the City's new Bike Plan. The PLZs would be located along both sides of Escuela Parkway between Russell Lane and Washington Drive, on Washington Drive along the frontage of Pomeroy Elementary, and on Jacklin Road. Providing PLZs on the street accomplishes two items: A) it provides space for parents to quickly pull over in front of each school to drop students off, and B) it provides additional dwelling areas for parents who pick up students in the afternoons so that parents do not need to drive in circles on Escuela Parkway or impact adjacent neighborhood streets.

2) Bike Lane/Bike Route Conversion – For the PLZs to be installed, a portion of the bike lanes on Escuela Parkway will require conversion to a Bike Route to address the current and continued shared use of roadway. This includes the entire southbound portion of Escuela Parkway between Russell Lane and Washington Drive and the northbound portion of Escuela Parkway between Monzano Street and Washington Dr.

To promote sharing of the roadway between bicyclists and vehicles staff further recommends the installation of new State and Federally-approved “Sharrows” roadway markings, improved signage, and the development of education materials for parents regarding the use of PLZs and for students regarding the “Rules of the Road” for safe bicycling.

The Sharrows marking is a new State and Federal-adopted marking that resembles the City-standard Bike Lane symbol but is slightly larger to emphasize bicyclist presence on the roadway and includes two double arrows that denote the travel path of adjacent bicycles. A consistent observation of student bicyclists is that they ride in the wrong direction against traffic. This behavior places bicyclists on a path that motorists would not be expecting. The education materials discussed above will be supplemented with Best Practices signage standards to discourage riding against traffic, by informing bicyclists that they are riding the “Wrong Way” on the street.

3) Sidewalk Improvements – To accommodate the large volume of pedestrian activity in the afternoon, the sidewalks on Escuela Parkway should be widened, particularly along the east side of the street to accommodate Russell Middle School pedestrian activity. Staff recommends a new Capital Improvement Program (CIP) project in the FY 2008-09 to widen the sidewalks and provide tree planting to beautify the corridor. Tree planting will provide natural shade on the sidewalks which may help to encourage additional “walking/biking to school.” Staff can begin the outreach to the community this fall and winter to develop a tree planting plan for inclusion in the next CIP.

Staff presented these recommendations to the Ad-Hoc Committee Traffic Reduction on Escuela Parkway on March 1st, the Milpitas – Bicycle Pedestrian Advisory Committee on April 9th, the Transportation Subcommittee on May 3rd, and staff held two community meetings on July 10th and July 16th.

Recommendation: Approve a one-year pilot project for the installation of passenger loading zones along Escuela Parkway from Washington Drive to Russell Lane.

- * 13. **Approve Event Proposal for the 2008 Commissioners’ Recognition Event (Staff Contact: Renee Lorentzen, 586-3231)**

Background: The City of Milpitas recognizes its Commissioners in April at the annual Commissioners' Recognition Event, which celebrates the volunteerism of Commissioners and Committee Members and their accomplishments. A budget of up to \$10,000 has been allocated for this event and three proposals for the 2008 Commissioners' Recognition Event for consideration are listed below. Within each option are two budget options, reflecting a range in scale for this event.

Option A

A Commissioners' Seminar would be held at the Milpitas Community Center on a Saturday in April 2008. A sit down buffet brunch would be provided to our Commission and Committee members and one guest, with a keynote speaker contracted to address the group on the benefits of volunteerism and community service. Commissioners and Committee members will be ceremoniously thanked during the event.

This budget could consist of:

Food/Drinks	\$2,100.00
Invitations/Certificates	350.00
Keynote Speaker	2,000.00
Misc. Supplies	<u>500.00</u>
	\$4,950.00*** (does not include gift)

OR

Food/Drinks	\$4,000.00
Invitations/Certificates	350.00
Keynote Speaker	2,000.00
Linens/Decorations	950.00
Gift	<u>2,000.00</u>
	\$9,300.00

Option B

A Commissioners' Recognition Event Appetizer Social would be held at the Milpitas Community Center, with catered appetizers and drinks, on a weekday non-Commission and non-Council meeting night, in April 2008. A sit down buffet style appetizer bar will be provided to our Commission and Committee members and one guest. Entertainment will be provided by local cultural performance groups throughout the night. Commission and Committee members will be ceremoniously thanked during the event.

The budget could consist of:

Food/Drinks	\$3,200.00
Invitations/Certificates	350.00
Entertainment	300.00
Misc. Supplies	<u>600.00</u>
	\$4,450.00*** (does not include gift)

OR

Food/Drinks	\$3,600.00
Invitations/Certificates	350.00
Entertainment	300.00
Linens/Decorations	950.00
Gift	<u>2,000.00</u>
	\$7,200.00

Option C

A Commissioners' Celebration Brunch would be held at the Milpitas Community Center on a Saturday in April 2008. A sit down buffet brunch would be provided to our Commission and Committee members and one guest. Entertainment will be provided throughout the event by local cultural performance groups. Commissioners and Committee members will be ceremoniously thanked during the event.

This budget could consist of:

Food/Drinks	\$3,000.00
Invitations/Certificates	350.00
Entertainment	200.00
Misc. Supplies	350.00
Gift	<u>1,100.00</u>
	\$5,000.00

OR

Food/Drinks	\$3,200.00
Invitations/Certificates	350.00
Entertainment	200.00
Linens/Decorations	950.00
Gift	<u>2,000.00</u>
	\$6,700.00

Recommendation: Approve Option C, "Commissioners' Celebration Brunch," for the 2008 Commissioners' Recognition Event, with a total budget of \$6,700.00.

XVII. RESOLUTIONS

- * **14. Adopt Resolution Granting Initial Acceptance: Montague Expressway Eastbound Median Modification, Project No. 4179 (Staff Contact: Greg Armendariz, 586-3317)**

Background: This project provides for a continuous fourth through lane along eastbound Montague Expressway between Union Pacific Rail Road and Gladding Court. It also provides for Wrigley Creek culvert improvement behind the curb for pedestrians. The City Council awarded the project to Golden Bay Construction, Inc. on March 6, 2007. The project has been successfully completed, and staff recommends that Council grant an initial acceptance and authorize the reduction of the contractor's faithful performance bond to 10% of the contract in the amount of \$22,901.

Recommendation: Adopt resolution granting initial acceptance of Project No. 4179, subject to the one year warranty period and reduction of the faithful performance bond to \$22,901.

- * **15. Approve Subdivision Improvement Agreement, Final Map, Public Improvement Plans and Adopt Resolution Certifying an Annexation to Community Facilities District No. 2005-1, for Town Center Residential, Tract No. 9886, Project No. 3208 (Staff Contact: Mehdi Khaila, 586-3328)**

Background: This 65-unit townhouse residential development will be served by public utilities located within the proposed private streets and easements. The final map and improvement plans are ready for approval. Copies of the Subdivision Improvement Agreement and excerpts of the final map and improvement plans are included with the Council agenda packet. A complete set of the final map and improvement plans are available for review in the office of the City Engineer.

Shapell Industries, Inc. (the owner of Tract 9886) is also required to annex the subject property into the Community Facilities District 2005-1 (CFD 2005-1) as a condition of the tentative map

approved by Council on November 15, 2005. Resolution No.7521 adopted by the City Council on May 17, 2005, forming CFD 2005-1 authorized the City to annex properties to CFD 2005-1, which would then be assessed only for eligible public services without further public hearing or formal election upon receipt of written consent from the owners.

Shapell Industries, Inc. has given consent and approval that this property be annexed to CFD 2005-1. Shapell Industries, Inc. has agreed that such consent and approval constitutes election to annex to CFD 2005-1 and approval of the authorization for the levy of the special tax on the subject properties.

Recommendations:

1. Approve public improvement plans and final map for Project No. 3208.
2. Authorize the City Manager to execute the secured Subdivision Improvement Agreement, subject to the approval of the City Attorney as to form.
3. Adopt Resolution Certifying and Annexing Tract No. 9886 to Community Facilities District No. 2005-1.

XVIII. BIDS AND CONTRACTS

- * **16. Authorize City Manager to Execute an Agreement with Harris Design for the Parks Master Plan, Project No. 5083, and Approve Budget Appropriation (Staff Contacts: Greg Armendariz, 586-3317, and Bonnie Greiner, 586-3227)**

Background: In accordance with the City's consultant selection process, Harris Design has been selected to provide the required professional services to develop the Park Master Plan. The Park Master Plan will include these objectives:

1. Perform an in-depth inventory and condition assessment of the City's existing parks;
2. Determine anticipated future needs for new parks, and renovations of existing parks;
3. Determine needed upgrades, and ADA compliance requirements for existing parks;
4. Prioritizes improvements with cost estimates and timelines.

Staff has negotiated a scope and not to exceed fee of \$159,750, which is considered reasonable for the work. A budget appropriation in the amount of \$50,000 from the Park Fund is required for the agreement.

Recommendations:

1. Approve budget appropriation in the amount of \$50,000 from the Park Fund into Project No. 5083.
2. Authorize the City Manager to execute the agreement with Harris Design, in the amount of \$159,750, subject to approval as to form by the City Attorney.

- * **17. Approve Agreements with Premier Recycle Company and South Bay Hauling for Debris Boxes (Staff Contact: Kathleen Phalen, 586-3345)**

Background: In accordance with Title V, Chapter 200 of the Milpitas Municipal Code, debris box haulers are required to obtain an agreement authorizing the hauler to engage in the business of collecting and disposing of non-organic solid waste and/or construction and demolition debris produced, kept or accumulated within the city limits of Milpitas. The agreement requires approved haulers to pay the City a compensatory fee equal to 12% of their total gross receipts. The following two independent debris box companies have submitted applications to the City: (1) Premier Recycle Company and (2) South Bay Hauling. Staff has reviewed these applications and, finding them in accordance with the City's requirements, recommends their approval.

Recommendation: Authorize the City Manager to approve agreements with Premier Recycle Company and South Bay Hauling for debris boxes, subject to approval as to form by the City Attorney.

- * 18. **Approve Contract Change Order and Approve Budget Appropriation for the 2007 Street Resurfacing Project, Project No. 4236, O’Grady Paving, Inc. (Staff Contact: Andrew Brozyna, 586-3315)**

Background: The City Council awarded the 2007 Street Resurfacing Project to O’Grady Paving, Inc. on April 17, 2007, and construction is underway. The project consists of roadway reconstruction of a number of streets selected from the City’s Pavement Management System. Completion of this work is anticipated by September 2007.

After removal of existing pavement on Selwyn Drive, the subsurface condition was found to be in poor condition. The remaining subgrade consists of approximately 3” of existing engineered fill over saturated cohesive clay and deflection of subgrade was observed. The unstable subsurface condition discovered during construction required additional work to stabilize prior to paving. Staff recommended the use of Geogrid to reinforce and increase the performance of the existing subgrade. In addition, the new pavement section on Selwyn Drive was increased to be thicker to help distribute wheel loads. The additional cost for the extra labor and materials associated with this work is \$32,200.

A budget appropriation in the amount of \$32,200 from the Street Fund is required to approve this change order.

Recommendation:

1. Approve Contract Change Order with O’Grady Paving, Inc. in the amount of \$32,200 for Project No. 4236.
2. Approve a budget appropriation for \$32,200.

- * 19. **Approve Amendment No. 1 to Contract with Valley Oil Company (Staff Contact: Chris Schroeder, 586-3161)**

Background: In February 2007, the City Council awarded a new bid to Valley Oil Company for a multi-year contract for the purchase and delivery of diesel and unleaded fuel to various locations around the City. The contract price is based on the OPIS Pad 5 Index (for fuel) plus a set margin for the contractor. This proposed amendment increases the contract amount from \$230,000 to a maximum compensation amount of \$295,000, an increase of \$65,000, which reflects the increase in wholesale fuel prices paid by the contractor, and is sufficient to cover fuel costs through the end of FY 06-07.

There are sufficient funds in the Public Works Department budget for this fuel purchase.

Recommendation: Approve Amendment No. 1 to the Valley Oil Company Contract, subject to approval as to form by the City Attorney, and authorize an increase in the not to exceed amount to a maximum compensation of \$295,000 as recommended by staff.

- * 20. **Approve Agreement Renewal with California State Association of Counties, Excess Insurance Authority (CSAC–EIA) for the Employee Assistance Program Services Purchased Through Managed Health Network (MHN) for City of Milpitas Employees (Staff Contact: Carmen Valdez, 586-3086)**

Background: Managed Health Network, Inc. (MHN) provides employee assistance services for the City’s employees. Staff recommends renewal of the CSAC-EIA Agreement through MHN, for the contract for 2007-2008, which includes a 3.5% increase.

Recommendation: Authorize staff to enter into an agreement for an employee assistance program with CSAC-EIA for the period July 1 through June 30, 2008, not to exceed \$35,000.

- * 21. **Award Construction Contract to Valley Slurry Seal Company for the Slurry Seal Project FY 2007-08, Project No. 4242 (Staff Contact: Andrew Brozyna, 586-3315)**

Background: On June 19, 2007, the City Council approved Project No. 4242 plans and specifications and authorized the advertisement for construction bid proposals. This project consists of placing slurry seal on Midwick Drive, Arizona Avenue between Jacklin and Berrendo Drive, Oregon Way, Oregon Court, Corning Avenue between Abel Street and the westerly end of Corning Avenue, Fallen Leaf Drive between Starlite Drive and Cedar Way, Kevenaire Drive, Gordon Street, Campbell Street, Glenn Court, Heather Court, Saturn Court, Wylie Drive between Bixby Drive and Falcato Drive, and Falcato Drive between Lacy Drive and Pedro Avenue. The Engineer's estimate was \$230,000.

The project was advertised and sealed bid proposals were opened on July 26, 2007. Two bid proposals for \$273,468 and \$318,487 were received. The lowest responsible bidder is Valley Slurry Seal Co., in the amount of \$273,468. Sufficient funds are available in the project budget to award this project.

Recommendation: Award Construction Contract for Project No. 4242 to Valley Slurry Seal Co., in the amount of \$273,468.

- * 22. **Award the Bid for Carpet Installation to Welker Brothers (Staff Contact: Chris Schroeder, 586-3161)**

Background: Purchasing worked with Facilities Maintenance to develop the bid package for the purchase and installation of approximately 3,600 square yards of carpet in designated areas throughout the Public Works/Police building. Bids were sent to ten (10) regional and Bay Area vendors on Purchasing's bidders list. In addition, the bid was advertised in the Milpitas Post, on the City website, and in The Blue Book. Four bids were received and are summarized below:

<u>Bidder</u>	<u>Total Bid</u>
Welker Bros.	\$158,600.00
B. T. Mancini Co., Inc.	\$172,476.00
West Coast Contract Flooring	\$195,000.00
Harry L. Murphy, Inc.	\$208,460.00

Sufficient funding has been allocated in Capital Improvement Project No. 8135 - Miscellaneous Building Repairs for this purchase.

Recommendation: Award the bid for Carpet Installation, and authorize the City Manager to execute a contract with Welker Bros. for the not-to-exceed amount of \$158,600.00 including sales tax, subject to approval as to form by the City Attorney.

XIX. CLAIMS AND DEMANDS

- * 23. **Approve Payment of Annual Software Support and Maintenance Fees (Staff Contact: Bill Marion, 586-2701)**

Background: The City utilizes a number of automated systems for critical functions such as emergency dispatch, utility billing and financial management. These systems require payment of annual support and maintenance fees in order to continue vendor support. This generally included telephone support, software fixes and new software versions. The following annual maintenance payments are now due and require payment in order to continue support through the fiscal year: Tritech Software Systems (Emergency Dispatch) \$95,919.54; Cayenta (Finance system) \$95,289.50; Peelle Technologies (Document Management) \$21,421.00; Integraph Corp (GIS) \$11,736; and Actuate Corporation (Financial Reporting) \$20,718.79. Funding for these annual maintenance payments is included in the Information Services Department budget.

Recommendation: Authorize payment of annual support and maintenance to the following five vendors:

Tritech Software Systems (Emergency Dispatch)	\$95,919.54
Cayenta (Finance system)	\$95,289.50
Peelle Technologies (Document Management)	\$21,421.00
Actuate Corporation (Financial Reporting)	\$20,718.79
Integrgraph Corp (GIS)	\$11,736.00

- * 24. **Approve Increase of Purchase Order No. C339800 for CRW Associates in the Amount of \$17,500 (Staff Contact: Bill Marion, 586-2701)**

Background: In May of 2006, the City issued a purchase order to CRW Associates in the amount of \$325,500 for the provision of an online development system. The system is currently in use by the Building Division, Planning Department, Engineering Department and the Code Enforcement Division. A majority of the functionality has been implemented and the few remaining items are scheduled for completion in the coming months. During implementation, additional functionality and additional training was requested by several departments. The total of the additional items is \$17,500. In order to process payment of these items, the original purchase order must be increased to include this amount. The additional funding is available in CIP No. 3398 (Online Development System).

Recommendation: Approve the increase to purchase order No. C339800 to CRW Associates by the amount of \$17,500, for a total of \$343,000.

- * 25. **Approve Payment Request to Alice Wright for Citywide Shopping Cart Retrieval (Staff Contact: Chris Schroeder, 586-3161)**

Background: In accordance with City of Milpitas Ordinance No. 23.10, Purchasing has one purchase request over \$20,000.00 for approval:

\$24,500.00 to Alice Wright for citywide shopping cart retrieval service. In 2002, the City entered into a multi-year contract for this service. This amount represents the annual not to exceed service cost for FY 2007-08.

Funds are available from the Neighborhood Preservation operating budget for this service.

Recommendation: Approve the payment request to Alice Wright for citywide shopping cart retrieval in the amount of \$24,500.

XX. ADJOURNMENT

**SPECIAL CITY COUNCIL MEETING
TUESDAY, AUGUST 14, 2007 AT 5:30 P.M.**

**NEXT REGULARLY SCHEDULED COUNCIL MEETING
TUESDAY, AUGUST 21, 2007 AT 7:00 P.M.**