

Draft MEETING MINUTES CITY OF MILPITAS

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

Date: Tuesday, February 15, 2011

Time: 7:00 PM

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

JOINT REDEVELOPMENT AGENCY AND CITY COUNCIL MEETING

RA 1. CALL TO ORDER Mayor/Agency Chair Esteves called to order the regular meeting of the Milpitas Redevelopment Agency meeting jointly with City Council at 9:25 PM.

ROLL CALL **PRESENT:** Chair/Mayor Esteves, Vice Chair/Vice Mayor McHugh, Agency/Councilmembers Giordano, Gomez and Polanski

ABSENT: None

RA 2. MINUTES Motion: to approve the Agency meeting minutes of February 1, 2011

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

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

RA 3. Agenda Approval and Consent Calendar Motion: to approve the agenda and consent calendar, as amended

Mayor Esteves requested to remove item No. RA 8 from consent.

Motion/Second: Agency/Councilmember Polanski / Agency/Councilmember Giordano

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

PUBLIC HEARING

RA4. Agreement with Flextronics Americas Inc.

Mr. Gomez excused himself and left the dais during this item.

Economic Development Manager Diana Barnhart described Flextronics' plan to manufacture solar panels by SunPower in Milpitas. \$1 million was requested by Flextronics to offset building costs while adding 50 jobs in Milpitas. The company's total hiring plan was to create and retain 154 positions at the manufacturing worksite in the City.

Vice Mayor McHugh wanted reassurance about payback of the loan. The City Attorney responded about the provisions in the contract which would be enforceable on this requirement, and also that findings would be made to make the loan in the first place.

Mayor Esteves asked questions about the jobs created, how many were new, how many retained and how he could have assurance about the Milpitas hires. He suggested the company provide a yearly tracking report to City officials.

A Flextronics company representative addressed Council explaining that \$12 million was the total investment expected, and the company was looking for help to get the infra-

Mayor Esteves commented on the comparative chart with overall projected costs and expenses, which he'd seen at a previous subcommittee meeting, which helped to clarify some details for a facility.

Councilmember Giordano said if staff was considering a look at the current Community Center site, what would that look like? City Manager Williams replied staff would look at tearing down the existing building, add parking garage and second floor to investigate redeveloping that site into a two-story structure.

Vice Mayor McHugh supported the Subcommittee recommendation, and wanted to look at alternatives. His enthusiasm is diminished though, considering potential costs and lack of support by hotels toward costs.

Councilmember Gomez recalled that public-private partnerships were discussed when this subject was first discussed. Maybe a self-imposed hotel tax for the improvements would be needed. He based his support on what hotels would bring to the table, a tax or other financing options.

Ms. Barnhart commented to Mr. Gomez about the hotels' viewpoints when starting this issue. This February had been tough for the hotels. Meanwhile, meeting room space was starting to come back at local hotels.

Councilmember Polanski said at the subcommittee, they were looking at partnership with hotels. She did not want to be in the business of running conventions. This matter should be part of the budget process discussion and considered at that time.

Councilmember Giordano did not recall review of any partnership, the City had been reviewing this for more than one year, and it should be self-sustaining, she recalled. The front line commitment should be demonstrated from the private sector. Consultant fees were spent on this effort, she noted.

Mayor Esteves asked, when the Subcommittee got this information about a potential conference center, it was just not financially feasible, was that correct? Staff responded that it would require the Agency going out for a bond and that was not feasible now.

Mayor Esteves recommended looking at other sites, and he tried to define what the subcommittee meant. Projected demand and projected costs then were needed. He would like to look into expansion of the Milpitas Teen Center, as an option, as another type of facility development in the City.

Councilmember Giordano thanked the Mayor for his comments. Her main concern was she did not want the City to employ a consultant for that work. The City Manager responded this could be done with City staff for any alternative sites suggested.

Vice Mayor McHugh wished to follow the Economic Development Subcommittee's recommendation.

Motion: to receive a report from staff on the proposed conference center status, direct staff to stop work on the Alder Drive site, to retain it as an option, to evaluate other alternative sites including the Milpitas Community Center site and return to Council/ Agency in the future with a recommendation

Additionally, in the Vice Mayor's motion, direct staff on minimal time to evaluate modifying the Community Center site as a conference center to determine what it would cost, the benefits etc. and come back to the Agency before doing anything else.

Motion/Second: Vice Chair/Vice Mayor McHugh / Agency/Councilmember Giordano

