



**MILPITAS CITY COUNCIL MEETING AGENDA  
MILPITAS REDEVELOPMENT AGENCY MEETING AGENDA**

**TUESDAY, MAY 4, 2010**

**6:30 P.M. (CLOSED SESSION) • 7:00 P.M. (PUBLIC BUSINESS)  
455 E. CALAVERAS BOULEVARD**

**SUMMARY OF CONTENTS**

- I. CALL TO ORDER OF THE CITY COUNCIL by the Mayor**
- II. ROLL CALL by the City Clerk (6:30 p.m.)**
- III. ADJOURN TO CLOSED SESSION OF CITY COUNCIL**  
**CONFERENCE WITH REAL PROPERTY NEGOTIATOR**  
(Pursuant to CA Government Code § 54956.8)  
Property: Real Property located at 130 Piedmont Road, Milpitas, CA  
City Negotiator: City Engineer Greg Armendariz  
Negotiating Party: Calvary Assembly  
Under Negotiations: Purchase of interest in real property
- IV. CLOSED SESSION ANNOUNCEMENT:** Report on action taken in Closed Session if required, pursuant to CA Govt. Code §54957.1, including the vote on abstention of each member present
- V. PLEDGE OF ALLEGIANCE (7:00 p.m.)**
- VI. INVOCATION (Mayor Livengood)**
- VII. APPROVAL OF COUNCIL MEETING MINUTES – April 13 and 20, 2010**
- VIII. SCHEDULE OF MEETINGS – Council Calendar for May 2010**
- IX. PRESENTATIONS**  
Proclamations
  - American Cancer Society's *Paint Our Town Purple* - May 7, 2010
  - American Cancer Society's *Relay for Life Days* – June 19-20, 2010
  - *Foster Care Month* - May 2010
- X. PUBLIC FORUM**  

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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.

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- XI. ANNOUNCEMENTS**
- XII. ANNOUNCEMENT OF CONFLICT OF INTEREST**
- XIII. APPROVAL OF AGENDA**

**XIV. CONSENT CALENDAR (Items with asterisk\*)**

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Consent calendar items are considered to be routine and will be considered for adoption by one motion. There will be no separate discussion of these items unless a member of the City Council, member of the audience, or staff requests the Council to remove an item from or be added to the consent calendar. Any person desiring to speak on any item on the consent calendar should ask to have that item removed from the consent calendar. If removed, this item will be discussed in the order in which it appears on the agenda.

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**XV. PUBLIC HEARING**

- 1. Hold a Public Hearing to Consider Adopting a Resolution Certifying the Final Environmental Impact Report for the 2009 Water and Sewer Master Plan Updates and Adopting the Statement of Overriding Considerations, and the Mitigation Monitoring and Reporting Program, and to Consider Adopting a Resolution Approving the 2009 Water and Sewer Master Plan Updates (Staff Contact: Kathleen Phalen, 586-3345)**

**XVI. JOINT REDEVELOPMENT AGENCY AND CITY COUNCIL MEETING**

- RA1. Call to Order/Roll Call by the Mayor/Chair**
- RA2. Approval of Meeting Minutes – April 20, 2010**
- RA3. Approval of Agenda and Consent Calendar (Item with asterisk\*)**
- RA4. Receive Financial Status Report for the Nine Months Ended March 31, 2010 (Staff Contact: Emma Karlen, 586-3145)**
- RA5. Adopt a Resolution Approving an Affordable Housing Grant Request from LIFT Zone Property Owners for Neighborhood Improvements (Staff Contact: James Lindsay, 586-3273)**
- RA6. Adopt a Resolution Approving Amendments to the Regulatory Agreement with Western Pacific Housing to Establish an Equity Sharing Program at the Paragon Residential Project (Staff Contact: Felix Reliford, 586-3071)**
- \*RA7. Receive the City of Milpitas Investment Portfolio Status Report for the Quarter Ended March 31, 2010 (Staff Contact: Emma Karlen, 586-3145)**
- \*RA8. Adopt a Resolution Approving an Affordable Housing Grant to Terrace Gardens to Complete Kitchen Upgrades (Staff Contact: Felix Reliford, 586-3071)**
- \*RA9. Approve a Budget Appropriation and Award Construction Contract to Environmental Systems Inc. for Department of Energy Grant Program, Project No. 8198 (Staff Contact: Steve Erickson, 586-3301)**
- \*RA10. Approve a Contract with Group 4 Architecture, Research and Planning, Inc. for Feasibility and Conceptual Design of the Proposed Milpitas Silicon Valley Conference Center, and Appropriate \$317,310 to the Economic Development Division Budget (Staff Contact: Diana Barnhart, 586-3059)**
- RA11. Agency Adjournment**

**XVII. REPORTS OF MAYOR, COUNCIL AND COMMITTEE**

- 2. Request of Mayor Livengood to Form a Citizens Budget Task Force (Contact: Mayor Livengood, 586-3051)**

- \* 3. Consider the Mayor's Recommendations for Appointments/Re-appointments to Five Milpitas Commissions (Contact: Mayor Livengood, 586-3051)
- 4. Request for Discussion of Outreach Program to Solicit Future Commission Applicants (Contact: Councilmember Giordano, 586-3032)

**Public Art Committee**

- 5. Approve Four Interior Public Art Projects for the New Senior Center (Staff Contact: Renee Lorentzen, 586-2786)

**XVIII. NEW BUSINESS**

- \* 6. Authorize the Purchasing Agent to Dispose of Surplus Print Shop Equipment and Supplies at Auction (Staff Contact: Chris Schroeder, 586-3161)

**XIX. ORDINANCES**

- \* 7. Waive the Second Readings and Adopt Ordinances No. 192.23 and No. 192.24 Approving the Sixth Amendment to the Redevelopment Plan for the Great Mall Redevelopment Project, and the Thirteenth Amendment to the Redevelopment Plan for Milpitas Redevelopment Project Area No. 1 (Staff Contact: Diana Barnhart, 586-3059)

**XX. RESOLUTIONS**

- \* 8. Adopt a Resolution Directing Preparation of the Annual Engineer's Report for Landscaping and Lighting Maintenance Assessment District No. 95-1, McCarthy Ranch, Project No. 9474 (Staff Contact: Fernando Bravo, 586-3328)
- \* 9. Adopt a Resolution Directing Preparation of the Annual Engineer's Report for Landscaping and Lighting Maintenance Assessment District No. 98-1, Sinclair Horizon, Project No. 9489 (Staff Contact: Fernando Bravo, 586-3328)
- \* 10. Adopt a Resolution Granting Final Acceptance of the Water System Air Relief Valve Modifications, Project No. 7086-II (Staff Contact: Steve Erickson, 586-3301)

**XXI. ADJOURNMENT**

**BUDGET HEARING: MAY 11, 2010**

**NEXT REGULAR MEETING: MAY 18, 2010**

**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, contact the City Attorney's office at Milpitas City Hall, 455 E. Calaveras Blvd., Milpitas, CA 95035  
e-mail: [mogaz@ci.milpitas.ca.gov](mailto:mogaz@ci.milpitas.ca.gov) / Fax: 408-586-3056 / Phone: 408-586-3040

The Open Government Ordinance is codified in the Milpitas Municipal Code as Title I Chapter 310 and is available online at the City's website [www.ci.milpitas.ca.gov](http://www.ci.milpitas.ca.gov) by selecting the Milpitas Municipal Code link.

Materials related to an item on this agenda submitted to the City Council/Redevelopment Agency after initial distribution of the agenda packet are available for public inspection at the City Clerk's office/Information Desk at Milpitas City Hall, 455 E. Calaveras Blvd., Milpitas, during normal business hours.

**APPLY TO BECOME A CITY COMMISSIONER!**

Current vacancies exist for the:

Applications are available online at [www.ci.milpitas.ca.gov](http://www.ci.milpitas.ca.gov) or at the City Hall Information Desk.  
Contact the City Clerk's office (586-3003) for more information.

*Bicycle Pedestrian Advisory Commission (alternate)*  
*Community Advisory Commission (alternate)*  
*Economic Development Commission (alternate)*  
*Mobile Home Park Rental Review Board*  
*Parks, Recreation and Cultural Resources Commission*  
*Recycling and Source Reduction Advisory Commission (alternate)*  
*Senior Advisory Commission*

Applications are available online at [www.ci.milpitas.ca.gov](http://www.ci.milpitas.ca.gov) or at the City Hall Information Desk.  
Contact the City Clerk's office (586-3003) for more information.

*If you need assistance, per the Americans with Disabilities Act, for any City of Milpitas public meeting, call the City Clerk at 586-3001 or send an email to [mlavelle@ci.milpitas.ca.gov](mailto:mlavelle@ci.milpitas.ca.gov) prior to the meeting. You may request a larger font agenda or arrange for mobility assistance. For hearing assistance, headsets are available in the Council Chambers for all meetings. TDD phone number (408) 586-3013.*

## AGENDA REPORTS

### XV. PUBLIC HEARING

1. **Hold a Public Hearing to Consider Adopting a Resolution Certifying the Final Environmental Impact Report for the 2009 Water and Sewer Master Plan Updates and Adopting the Statement of Overriding Considerations, and the Mitigation Monitoring and Reporting Program, and to Consider Adopting a Resolution Approving the 2009 Water and Sewer Master Plan Updates (Staff Contact: Kathleen Phalen, 586-3345)**

**Background:** City staff has developed the Final Environmental Impact Report (EIR) for the 2009 Water and Sewer Master Plan Updates. The 2009 Master Plan Updates address the land-use changes adopted by the Council, such as the Transit Area Specific Plan, to ensure that sufficient water and sewer system capacity is available.

In December 2009, staff completed the Draft EIR and circulated it in accordance with California Environmental Quality Act (CEQA) requirements. Staff has since responded to comments, published the Final EIR, and circulated it in accordance with CEQA. The EIR identified several issues that require mitigation, however, all but two, construction noise and traffic, can be mitigated to a less than significant impact. Construction noise and traffic will cause a significant and unavoidable impact despite mitigation measures implemented. As a result, the City Council will be required to adopt a Statement of Overriding Considerations and a Mitigation Monitoring and Reporting Program.

**Fiscal Impact:** None.

**Attachments:**

- A. Resolution Certifying EIR
- B. Resolution Approving Water and Sewer Master Plan Updates
- C. Sewer Master Plan Update
- D. Water Master Plan Update
- E. Draft EIR
- F. Final EIR

**Recommendations:**

1. Open the public hearing for public comment, and move to close hearing.
2. Adopt a Resolution certifying the Final Environmental Impact Report and adopting the Statement of Overriding Considerations pursuant to the California Environmental Quality Act.
3. Adopt a Resolution to approve the 2009 Water and Sewer Master Plan Updates.

### XVI. JOINT REDEVELOPMENT AGENCY AND CITY COUNCIL MEETING

- RA1. **Call to Order/Roll Call by the Mayor/Chair**
- RA2. **Approval of Meeting Minutes – April 20, 2010**
- RA3. **Approval of Agenda and Consent Calendar (Item with asterisk\*)**
- RA4. **Receive Financial Status Report for the Nine Months Ended March 31, 2010 (Staff Contact: Emma Karlen, 586-3145)**

**Background:** In FY 2009-10, staff projected the total General Fund revenue to be \$52.8 million, approximately \$500,000 or 1% less than the FY 2008-09's actual revenue. However, the economic downturn continued to impact the City's revenues negatively, particularly in the areas of sales tax revenue, hotel tax revenue and building permit fees. Based on all the revenues received to date and the trends, staff revised the General Fund revenue to be approximately \$4.2

million below original budget projection. The total revised revenue is estimated to be \$48.6 million. The only positive news for the General Fund is that property tax is slightly higher than originally projected by \$226,000 or 1.3%. Property tax revenue is above budget but is lower than FY 2008-09's actual revenue by \$486,000, primarily due to decline of housing values and appeals for property assessed valuation. The potential of lower property tax revenues was anticipated and reflected in the FY 2009-10 budget projection.

The sales tax revenue's decline is much steeper than anticipated. Staff originally anticipated sales tax growth based on the addition of a Honda car dealership. However, the lack of meaningful economic recovery and regional high unemployment rates greatly impacted sales tax revenue. Sales from all the major economic categories including retail, business to business, food products, transportation and construction are down compared to one year ago.

Transient occupancy tax revenue ("TOT") is projected to be \$755,000 below budget and is \$400,000 or 10% below last year's revenue. The decline is significant because FY 2008-09's TOT revenue already decreased by 23% as compared to the year before. Building permits and other development related fees are also below budget due to lack of major development or construction activities.

The General Fund expenditures at the end of March were at 71.7% of the budget appropriations, with projected cost savings of about \$2.9 million for the year. Unfortunately, the cost savings alone cannot offset the revenue shortfall. In February, the City Council approved using a \$6.2 million loan repayment from the Redevelopment Agency in FY2009-10 in lieu of the \$4.9 million in the adopted budget. Staff believes that the combination of cost savings and higher amount of loan repayment from the Redevelopment Agency will enable the General Fund to close the budget year without any use of its reserve.

The Redevelopment Agency's tax increment revenue is better than projected by about \$1 million. However, there are still pending assessment appeals in the Project Area which may take two or three years to resolve. The budget includes an \$11.8 million Education Revenue Augmentation Fund (ERAF) payment to the State. Although a lawsuit has been filed by the California Redevelopment Association, staff does not anticipate that any decision will be made by the Court prior to the payment due date.

Water service charges were revised to be below budget by about \$2 million despite a rate increase. The success of the water conservation campaign efforts coupled with less usage in the commercial sectors affects the water service revenue by more than 12%. Simultaneously, sewer service charges were revised to be below budget by about \$551,000 or 5% of the projected revenue. Although sewer revenue was also affected by the economy, some of the sewer charges are fixed, and so the decline has not been as extensive as the water revenue.

**Fiscal Impact:** None.

**Recommendation:** Receive the financial status report for the nine months ended March 31, 2010.

**RA5. Adopt a Resolution Approving an Affordable Housing Grant Request from LIFT Zone Property Owners for Neighborhood Improvements (Staff Contact: James Lindsay, 586-3273)**

**Background:** Mayor Livengood initiated a neighborhood improvement program for the properties located between Adams Avenue and East Calaveras Boulevard known as the Local Improvements for a Better Tomorrow (LIFT) Zone. This neighborhood consists of sixteen individually owned properties each containing a 4-unit apartment building (total of 64 units) and a shared common alley at the rear of the properties for tenant parking and trash collection. The properties are owned by eight owners with one party owning eight parcels. There is not an

owners association or other legal entity binding the individual owners beyond the common access easement along the rear alley.

Staff has worked with the owners to correct a significant number of code violations in the neighborhood and beautification of the properties. Most notable is the new front yard landscaping along West Calaveras Boulevard and some additional landscaping along Adams Avenue. The deteriorating condition of the rear alley remains unresolved. Owners have proposed an improvement plan for the neighborhood that includes correcting the deficiencies along the rear alley, new trash enclosures, new rear yard landscaping, and common fencing. The estimated total cost for these improvements is \$500,000.

The owners submitted a request for an affordable housing grant of \$250,000 from the Redevelopment Agency to match the funds they are committing to the improvement project. They agreed to restrict 32 of the 64 units within the neighborhood as affordable units for low and moderate income households. The LIFT Zone area will soon be added to the Redevelopment Project Area and these units, if restricted, would count towards the Agency's requirement to provide 9% of the units in the Project Area for low and moderate income households. If the Agency approves this grant request, a regulatory agreement would be recorded against each property to ensure the affordability of the units and that any improvements partially funded with the grant would be properly maintained for 55 years.

**Fiscal Impact:** None. There are sufficient funds in the Agency's Housing Fund for this grant.

**Recommendation:** Adopt a Resolution approving an Affordable Housing Grant for an amount not to exceed \$250,000 and direct the Agency Executive Director to execute a Regulatory and Maintenance Agreement with each property owner.

**RA6. Adopt a Resolution Approving Amendments to the Regulatory Agreement with Western Pacific Housing to Establish an Equity Sharing Program at the Paragon Residential Project (Staff Contact: Felix Reliford, 586-3071)**

**Background:** At its meeting on September 5, 2006, the Redevelopment Agency approved the Regulatory Agreement and associated documents with Western Pacific Housing, Inc. to provide 147 units within the Paragon Project located on South Main Street near Montague Expressway. Twenty percent (20%) of the units within the project are affordable, 9 to very-low income households and 20 to moderate income households. The OPA provides for \$133,000 in down payment assistance from the Agency's Housing Fund for each of the very-low income units for a total of \$1.2 million. The 20 moderate units do not receive any financial assistance from the Agency. All the very-low income units have been sold, but no qualified buyers have been found for the moderate income units.

The current housing market and stricter lending requirements have created challenges in finding qualified moderate income buyers to purchase deed restricted units. The significant reduction of housing prices has resulted in below market rate housing prices being very similar to market prices, which provide little or no incentive for buyers to purchase affordable units that come with 45-year resale restrictions limiting equity growth. Redevelopment law requires the Agency to maintain 9% of the total units within the project area as affordable to low and moderate income households and 6% to very-low income households. The Agency is still able to maintain these percentages but has had to release restrictions from eleven units due to the inability to find moderate income buyers.

A provision in redevelopment law allows the Agency to offer for-sale affordable units within an equity sharing program. Under such a program, the unit is sold to a household meeting an income requirement (e.g. moderate, low, very-low income) and is subject to a resale agreement whereby the owner can sell the unit at market value and then the agency and owner share the equity growth of the unit. The Agency has three years to use the equity funds to assist another

qualified household. The Agency is able to count each unit subject to an equity share resale agreement towards its obligation to provide affordable housing in the redevelopment project area.

Staff is recommending that the 20 moderate income units within the Paragon Project be used as a pilot program for the home equity sharing program. Several cities within Santa Clara County have similar programs and have experienced success. Western Pacific Housing has agreed to fund the down payment assistance necessary to reduce the sale price to sell the 20 units to moderate income households. The Agency would assume the down payment assistance amount as a silent second mortgage similar to our current program. The biggest difference is that the owners would be able to sell units at a market rate price and receive a percentage of any equity growth, based on how long they owned units, as illustrated in the table below:

<b>Years of Ownership</b>	<b>% Homeowner Equity</b>
1-5	20
6-10	30
11-15	40
16-20	50
21-25	60
26-30	70
31-35	80
36-45	90

Western Pacific Housing and staff both agree that such a program will be more attractive to moderate income buyers due to the potential of equity growth that does not currently exist within the City's housing program.

**Fiscal Impact:** None. No Agency funds are required for this pilot program.

**Recommendation:** Adopt a resolution approving amendments to the Regulatory Agreement and associated agreements with Western Pacific Housing to establish an equity sharing program at the Paragon residential project.

**\*RA7. Receive the City of Milpitas Investment Portfolio Status Report for the Quarter Ended March 31, 2010 (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 March 31, 2010 is submitted for the Agency/Council's 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 March 31, 2010.

As of March 31, 2010, the principal cost and market value of the City's investment portfolio was \$169,361,443 and \$171,464,282 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 March 31, 2010 was 1.89%. The comparative benchmarks for the same period were 0.29% for LAIF (Local Agency Investment

Fund) and 0.95% for the 12-month average yield of the 2 year Treasury Note. Excluding the long-term GNMA securities and investment of the bond proceeds, the weighted average maturity of the portfolio was 366 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.

The market values of the securities were provided by Union Bank, the safekeeping bank of the City's securities. All the securities owned by the City are held by the trust department of Union Bank under the terms of a custody agreement.

Three charts (included with the agenda packet) show investment by maturity levels, comparison of the City's portfolio yields to other benchmark yields as well as a trend of the type of securities in the City's portfolio, weighted average maturity and average yield.

**Fiscal Impact:** None.

**Recommendation:** Receive the investment report for the quarter ended March 31, 2010.

**\*RA8. Adopt a Resolution Approving an Affordable Housing Grant to Terrace Gardens to Complete Kitchen Upgrades (Staff Contact: Felix Reliford, 586-3071)**

**Background:** Terrace Gardens Senior Housing submitted a request to the Redevelopment Agency for a housing grant of \$56,667 to install the balance of 14 cabinets, countertops and fixtures. Terrace Gardens has been allocated \$93,591 in Community Development Block Grant (CDBG) funds to install 24 kitchen cabinets, counter tops and replacements of fixtures. Its CDBG application was for \$150,000 to install a total of 38 cabinets, and so this request of the RDA will allow Terrace Gardens to complete the kitchen upgrades.

The installation of the kitchen cabinets and repairs has been an ongoing project in Terrace Gardens over the past three years. The CDBG funding in the past was used for purchase of materials (minus labor costs) to allow Terrace Gardens the opportunity to maximize the number of cabinets, countertops and fixtures to be purchased. In 2009, the Agency provided \$2,797 for the payment of building permit fees for the installation of cabinets.

**Fiscal Impact:** None. Sufficient funding is available in the Agency's Housing Fund.

**Recommendation:** Adopt a Resolution approving a \$56,667 Affordable Housing Grant for Terrace Gardens to complete the kitchen upgrades.

**\*RA9. Approve a Budget Appropriation and Award Construction Contract to Environmental Systems Inc. for Department of Energy Grant Program, Project No. 8198 (Staff Contact: Steve Erickson, 586-3301)**

**Background:** On February 6, 2010, the Agency approved the project plans and specifications and authorized the advertisement for construction bid proposals for a Department of Energy (DOE) Grant Program. The project provides for the replacement of the existing air conditioning chiller and compressor units including control, and related building code improvements at the City's Public Works/Police Department building. The Engineer's Estimate for the project work was \$623,000.

The project was advertised and five (5) sealed bid proposals were received on April 21, 2010. Bid proposals ranged from \$470,665.00 to \$712,817.80. Staff recommends award to the lowest responsible bid submitted by Environmental Systems Inc. in the amount of \$ 470,665.00.

As was approved for the successful completion of recent projects with tight completion schedules, staff is requesting the use of the same change order policy. This policy will allow for the timely completion of Public Works/Police Department building HVAC replacement by August 6, 2010, while addressing the need to respond swiftly to construction conditions in order to limit potential claims or risk to the City. The construction contingency, included in the project budget is \$100,000, and the change order authority would not exceed this amount.

**Fiscal Impact:** The Department of Energy has earmarked an amount of \$662,400 in federal stimulus funding to Milpitas. The DOE has approved funding by phases and thus far a total of \$238,248 has been approved and appropriated. The DOE has now approved the remainder of the earmarked funds and a budget appropriation in the amount of \$424,152, is recommended. In addition, an appropriation of \$350,000 from the Redevelopment Agency, as the local matching funds for the grant is also required to award this project.

**Recommendations:**

1. Approve budget appropriations of \$350,000 from the Redevelopment Agency fund and \$424,152 of stimulus funding into Department of Energy Grant Program, Project No. 8198.
2. Award construction contract to Environmental Systems Inc. for Department of Energy Grant Program, Project No. 8198, in the amount of \$470,665.
3. Authorize staff to execute change orders for Department of Energy Grant Program, provided that the change orders do not exceed the established construction contingency amount for the project.

**\*RA10. Approve a Contract with Group 4 Architecture, Research and Planning, Inc. for Feasibility and Conceptual Design of the Proposed Milpitas Silicon Valley Conference Center, and Appropriate \$317,310 to the Economic Development Division Budget (Staff Contact: Diana Barnhart, 586-3059)**

**Background:** On March 2, 2010, the City Council voted unanimously to select Group 4 Architects as the firm to move forward on next steps toward planning a future Milpitas Silicon Valley Conference Center at 540 and 570 Alder Drive. A consultant agreement was negotiated for a total of \$307,310 including reimbursable expenses. This item was carried over from the April 20, 2010 Redevelopment Agency agenda, to include all necessary contract information.

Deliverables for this first phase will be to complete a Market Demand Study to determine the types of uses, other than a meeting room, to seat more than 350 persons, which could be included in the proposed conference center. Group 4 has partnered with Convention Sports and Leisure for the Market Study. CSL has completed similar studies for the South San Francisco Conference Center and more recently the San Francisco 49ers. The Market Study will include interviews with local and regional hoteliers, trade show planners, and other conference center operators to develop an understanding of the full potential of a conference facility. A meeting with local hoteliers later this month will kick off the Market Demand Study.

Upon completion of the Market Study, Group 4 will work with Conventional Wisdom to integrate the market demand results into a usable and viable conference facility, including the possibility of one or both buildings as well as the interior space between the two buildings. As the design develops, reviews with both the City Council Economic Development Subcommittee and the City Council will be made by Group 4.

**Fiscal Impact:** Funds for the proposed contract of \$317,310 are within the unencumbered Redevelopment Agency fund balance.

**Recommendation:** Approve a contract with Group 4 Architecture, Research and Planning, Inc. for feasibility and conceptual design of the proposed Milpitas Silicon Valley Conference Center and appropriate \$317,310 to the Economic Development Division budget..

**RA11. Agency Adjournment**

**XVII. REPORTS OF MAYOR , COUNCIL AND COMMITTEE**

**2. Request of Mayor Livengood to Form a Citizens Budget Task Force (Contact: Mayor Livengood, 586-3051)**

**Background:** Mayor Livengood would like to request approval by the City Council to form a Citizens Budget Task Force, comprised of seven citizens or business representatives to recommend to the City Council a plan to balance city revenues and expenditures by the fiscal year 2012-2013.

**Recommendation:** Consider request of Mayor Livengood, and vote to approve the formation of a Citizens Budget Task Force.

**\* 3. Consider the Mayor's Recommendations for Appointments/Re-appointments to Five Milpitas Commissions (Contact: Mayor Livengood, 586-3051)**

**Background:** Mayor Livengood recommends the following persons be appointed/re-appointed to the following commissions and committee:

Arts Commission

Appoint George Baker (current Alternate No. 1) as a regular voting member to a term that expires in October 2011.

Appoint Jan Beran (current Alternate No. 2) as Alternate No. 1 to a term that expires in October 2010.

Newly appoint Marcella Anthony as Alternate No. 2 to a term that expires in October 2011.

Public Art Committee

Newly appoint Van Phan Nguyen to a term that expires in October 2011.

Community Advisory Commission

Newly appoint Mia Winter as Alternate No. 3 to a term that expires in January 2012.

Economic Development Commission

Re-appoint Cat-Tuong Nguyen to a term that expires in April 2013.

Re-appoint Michael Mendizabal to a term that expires in April 2013.

Appoint Chandru Bhambhra (current Alternate No. 2) as Alternate No. 1 to a term that expires in April 2011.

Parks, Recreation and Cultural Resources Commission

Appoint Rebecca Villalobos (current Alternate No. 1) as a regular member to a term that expires in June 2011.

Appoint Stephanie Fong (current Alternate No. 2) as Alternate No. 1 to a term that expires in June 2010.

**Recommendation:** Consider the recommendations from Mayor Livengood, and move to approve his recommended appointments and re-appointments to five Milpitas Commissions.

**4. Request for Discussion of Outreach Program to Solicit Future Commission Applicants (Contact: Councilmember Giordano, 586-3032)**

**Background:** Councilmember Giordano requested to place this matter on the City Council agenda to discuss with colleagues a possible outreach program to solicit future volunteers to serve on 16 City of Milpitas Commissions and Committees.

City Clerk reports the following activities are ongoing to seek applications. Commission applications are available on the City website, at the Information Desk, and at the City Clerk's office. Advertisements for vacancies are noted on the City's lighted reader board at City Hall, on the outdoor bulletin board at northwest City Hall entrance, at the City Clerk's office, on cable television channel 15, on the City's website, on each City Council meeting agenda and an announcement can be made by Councilmembers at City Council meetings. City Clerk's staff provided flyers and applications at the Chamber's Job Faire on March 18. Flyers and applications were recently made available in Council Chambers at City Council meetings.

**Recommendation:** Councilmember Giordano will request discussion by her colleagues on the topic of outreach to solicit new Milpitas Commission applicants.

**Public Art Committee**

**5. Approve Four Interior Public Art Projects for the New Senior Center (Staff Contact: Renee Lorentzen, 586-2786)**

**Background:** On April 19, 2010, the Senior Center Art Installation Subcommittee consisting of members of both the Public Art Committee and the Senior Advisory Commission, reviewed submitted art proposals for the Milpitas Senior Center Interior Public Art project. The appointed Subcommittee consisted of Public Art Committee Members Julie Cherry, Robin Hays, Larry Voellger and Senior Advisory Commission Members Barbara Ebright and Denny Weisgerber (absent for meeting).

The Subcommittee chose two finalist projects art pieces for each of the four art designated wall spaces: Entrance Vestibule, Lobby Wall, Lobby Fireplace and Hallway. The Senior Center Interior Art project was approved at \$25, 00.00 to include all art spaces. Approved art proposal pieces are scheduled to be contracted, completed and installed for the Senior Center's Grand Opening.

Submitting artists were asked through the Public Art Committee's project Requests for Proposal, to submit art project pieces that would enhance and be cohesive with the architecture and colors of the center and have subject matter that would be pleasing to senior center members and the citizens of Milpitas.

The Senior Center Art Installation Subcommittee reviewed and made recommendations on art pieces considering its compatibility with the Senior Center's contemporary architecture, the fluidity of the four chosen pieces' color, media and subject matter.

On April 26, 2010, the Subcommittee's recommendations were presented to the Public Art Committee at its regular meeting. Four art pieces were chosen as the Final pieces for the art designated wall spaces. Digital images of the recommended art proposals are included in the City Council's agenda packet for review. Pieces chosen and their costs are as follows.

Entrance Vestibule:	Adrian Litman, "Thriving Energy" - \$8,750	(Image #1)
Lobby Fireplace:	Adrian Litman, "Garden Fantasy" - \$4,900	(Image #2)
Lobby Wall:	Joanie Popeo, "Our View" - \$3,900	(Image #3)
Hallway:	Adrian Litman, "Four Seasons" - \$4,750	(Image #4)

The total Senior Center Interior Public Art project cost as recommended by the Public Art Committee is \$22,300.

The four final art pieces were reviewed at the April 27, 2010 Senior Advisory Commission meeting. The Senior Advisory Commission's recommendations differed slightly, recommending replacing of the PAC's recommended pieces with alternate submissions and moving the location

of one piece. The following Four Art Pieces were chosen as the recommended art by the Senior Advisory Commission:

Entrance Vestibule:	Joanie Popeo,	“The Backside of the Hill”	\$9,900	(Image #5)
Lobby Fireplace:	Joanie Popeo,	“Our View”	– \$3,900	(Image #3)
Lobby Wall:	Brenda Price,	“Leaf Collage”	- \$3,900	(Image #6)
Hallway:	Adrian Litman,	“Four Seasons”	– \$4,750	(Image #4)

The total Senior Center Interior Public Art project cost as recommended by the Senior Advisory Commission is \$22,450.

Recommendations from both the Public Art Committee and the Senior Advisory Commission were brought to the Neighborhood and Education Subcommittee on April 27, 2010. The Subcommittee recommended support of the Public Art Committee’s final art proposal pieces for final approval by Milpitas City Council.

**Fiscal Impact:** None. Sufficient funds are available and allotted for this project in the Public Art budget.

**Recommendation:** Approve the Public Art Committee’s recommended four interior art project proposal pieces for the new Senior Center, as recommended by the City Council’s Neighborhood and Education Subcommittee.

## XVIII. NEW BUSINESS

- \* 6. **Authorize the Purchasing Agent to Dispose of Surplus Print Shop Equipment and Supplies at Auction (Staff Contact: Chris Schroeder, 586-3161)**

**Background:** With the closure of the print shop, the City has eighteen different pieces of equipment idle. These types of equipment are unique to the printing industry. Four larger pieces of equipment are listed below. In discussions with the wholesale equipment liquidators, it was estimated that the value of the equipment was approximately \$8,500. The average age of the individual pieces of equipment is over 12 years old. Some of the equipment appears to be functional while the condition of other pieces is unknown. It was determined that the best way to dispose of the equipment and the small amount of remaining supplies is through a “lot sale” auction. Staff requests authorization to dispose of the equipment pursuant to section I-2-8.03 of the Milpitas Municipal Code “Disposal of more than \$5,000.”

<u>Item</u>	<u>Age</u>
AB Dick 2 Color Press	24 years
Kodak Imagesource Copier	14 years
Duplo Mini Collator System	13 years
Rite Angle Folding Machine	9 years

**Fiscal Impact:** None. Proceeds will be returned to the Equipment Replacement fund.

**Recommendation:** Authorize the Purchasing Agent to dispose of the surplus print shop equipment and supplies at auction.

## XIX. ORDINANCES

- \* 7. **Waive the Second Readings and Adopt Ordinances No. 192.23 and No. 192.24 Approving the Sixth Amendment to the Redevelopment Plan for the Great Mall Redevelopment Project, and the Thirteenth Amendment to the Redevelopment Plan for Milpitas Redevelopment Project Area No. 1 (Staff Contact: Diana Barnhart, 586-3059)**

**Background:** On April 20, 2010 the City Council introduced Ordinance Nos. 192.23 and 192.24 that adopt the Sixth Amendment to the Redevelopment Plan for the Great Mall Redevelopment Project and the Thirteenth Amendment to the Redevelopment Plan for Milpitas Redevelopment Project Area. No.1, respectively (the “Amendments”). Adoption of the ordinances completes the Council actions required for the expansion of Project Area No. 1 to include the Added Area, the extension of the time limits for plan effectiveness/debt repayment for the Original Project Area No. 1 and Amendment Areas 1 and 2 (the “Amendment Areas”), the increase in the tax increment limit applicable to the Amendment Areas, and the increase in the bond debt limit for all of Project Area No. 1, among other things.

Next steps will be to publish summaries of the ordinances adopting the Amendments in the May 7<sup>th</sup> Milpitas Post and post the Notice of Determination (NOD) of the Final Environmental Impact Report with the Office of the County Clerk and the State Office of Planning and Research. Notice of adoption of the ordinances will be recorded with the County Recorder’s Office and the affected taxing agencies and the State Board of Equalization will be advised in writing of the adoption of the Amendments. The posting of the NOD begins the 30-day challenge period for the FEIR as provided by CEQA and the 2<sup>nd</sup> reading of the ordinances will begin the 90-day period for challenges to the redevelopment actions.

No changes have been made to the ordinances since their first reading.

**Fiscal Impact:** None. There is no fiscal impact associated with this action.

**Recommendations:**

1. Waive the second readings of Ordinance No. 192.23 and Ordinance No. 192.24.
2. Adopt Ordinance No. 192.23 approving the Sixth Amendment to the Redevelopment Plan for the Great Mall Redevelopment Project, and adopt Ordinance No. 192.24 approving the thirteenth Amendment to the Redevelopment Plan for Milpitas Redevelopment Project Area No. 1.

**XX. RESOLUTIONS**

- \* **8. Adopt a Resolution Directing Preparation of the Annual Engineer’s Report for Landscaping and Lighting Maintenance Assessment District No. 95-1, McCarthy Ranch, Project No. 9474 (Staff Contact: Fernando Bravo, 586-3328)**

**Background:** Landscaping and Lighting Maintenance Assessment District (LMD) No. 95-1, provides for servicing and maintaining the public landscaping and additional lighting along North McCarthy Boulevard and the Gateway landscaping on Ranch Drive.

The Landscaping and Lighting Act of 1972, requires adoption of the resolution, the preparation of an annual engineer’s report and its subsequent approval by the City Council following a public hearing (scheduled for June 1, 2010). Upon conclusion of the public hearing, the assessment for the work is added to the property tax bills for those property owners included within the boundaries of the district.

**Fiscal Impact:** None.

**Recommendation:** Adopt a Resolution directing the preparation of the Annual Engineer’s Report for Landscaping and Lighting Maintenance Assessment District No. 95-1, McCarthy Ranch, Project No. 9474.

- \* **9. Adopt a Resolution Directing Preparation of the Annual Engineer’s Report for Landscaping and Lighting Maintenance Assessment District No. 98-1, Sinclair Horizon, Project No. 9489 (Staff Contact: Fernando Bravo, 586-3328)**

**Background:** Landscaping and Lighting Maintenance Assessment District (LMD) No. 98-1 provides for servicing and maintaining the public landscaping along Sinclair Frontage Road, Los Coches Creek and Berryessa Creek abutting the Sinclair Horizon residential subdivision. The Landscaping and Lighting Act of 1972, requires adoption of the resolution, the preparation of an annual engineer's report and its subsequent approval by the City Council following a public hearing (scheduled for June 1, 2010). Upon conclusion of the public hearing, the assessment for the work is added to the property tax bills for those property owners included within the boundaries of the district.

**Fiscal Impact:** None.

**Recommendation:** Adopt a Resolution directing the preparation of the Annual Engineer's Report for Landscaping and Lighting Maintenance Assessment District No. 98-1, Sinclair Horizon, Project No. 9489.

\* 10. **Adopt a Resolution Granting Final Acceptance of the Water System Air Relief Valve Modifications, Project No. 7086-II (Staff Contact: Steve Erickson, 586-3301)**

**Background:** This project was initially accepted on April 7, 2009 and has passed the one-year warranty period. A final inspection of the installed public improvements has been made, and the work was found to be satisfactory. The project provided improvements to fifty-five (55) of the City's air relief valves. Staff recommends the City Council adopt a resolution to grant final acceptance of the Water System Air Relief Valve Modifications, Project No. 7086 - II, and release of the contractor's bond.

**Fiscal Impact:** None.

**Recommendation:** Adopt a resolution granting final acceptance for Water System Air Relief Valve Modifications, Project No. 7086 – II, and release of the contractor's bond.

**XXI. ADJOURNMENT**

**BUDGET HEARING: MAY 11, 2010**

**NEXT REGULAR MEETING: MAY 18, 2010**