

**DRAFT MEETING MINUTES  
CITY OF MILPITAS**

**RA3**

**Minutes of:** Regular Meeting of the Milpitas Redevelopment Agency  
(Including Joint Meeting with the City Council)

**Date:** Tuesday, December 11, 2007

**Time:** 7:00 PM

**Location:** Milpitas City Hall Council Chambers, 455 E. Calaveras Blvd.

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**JOINT REDEVELOPMENT AGENCY AND CITY COUNCIL MEETING**

- RA 1. CALL TO ORDER** Mayor/Agency Chairman Esteves called to order the regular meeting of the Milpitas Redevelopment Agency, meeting jointly with the City Council, at 9:03 PM.
- RA 2. ROLL CALL** **PRESENT:** Mayor/Chair Esteves, Vice Mayor/Vice Chair Livengood and Agency/Councilmembers Giordano, Gomez and Polanski.
- RA 3. MEETING MINUTES** Motion: approve the Redevelopment Agency minutes of November 27, 2007, including joint meeting with the City Council, as submitted
- Motion/Second: Agency/Councilmember Giordano / Agency/Councilmember Gomez
- Motion carried by a vote of: AYES: 5  
NOES: 0
- RA 4. Approval of Agenda and Consent Calendar** Motion: approve the agenda and Agency consent calendar (items with asterisk\*), as amended
- Councilmember Polanski requested to move Item No. RA 10 to be heard first.
- Motion/Second: Agency/Councilmember Polanski / Agency/Councilmember Giordano
- Motion carried by a vote of: AYES: 5  
NOES: 0
- RA 5. Update Report on Library, Parking Garage, and North Main Streetscape Projects** CIP Manager Steve Erickson provided an overview of the three major projects in the City's mid-town. He described budget, change orders and related activity.
- Donor boards at the new library for display were recommended at the Library Subcommittee. Three locations were recommended by the Library Advisory Commission. Staff reported that the contractor was back on schedule (they made up 23 working days). Signage and Graphics for the parking garage furniture, fixtures and equipment was summarized.
- Motion: to receive staff progress reports staff on the new Library, East Parking Garage, and North Main Streetscape Projects No. 8161, No. 8162 and No. 8165, and accept the three locations for donor boards to be installed inside the library
- Motion/Second: Agency/Councilmember Gomez / Agency/Councilmember Giordano
- Motion carried by a vote of: AYES: 5  
NOES: 0
- RA 6. Comprehensive Annual Financial Report,** Finance Director Emma Karlen distributed highlights of the auditor's report for the last fiscal year. She reviewed the final budget, stating that last year's actual revenue exceeded

Component Unit Financial Statements, and Other Related Annual Audited Reports

the budget by \$1.02 million. Expenditures were only 95% of those budgeted. She reminded Council that the City began funding the Retiree Medical benefit liability with a \$9.5 million shift to the new PERS fund for that purpose.

Councilmember Giordano asked about total reserve dollars for 2007 compared to other years. Staff replied undesignated reserves had slightly increased.

Next reviewed were the Redevelopment Agency Revenues and Expenditures. \$42.5 million total revenue was reported with \$64.27 million in expenditures, with the largest amount going toward capital projects.

The Water Fund result for the end of the fiscal year yielded \$4.23 million surplus. Mayor Esteves questioned if the larger number of sales in water service allowed for increased revenue. Ms. Karlen said yes, with additional explanation. Next detailed was the Sewer Fund which yielded a \$3.2 million surplus.

Motion: to accept the City's Comprehensive Annual Financial Report, Redevelopment Agency Component Unit Financial Statements, and other related Annual Audited Reports for the fiscal year ended June 30, 2007

Mayor Esteves next allowed for public comment on this item.

Speaker: Isaac Hughes commented on street paving and his view that frequently the higher income neighborhoods in the City received street re-paving more often. He made a public records request on how decisions were made on street paving in Milpitas.

Motion/Second: Vice Chair/Vice Mayor Livengood / Agency/Councilmember Polanski

Motion carried by a vote of: AYES: 5  
NOES: 0

**RA 7.** Financial Status Report for the Three Months Ended September 30, 2007

Finance Director Emma Karlen addressed the Agency/Council on the financial status of the City and Agency for the first quarter, August to September. She distributed a handout and described specific dollar amounts and percent of budget represented for the general fund revenues, revised (lower) projection for the rest of the fiscal year, and lastly a description of expenditures to date.

Motion: to receive financial status report for the three months ended September 30, 2007

Motion/Second: Agency/Councilmember Polanski / Agency/Councilmember Gomez

Motion carried by a vote of: AYES: 5  
NOES: 0

**RA 8.** Brand Implementation Program

Economic Development Manager Diana Whitecar explained the program to implement the "Milpitas, Silicon Valley: life@your pace" design theme and logo. This is the brand image and statement that the City Council/Agency approved last fall, after much input from the community, City staff and the Economic Development Commission.

She listed Brand Implementation recommendations for the next two fiscal years for community engagement and local business engagement, followed by outreach to those businesses with \$2.5 million in sales and regional awareness.

Mayor Esteves next allowed for public comment on this item.

Speaker: Isaac Hughes commented on information presented by the staff and made a public records request for the list of 300 businesses with sales of \$2.5 million or more that the Economic Development Director proposed she would target.

Motion: to receive the staff report on brand implementation, authorize and approve a contract with Susan Lewis of On-Target Marketing for an amount not to exceed \$24,000, and approve the Brand Implementation Program

Motion/Second: Agency/Councilmember Livengood / Agency/Councilmember Polanski

Motion carried by a vote of: AYES: 5  
NOES: 0

**RA 9.** Update on Exclusive Negotiating Rights Agreement with Nueterra/Silicon Valley Real Estate I Real Estate

Economic Development Director Diana Whitecar explained the significant change that occurred with the development group Nueterra. The physicians have pulled out of the investment group and, therefore, from the agreement with Milpitas (in theory). There remained only the hotel investors in the group.

Staff asked for direction from the Agency/Council on whether to proceed with an extension of exclusive negotiating rights agreement for 60 days, to bring forward a plan for a hotel in the City with more meeting space than originally proposed.

Vice Mayor Livengood had concerns with this proposal, as there was a stark difference in what was proposed at this point vs. what was originally proposed. He remained concerned about having a non-revenue generating use on land where there were current buildings. He term “mixed signals” he was receiving from staff. It was important to keep a revenue-generating use on the table with this agreement.

City Manager Williams commented on the hotel market, which was down until recently, over the last 7-8 years. Milpitas had high expectations of future Transfer Occupancy Tax revenue from additional hotel rooms in the future, meeting business customer needs.

Mayor Esteves commented that a hospital was not necessarily a non-profit, and that one could be a for-profit organization.

City Manager Williams noted that the physicians group sought a building on California Circle, separate from the hotel site proposed by Nueterra.

Motion: to authorize the City Manager/Agency Director to approve extending the Nueterra agreement for two months to consider possibilities

Motion/Second: Vice Mayor/Vice Chair Livengood/ Agency/Councilmember Polanski

Motion carried by a vote of: AYES: 5  
NOES: 0

**RA 10.** Artists for the New Library Plaza and South Tower

This item was heard first on the Redevelopment agenda (prior to items above).

Public Art Committee Vice Chair Elena Lawson introduced several members of the Committee who were present and staff. She gave the history and overview of the process used to arrive at the final recommendations of the two final artists recommended for art in the new Milpitas Library.

Consultant Lynne Baer, spoke next, stating she was pleased to bring the two finalists before the City Council/Agency board. She introduced first Brian Goggin, artist of the “Terrapedia” who explained how he came up with his sculpture design.

Vice Mayor Livengood asked the artist some questions, as he explained the way the sculpture would have a water element, and should avoid young people skateboarding across its side, based on large blocks that would impede attempts.

Ms. Baer next introduced artist Rebecca Bollinger. Her piece was the “Milpitas Mashup” a multi-colored moving hanging collage with light and multiple elements, translucent. She planned it as a very slow moving collage, with reflection made by light projected onto the

