



## SPECIAL MEETING OF THE MILPITAS CITY COUNCIL

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### **CITY OF MILPITAS - NOTICE OF SPECIAL MEETING**

*NOTICE IS HEREBY GIVEN* that a Special Meeting of the Milpitas City Council will be held at 5:30 PM on Tuesday, November 12, 2019 at the Barbara Lee Senior Center, 40. N. Milpitas Blvd, Milpitas, CA. The agenda for the meeting is as follows:

### **AGENDA**

**TUESDAY, NOVEMBER 12, 2019  
BARBARA LEE SENIOR CENTER, ROOMS 140/141  
40 N. MILPITAS BLVD., MILPITAS, CA  
5:30 PM**

### **CALL SPECIAL MEETING TO ORDER by Mayor and ROLL CALL by City Clerk**

### **PLEDGE OF ALLEGIANCE**

### **PUBLIC FORUM**

Those in the audience are invited to address City 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 spoken remarks to three minutes. As an item not listed on the agenda, no response is required from City staff or the Council and no action can be taken. Council may instruct the City Manager to place the item on a future meeting agenda.

### **ANNOUNCEMENT OF CONFLICT OF INTEREST AND CAMPAIGN CONTRIBUTIONS**

### **STUDY SESSION TOPICS**

- 1. Receive an Update on the Draft Economic Development Strategy (Staff Contact: Alex Andrade, 408-586-3046)**

Recommendation: Receive an update on the draft Economic Development Strategy from the Office of Economic Development; and, provide feedback and direction to staff regarding current preliminary research results of the draft Economic Development Strategy.

- 2. Receive a Presentation on a Milpitas Gateway / Main Street Specific Plan (Staff Contact: Ned Thomas, 408-586-3273)**

Recommendation: Receive a presentation from staff and provide feedback and direction to staff on proposed planning concepts, strategy, timeline, and community engagement strategies for preparation of a new Milpitas Gateway/Main Street Specific Plan.

### **ADJOURNMENT**

**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 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.

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*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 after initial distribution of the agenda packet are available for public inspection at the City Clerk's office at Milpitas City Hall, 3rd floor 455 E. Calaveras Blvd., Milpitas and on the City website. City Council agendas and related materials can be viewed online here: [www.ci.milpitas.ca.gov/government/council/agenda\\_minutes.asp](http://www.ci.milpitas.ca.gov/government/council/agenda_minutes.asp) (select meeting date)

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Commission application forms are available online at [www.ci.milpitas.ca.gov](http://www.ci.milpitas.ca.gov) or at Milpitas City Hall. Contact the City Clerk's office at 408-586-3003 for more information.

*If you need assistance, per the Americans with Disabilities Act, for any City of Milpitas public meeting, please call the City Clerk at 408-586-3001 or send an e-mail 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 City Council Chambers for all meetings.*



## CITY OF MILPITAS AGENDA REPORT (AR)

<b>Item Title:</b>	<b>Economic Development Strategy Study Session</b>
<b>Category:</b>	Community Development
<b>Meeting Date:</b>	11/12/2019
<b>Staff Contact:</b>	<b>Alex Andrade, Economic Development Director, 408-586-3046</b> <b>Daniel Degu, Economic Development Coordinator, 408-586-3054</b>
<b>Recommendations:</b>	<ol style="list-style-type: none"> <li>1. Receive update on the draft Economic Development Strategy from the Office of Economic Development.</li> <li>2. Provide feedback and direction to the Office of Economic Development regarding current preliminary research results of the draft Economic Development Strategy.</li> </ol>

### **Background:**

One of City Council's identified priorities is Economic Development and Job Growth, which is vital to the health of the local economy. The Office of Economic Development's mission is to provide services and resources to the business and development communities with the purpose of attracting, retaining and expanding business and employment opportunities for residents, stimulating the local economy and expanding local retail sales, transient occupancy and commercial property tax bases while maintaining a positive balance between growth, social equity and the economic vitality of Milpitas.

An Economic Development Strategy is a policy document intended to identify specific strategies and create a work-plan to stimulate economic and business development by providing a roadmap for the formulation and implementation of a program that creates opportunities to maximize economic growth. The current Milpitas Economic Development Strategy was adopted by City Council on February 7, 2006.

On June 18, 2019, the City selected Strategic Economics as the consultant to develop a new Economic Development Strategy. The purpose of an updated Economic Development Strategy is to prepare Milpitas for a resilient and sustainable local economy that captures emerging innovation and technology, growth opportunities with place-making solutions, strategies to prevent small business displacement, and establishes creative strategies to support economic vitality today and for future generations, which improves the quality of life for residents, employees and visitors alike.

The consultant team will establish an Economic Development Strategy based on the following goals:

1. Cultivate a strong stable and diverse local economy;
2. Achieve fiscal sustainability and maintain adequate revenues to provide quality and essential public services;
3. Encourage new development in key opportunity areas that provide high-quality work environments and competitive business locations;
4. Pursue economic development opportunities that foster and improve quality of life; and
5. Increase community workforce preparedness and cultivate an entrepreneurial environment that fosters innovation.

The purpose of this Study Session is to provide an update on the draft Economic Development Strategy and seek feedback from the Council on the current findings of the strategy. The consultant team and City staff will incorporate the Council's comments and direction from this Study Session into work currently underway. The

Office of Economic Development anticipates providing the Council another update on the draft Economic Development Strategy via an Informational Memorandum in mid-December 2019 and expects adoption of the final Economic Development Strategy Report and Implementation Matrix in the first Quarter of 2020.

The Economic Development Strategy Report will describe economic context, existing conditions, and future changes necessary to maintain Milpitas' competitiveness in attracting cutting edge emerging technologies, retaining and expanding existing businesses and industries, preparing the local workforce for future jobs, encouraging development activity, and investing in the City's fiscal health.

The Implementation Matrix will identify specific priority actions for the next five years, with implementation guidelines, schedule, and identification of responsible parties and funding sources. The matrix will include strategies and actions for both the City and for the opportunity areas. The actions will incorporate measurable annual performance objectives, including the Office of Economic Development's new performance metrics. The Economic Development Strategy will also recommend new potential sources of funding to achieve the plan's objectives.

### **Analysis:**

The current process of preparing a new Economic Development Strategy began in July 2019. The consultant team has completed approximately half of the project deliverables specified in their scope of work, which makes this an opportune time to receive vital City Council feedback and direction at this time. To date, the consultant team and City staff have completed the following tasks and milestones:

- **Kick-Off Meeting and Site Visit** – The consultant team attended a project initiation meeting with City staff to review the scope of work and the schedule of deliverables, and meetings with stakeholders and the Economic Development and Trade Commission (EDTC). During the kick-off meeting, Strategic Economics also began to identify stakeholders, discussed the engagement strategy, and discussed project role and responsibilities. After the meeting, the consultant team toured the Milpitas with City staff, with a special focus on the City's key economic drivers and opportunity areas.
- **Industry Analysis** – Since initiation of the project, the consultant team has been selectively analyzing employment, industry, and business trends by examining county-level employment and industry data. Strategic Economics is currently awaiting receipt of detailed confidential establishment data from the State of California to complete analysis of employment and industry trends for Milpitas itself. And, they have also conducted multiple interviews with commercial and industrial real estate brokers to better understand market factors that impact Milpitas' ability to attract and retain different kinds of businesses.
- **Workforce Development and Jobs-Skills Match** – Since August 2019, Strategic Economics has been analyzing demographic and commute characteristics of the resident labor force in Milpitas and identifying the potential types of occupations that the City could attract that would better match their skills. A detailed analysis of the occupational mix in Milpitas versus Santa Clara County has also been performed.
- **Preventing Displacement of Small Businesses** – Since project initiation, the consultant team has been evaluating the current conditions and recent trends affecting small businesses in Milpitas and assessing the potential risk of displacement. This task will be completed upon receipt of establishment data from the State of California, as noted in the "Industry Analysis" task above.
- **Online Survey** – An online public survey was made available to the public, targeting those that live and/or work in Milpitas, to learn about their priorities and needs as it relates to having a more diverse, healthy, and vibrant local economy. The public survey was made live on October 23, 2019 and was shared with the Milpitas Chamber of Commerce, posted onto the City website and the City's social media outlets: Nextdoor and Facebook. City staff will also send the public survey to major property owners and shopping/retail centers to be distributed to their tenants and employees. The survey will close at the end of November 2019. The online survey website is [www.opentownhall.com/portals/293/Issue\\_7961](http://www.opentownhall.com/portals/293/Issue_7961).

- **Project Website** – The Economic Development Strategy website has been active since October 24, 2019, and provides information regarding the upcoming schedule, online survey, and other resource materials. The project website is [www.ci.milpitas.ca.gov/milpitas/economicdevelopmentstrategy](http://www.ci.milpitas.ca.gov/milpitas/economicdevelopmentstrategy).
- **Community Outreach** – The consultant team and City staff has been using a high-touch approach to community engagement, integrating person-to-person community outreach with frequent, multiple contacts to effectively reach as many members of the community as possible. **Attachment B** includes a high-level summary of issues and topics from all business, organization, and broader community outreach events, as highlighted below.
  - **Stakeholder Meetings and Interviews**
    - Strategic Economics conducted an extensive number of interviews since September 2019 with business community stakeholders, including high-tech businesses, Milpitas Chamber of Commerce Board of Directors and Chamber staff, commercial real estate brokers, business owners, property owners, landlord representatives, and hospitality operators. To date, there have been 5 in-person stakeholder group meetings and 11 stakeholder phone interviews.
  - **Community Engagement and Meetings**
    - On September 19, 2019, the Office of Economic Development and Strategic Economics engaged EDTC to provide a project introduction and obtain feedback from the Commission on how the City can improve its services and develop strategies to address key issues. General comments received from Commissioners included in **Attachment B**.
    - A Community Workshop that provided an overview of the draft Economic Development Strategy was held the evening of October 24, 2019. The Community Workshop was promoted through a variety of methods, including direct outreach to Great Mall, local and regional community-based organizations, social gathering places, homeowner associations, City staff, social groups such as Rotary, Kiwanis, and Executive Lions Club, business community stakeholder groups, and workforce development partners such as NextFlex, NOVA, and SEMI. The consultant team and City staff provided an oral presentation and answered questions from attendees. Community members at this meeting evaluated Milpitas’ performance in several topic areas related to economic development, and expressed their priorities for issues that should be addressed in the Economic Development Strategy. This feedback is summarized in **Attachment B**.

**Policy Alternative:**

This is an informational item for Council direction. The draft Economic Development Strategy is an approved Council Priority, and the project is currently underway.

**Fiscal Impact:**

This is an informational item for Council direction. No fiscal impact.

**California Environmental Quality Act:**

By the definition provided in the California Environmental Quality Act (CEQA) Guidelines Section 15378, this action does not qualify as a “project” for the purpose of CEQA as this action has no potential to result in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

**Recommendations:**

1. Receive update on the draft Economic Development Strategy from the Office of Economic Development.
2. Provide feedback and direction to the Office of Economic Development regarding current preliminary research results of the draft Economic Development Strategy.

**Attachments:**

- A. 06-18-19 Council Agenda Report + Meeting Minutes
- B. Presentation for Study Session on the draft Economic Development Strategy



## CITY OF MILPITAS AGENDA REPORT (AR)

<b>Item Title:</b>	Approve a Professional Services Agreement with Strategic Economics to develop an Economic Development Strategy
<b>Category:</b>	Consent Calendar-Community Development
<b>Meeting Date:</b>	6/18/2019
<b>Staff Contact:</b>	Alex Andrade, Economic Development Director 408-586-3046
<b>Recommendation:</b>	Approve and Authorize the Interim City Manager to execute a Professional Services Agreement with consultant Strategic Economics for development of an Economic Development Strategy in the amount of \$129,985.

### **Background:**

One of City Council's identified priorities is Economic Development and Job Growth, which is vital to the health of the Milpitas local economy. The Office of Economic Development's mission is to provide services and resources to the business and development communities with the purpose of attracting, retaining and expanding business and employment opportunities for residents, stimulating the local economy and expanding local retail sales, transient occupancy and commercial property tax bases while maintaining a positive balance between growth, social equity and the economic vitality of Milpitas.

The current Milpitas Economic Strategic Plan was adopted by City Council in 2005. As a policy document, an Economic Development Strategic Plan is intended to identify specific strategies and create a work plan to stimulate economic and business development by providing a roadmap for the formulation and implementation of a program that creates opportunities to maximize economic growth. In 2005, the Economic Strategic Plan focused on improving Milpitas' image as a place to live, work and shop, improving retail opportunities, balancing housing supply for local workforce, business retention, improving employability, and diversifying the economic base since the current Plan is almost fifteen years old, an update is overdue.

An updated Economic Development Strategy is necessary to proceed with the City Council's priority of Economic Development and Job Growth. In the intervening years, significant changes have occurred, including major residential development around the new Milpitas Transit Center, a changing retail landscape and transformative innovations in technology and advanced manufacturing. The purpose of an updated Economic Development Strategy is to prepare Milpitas for a resilient and sustainable local economy that captures emerging innovation and technology, growth opportunities and establishes creative strategies to support economic vitality today and for future generations, which improves the quality of life for residents, employees and visitors alike.

### **Analysis:**

The Office of Economic Development seeks to collaborate with a creative consultant to produce a 5-year Economic Development Strategy that is forward thinking and inclusive, resulting in positioning Milpitas as a regional and global center of business, technology and culture within the Silicon Valley. The selected consultant will establish an Economic Development Strategy based on the following goals:

1. Cultivate a strong stable and diverse local economy;
2. Achieve fiscal sustainability and maintain adequate revenues to provide quality and essential public services;
3. Encourage new development in key opportunity areas that provide high-quality work environments and competitive business locations;
4. Pursue economic development opportunities that foster and improve quality of life; and
5. Increase community workforce preparedness and cultivate an entrepreneurial environment that fosters innovation.

On May 3, 2019, the Purchasing Division released RFP No. 2335 for an Economic Development Strategy on PublicPurchase.com, the City’s eProcurement website. Aside from the goals described above, the RFP’s scope of work focused on a review of current economic conditions; develop an economic development work plan, community engagement, and recommendations and implementation of the City’s economic development efforts. Thirty four firms were notified of the issuance of the RFP and twenty vendors downloaded the bid document. The RFP closed on May 21, 2019 and there were four proposers. Three of the four proposers met all of the criteria for the solicitation, they are:

- Economic & Planning Systems, Inc.
- Strategic Economics, Inc.
- Applied Development Economics, Inc.

The evaluation committee reviewed proposals based on the merits of the cover letter, company profile, execution plan, personnel assigned, references and proposed compensation. After an initial assessment by the evaluation committee, all three firms met with an interview panel comprised of City staff to clarify various parts of the proposals prior to a final scoring. Interviews were conducted on May 29, 2019, and scoring was finalized on the same day. The table below shows the final evaluation scores with Strategic Economics as the recommended firm.

<b>Economic Development Strategy RFP No. 2335</b>	<b>Strategic Economics, Inc.</b>	<b>Applied Development Economics, Inc.</b>	<b>Economic &amp; Planning Systems, Inc.</b>
<b>Evaluation Score</b>	<b>87.33</b>	<b>81.83</b>	<b>78.00</b>

Staff recommends that City Council approve Strategic Economics as the most qualified consultant for the development of the City of Milpitas’ Economic Development Strategy and authorize the Interim City Manager to execute a Professional Services Agreement. There are various reasons for Strategic Economics being deemed the most qualified consultant including, but not limited to, identification of forward-looking economic development growth opportunities with place-making solutions, expanding workforce development opportunities for local residents, strategies to prevent small business displacement, inclusive community engagement plans, identification of new funding sources, and attracting emerging technologies while retaining valuable industry sectors.

If the City Council approves Strategic Economics as the consultant, next steps include commencing the analysis of economic development conditions and opportunities, stakeholder interviews and community engagement, and delivery of a draft industry analysis report for review and feedback. Staff and consultant will present findings to the community and Economic Development and Trade Commission, and City Council will have an opportunity to review, provide feedback and consider the Economic Development Strategy for adoption at a future City Council meeting. Staff expects the Economic Development Strategy to be complete in the first Quarter of 2020.

The Office of Economic Development’s vision for local economic development is to preserve and enhance Milpitas’ business climate to ensure the City is financially stable to provide essential services and collaborate with the community in its commitment to improve quality of life. Thus, the Economic Development Strategy is important for a sustainable and healthy economy, and to achieve the City Council’s priority of Economic Development and Job Growth.

**Policy Alternatives:**

**Alternative 1:** Select a different consultant.

**Pros:** An Economic Development Strategy would still be developed with the selection of a different consultant.

**Cons:** The evaluation committee determined that Strategic Economics is the most qualified vendor to develop the City of Milpitas' Economic Development Strategy based on a comprehensive evaluation of proposals.

**Reason not recommended:** Selecting a different vendor may result in pursuing a contract with an organization that is not recommended by the evaluation committee, which based its vendor recommendation on the merits of RFP proposals and interviews.

**Alternative 2:** Do not approve a consultant at this time.

**Pros:** The City would not spend the \$129,985 on developing an Economic Development Strategy.

**Cons:** The City will continue to operate without a current Economic Development Strategy potentially resulting in missed opportunities for job growth, workforce development and additional revenue generation.

**Reason not recommended:** The City has not updated its Economic Development Strategy since 2005. Further delaying the selection of a qualified consultant would postpone the development of an Economic Development Strategy resulting in missed opportunities for job growth, workforce development and additional revenue generation.

**Fiscal Impact:**

The funding for the development of an Economic Development Strategy is currently budgeted in the Office of Economic Development's contractual services budget for Fiscal Year 2018-2019.

**California Environmental Quality Act:**

By the definition provided in the California Environmental Quality Act (CEQA) Guidelines Section 15378, this action does not qualify as a "project" for the purpose of CEQA as this action has no potential to result in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

**Recommendation:**

Approve and authorize the Interim City Manager to execute a Professional Services Agreement with consultant Strategic Economics for development of an Economic Development Strategy in the not to exceed amount of \$129,985.

**Attachments:**

Professional Services Agreement

## EXHIBIT A

### Scope of Work, with Task Options

#### Data Assumptions

Note that the scope assumes that the City will provide certain confidential data, including establishment-level employer data from the California Employment Development Department, establishment-level sales tax data, business license data, and parcel data including building characteristics and ownership. Strategic Economics will sign any necessary confidentiality agreements to view and analyze this data.

#### Task 1: Analysis of Economic Conditions and Opportunities

##### 1.1: Request and Review of Existing Data and Background Materials

Prior to the kick-off meeting, Strategic Economics will review the current Economic Development Strategy and Work Program, and work completed to date as listed in the RFP. Strategic Economics will also request relevant data from the City, including GIS shape files, financial data, development projects, etc.

##### 1.2: Kick-Off Meeting and Site Visit

Strategic Economics and Plan to Place will attend a project initiation meeting with City staff to review the scope of work and the schedule of deliverables, and meetings with stakeholders and the Economic Development and Trade Commission. During the kick-off meeting, the SE team will also begin to identify stakeholders, discuss the engagement strategy, and discuss project role and responsibilities. The kick-off meeting will be an opportunity to make refinements to the scope and schedule, if needed. After the meeting, Strategic Economics and Plan to Place will tour the city with City staff, with a special focus on the City's key economic generators and opportunity areas.

##### 1.3: Industry Analysis

While the previous economic analysis for the General Plan Update provides an overview of economic activity and trends in Milpitas, there is a need to gain a more nuanced understanding of the types of industries and businesses that are successful, have potential for growth, or require additional support from the City.

Building on the economic and fiscal analyses completed for the General Plan Update, the SE Team will selectively analyze employment, industry, and business trends by examining local and regional Silicon Valley trends and projections using a combination of California Employment Development Department Data, County Business Patterns, City business license data (if

available), and Plan Bay Area 2040 regional employment projections. If the data is available, the SE team will also evaluate start-ups and entrepreneurial activity in the city.

These analyses will identify the city's strengths beyond the two-digit NAICS code level to gain a more fine-grained understanding of the types of businesses that drive the regional economy (e.g., computer software and hardware), those that support the regional economy (e.g., professional and business services), and those that serve local residents (e.g., convenience retail and restaurants). The task will also provide insights into Milpitas's specific strengths and weaknesses relative to the Silicon Valley region, and identify emerging technologies and innovative clusters in the city. Finally, the SE Team will also examine the sources of Milpitas's General Fund revenues and the connections between these revenues and the City's different businesses and land uses.

#### Task 1.4.1 Workforce Development and Jobs-Skills Match

The composition of jobs available in Milpitas may not meet the advanced skill levels of the local resident workforce, requiring many residents to commute to other cities. In this task, Strategic Economics will analyze the demographic and commute characteristics of the resident labor force in Milpitas, and identify the potential types of occupations that the City could attract that would better match their skills. The sub-tasks include:

- Analyze educational attainment of workers at jobs currently located in Milpitas and compare against resident educational attainment and occupational profiles.
- Interview NOVA and other workforce development organizations to gain current information about the jobs-skills match issues in Santa Clara County and, to the extent possible, in Milpitas. Review relevant workforce development reports and literature on workforce needs for emerging industries.
- Conduct interviews with Silicon Valley employers in the industries and clusters that have been targeted for growth and attraction in Milpitas based on Task 1.3 analysis. These interviews will be structured to reveal the location decisions of these industries vis-à-vis access to workforce/talent, and the pros and cons of locating in Milpitas.
- Describe the findings of the interviews and analyses in the Industry Analysis Report.
- Based on these findings, recommend and incorporate strategies and implementation actions in the Economic Development Strategy.

#### 1.4.2 Preventing Displacement of Small Businesses

Strategic Economics will evaluate current conditions and recent trends affecting small businesses in Milpitas, and assess the potential risk of displacement. The assessment will include:

- Existing business mix (retail, restaurants, personal services, automobile-oriented retail, production, distribution and repair businesses, etc.) and overall business trends (change in number and composition of small businesses over time).
- Interviews with business owners, commercial brokers, and business associations.
- Retail and restaurant sales trends over time, compared to citywide trends, based on sales tax data.

Based on the analysis of trends, Strategic Economics will identify the key issues faced by small businesses in Milpitas, and their potential risk of displacement. The findings of the interviews and analyses will be described in the Industry Analysis Report.

Based on these findings, Strategic Economics will recommend and incorporate strategies and implementation actions in the Economic Development Strategy to help prevent displacement as a result of redevelopment. The recommendations may include strategies related to leveraging new development to preserve space for small businesses and implementing district-based strategies for supporting small businesses (e.g., technical assistance, marketing, grants/loans for façade or tenant improvements). The recommendations will draw on targeted research of how other jurisdictions have addressed similar challenges.

### 1.5: Stakeholder Interviews

Strategic Economics will facilitate a series of up to six in-person stakeholder group meetings. The stakeholders will be defined in close coordination with City staff, but could potentially include: key business representatives representing retail/restaurants, advanced manufacturing, other high tech industries; brokers, developers, hotel operators, community leaders, property owners, and City staff. In addition to gathering qualitative information and answering key questions raised in the RFP, the stakeholder groups will help to build support for the Economic Development Strategy and achieve “buy-in” from community leaders. Strategic Economics will facilitate each of the meetings, formulating specific topics and questions with the goal of gathering required information and generating ideas for potential strategies. It is assumed that City staff will contact all stakeholders to schedule and coordinate the meetings.

#### Task 1 Deliverables:

- Final scope of work and project schedule, defining key meetings and dates for submittal of draft and final deliverables (Word and PDF)
- Administrative draft and final draft of Industry Data Analysis Report (incorporating the findings of tasks 1.3 through 1.5)
- Summary notes from stakeholder interviews

#### Task 2: Develop Economic Development Strategy Report and Implementation Matrix

The SE team will then incorporate the results of the Economic Conditions and Opportunities analyses to draft an initial document framework for review by City staff. Based on feedback on the framework from City staff, the SE team will prepare an Administrative Draft of the Economic Development Strategy Report with an implementation matrix. Upon review by appropriate parties, the SE team will deliver a revised Public draft Economic Development Strategy Report and implementation matrix. Upon vetting of this public draft by the community, Economic Development and Trade Commission (EDTC), and City Council, the SE team will provide a final Economic Development Strategy Report and implementation matrix for approval by the City Council.

The plan will describe economic context, existing conditions, and future changes necessary to maintain Milpitas’s competitiveness in attracting cutting edge emerging technologies, retaining and expanding existing businesses and industries, preparing the local workforce for future jobs, encouraging development activity, and sustaining the City’s fiscal health. Strategies will address key issues identified by the City, including the creation of a strategic workforce development initiative and the EDTC’s roles. The plan will also incorporate place-based strategies related to revitalizing Main Street, implementing the Midtown Specific Plan, attracting innovative jobs to an “innovation district” near the Milpitas Transit Center, and strategies for pursuing a Smart City Initiative. Team member Plan to Place will provide guidance on how best to roll out Milpitas’s new branding efforts, and provide strategies related to future outreach to key economic development stakeholders.

The implementation matrix will identify specific prioritized actions for the next five years, with implementation guidelines, schedule, and identification of responsible parties and funding sources. The matrix will include strategies and actions for both the City as a whole and for the opportunity areas. The actions will incorporate measurable annual performance objectives, including the Office of Economic Development’s new performance metrics. The Economic Development Strategy will recommend new potential sources of funding to achieve the plan’s objectives, including consideration of a Strategic Property Acquisition Revenue fund, Transportation Management Association, Parking Assessment District, and a Property-based Improvement District for Midtown.

#### Task 2 Deliverables:

- Administrative draft Economic Development Strategy report and implementation matrix (with budget and schedule)
- Public draft Economic Development Strategy report and implementation matrix (with budget and schedule)
- Final draft Economic Development Strategy report and implementation matrix (with budget and schedule)

#### Task 3: Community Engagement and Meetings

The SE team will engage the community throughout the project. Through a series of two community workshops, the SE team will receive input on the Milpitas community’s economic development priorities, present analytical findings and vet preliminary strategy focus areas, and present and receive feedback on the strategies and implementation actions incorporated in the Economic Development Strategy.

##### Task 3.1: Community Engagement Plan

At the onset of the project, Plan to Place will prepare an engagement strategy to:

- Outline project goals and objectives;

- Identify engagement activities;
- Identify target demographic and interest groups and identify methods of communication and engagement;
- Confirm coordination, facilitation and communication responsibilities; and
- Outline schedule, format, and resources for all engagement activities.

### Task 3.2: Community Workshops

The SE team will prepare for and execute up to two (2) community workshops to discuss topics related to the economic development strategy. The anticipated team's roles and responsibilities include:

- Plan to Place will work with the project team to prepare an overall purpose, approach, objective and anticipated outcome of the community workshops.
- Plan to Place will prepare meeting materials including agendas, sign-in sheets and assist with interactive activities to get input on the strategies and deliverables prepared by SE.
- Plan to Place will co-facilitate each workshop.
- City staff will coordinate meeting location logistics (e.g., room, a/v equipment, refreshments).
- Plan to Place will assist with meeting logistics including room set up and break-down.
- Plan to Place will prepare summary notes.

### Task 3.3: Economic Development and Trade Commission and City Council Meetings

SE will attend up to two (2) meetings with the EDTC to report on the findings of the study, refine the EDTC's roles within the Economic Development Strategy's recommendations, and to receive input on the Public draft plan. SE will also attend one (1) meeting with the City Council to present the plan findings and recommendations. The timing and content of all of these meeting will be coordinated with City staff.

### Task 3 Deliverables:

- Community Engagement Plan
- Materials for each community workshop (agendas, sign in sheets, PowerPoint presentations, any feedback activity materials)
- Summary notes from each community workshop
- PowerPoint presentations for the EDTC and City Council meetings

*Draft* **MEETING MINUTES**  
**CITY OF MILPITAS**

**Minutes of:** **Special and Regular Meetings of the  
Milpitas City Council**  
**Date:** **Tuesday, June 18, 2019**  
**Time:** **5:30 PM Closed Session  
7:00 PM Open Session**  
**Location:** **Council Chambers, Milpitas City Hall,  
455 East Calaveras Blvd., Milpitas**

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**CALL TO ORDER** Mayor Tran called the joint meeting to order at 5:31 PM. City Clerk Mary Lavelle called the roll.

**PRESENT:** Mayor Tran, Vice Mayor Dominguez, Councilmembers Montano and Nuñez

**ABSENT:** Councilmember Phan was absent at roll call. He arrived in Closed Session.

**CLOSED SESSION** City Council convened in Closed Session to discuss six agenda items, five as listed on the Regular Meeting agenda (a) – (e) and one listed on a Special Meeting agenda.

At 6:30 PM, City Council paused from Closed Session to go outdoors to join the City-sponsored “Juneteenth” celebration at Cesar Chavez Plaza. The Council reconvened in Closed Session.

City Council came out from Closed Session to the dais for the Open Session regular agenda at 7:46 PM.

**ANNOUNCEMENT** City Attorney Chris Diaz stated out of Closed Session the following Council actions:

- (1) City Council agreed by unanimous vote to approve a side letter with the Milpitas Police Officers Association regarding retiree dependents’ health care benefits. That document would be available with the City Clerk or Human Resources Director.
- (2) City Council agreed to changes, regarding the open session agenda item no. C14, on an amendment to the agreement with the law firm BB&K. A new version of the modified amendment was handed to the City Clerk and would be the version for Council action.
- (3) Regarding Agenda Item No. 19, for the appointment of Steve McHarris as interim City Manager, there was one modification to the Resolution to remove item 3.

**PLEDGE** Resident Voltaire Montemayor led the pledge of allegiance.

**INVOCATION** Councilmember Nuñez led a prayer from the dais to start the meeting.

**PRESENTATIONS** Mayor Tran presented:

- (1) Certificates to students for efforts on “All Hearts One Bullet” High School event to speak out and combat gun violence on school campuses, which was accepted by Nisha Porchezhiyan and Sean Nguyen.
- (2) Proclamation of *Philippines Independence Day* for June 12, 2019 was presented by Vice Mayor Dominguez to women representatives of Bayanihan Fil-Am Foundation.

**PUBLIC FORUM** Frank DeSmidt, Milpitas Rotary Club and Chamber of Commerce representative, announced that on Thursday, July 25 there would be the Chamber’s annual awards banquet at Embassy Suites Hotel. On September 27, at the same hotel, would be the Chamber’s Casino Night fundraiser.

George Lund, resident and property owner, would like something done about corruption at Milpitas Code Enforcement. He claimed felonies were done by that office. He’d been harassed

Councilmember Montano wished to remove item no. C11 (wet well in stormwater system) from consent.

Motion/Second: Councilmember Nuñez/Councilmember Montano

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

- C1. Council calendars Accepted City Council calendars for June and July 2019.
- C2. August meetings Canceled the regularly scheduled City Council meeting on August 6, 2019 and called for a Special City Council meeting on August 13, 2019, due to the observance in Milpitas of National Night Out on August 6 and on the first Tuesday each August annually. Councilmember Nuñez clarified at the consent calendar vote that he desired this action to be for all future years.
- C3. Meeting Minutes Approved City Council meeting minutes of June 4, 2019.
- C4. 3 Resolutions related to employee agreements
1. Adopted Resolution No. 8886 approving a new Memorandum of Understanding between the City of Milpitas and United Public Employees of California (UPEC) Mid-Management and Confidential Unit (MidCon) covering the period of July 1, 2019 through June 30, 2023.
  2. Adopted Resolution No. 8887 approving a new Memorandum of Understanding between the City of Milpitas and the Professional and Technical Group (ProTech) of employees covering the period of July 1, 2019 through June 30, 2023.
  3. Adopted Resolution No. 8888 updating the Unrepresented Miscellaneous, Police and Fire Management Salary and Benefit Matrix covering the period of July 1, 2019 through June 30, 2023.
- C5. Resolution – Annex Property into CFD 2005-1
1. Adopted Resolution No. 8889 certifying election results and adding Tract No. 10470 to Community Facilities District 2005-1 (Annexation No. 20); and
  2. Approved Final Tract Map No. 10470, accept all offers of dedications as stated and depicted on the final map upon completion and acceptance of improvements; and
  3. Approved and authorized the Interim City Manager to execute the Subdivision Improvement Agreement between the City of Milpitas and Eighty-Eight Homes LLC.
- C6. Resolution – Skate Park Adopted Resolution No. 8890 approving project plans and specifications and awarded a construction contract for the Base Bid plus Add Alternates 1 and 4, authorized the Interim City Manager to execute the contract with Suarez and Munoz Construction, Inc. in the amount of \$4,579,156 for the Milpitas Skate Park and Concession/Storage/Restroom Buildings, Projects No. 5111, No. 3424 and No. 6133, and authorized the Engineering Director/City Engineer to negotiate and execute contract change orders in an aggregate amount not to exceed \$690,000; approved budget appropriation in the amount of \$800,000 from the General Fund Unassigned Reserves.
- C7. Resolution – Xerox Adopted Resolution No. 8891 authorizing the City Manager to execute a lease with Xerox Corporation for copier/multifunction digital devices and full service maintenance through a Cooperative Procurement Contract by Region 4 Educational Services Center for a 60-month (5 year) maximum contract amount of \$292,867.
- 8. RFP for Economic Development** Economic Development Director Alex Andrade provided an overview of the Request for Proposals for an economic development strategy for the City of Milpitas.
- Councilmember Montano asked how staff would prevent displacement of small businesses, and Mr. Andrade replied that would be part of the results of the final reports. Consultant Ms. Sujata Srivastava from Strategic Economics also responded to her question.
- Vice Mayor Dominguez was concerned about displacement of those businesses and wanted to be challenged with policy or strategies that had not been done in Milpitas.

Councilmember Nuñez wanted to know how the Community Development Roundtable operated, with respect to this plan and Mr. Andrade commented. He asked additional questions on employment density near transit.

The consultant came forward stating she'd worked previously with the cities of Cupertino, Redwood City, Alameda and other Bay Area locales.

Councilmember Montano asked the difference between the economic development strategy of five years ago, and what would be done today. It seemed to her the last effort on this was only shelved. She asked staff to provide the past strategy to the consultant.

Vice Mayor Dominguez would support this request for the study while strategies and priorities were being worked on at the Economic Development Commission and by staff. The 2005 strategy was outdated so a new one was needed.

Councilmember Phan would like a Trader Joe's store in Milpitas and was excited moving forward with this strategy. He asked if the study would relate to revenue growth of the City. Mr. Phan suggested to inventory public properties or consider land banking. He liked the Smart City element and understanding infrastructure needs.

Mayor Tran was concerned that sales tax was down this past month. This strategy could help to jump start that source of revenue. Maybe urge a change and an update to retail sector. He then welcomed comments from the audience.

Tom Valore, resident, agreed there was a need for an economic development strategy, especially after being on the Board of Directors at Milpitas Chamber of Commerce. He wanted to understand why this strategy was being outsourced and not done internally by City staff.

Voltaire Montemayor, resident, noted the rating was so high, while and the need and usefulness was there. Work with good quality, with concern for expense, he said.

Motion: to approve and authorize the Interim City Manager to execute a Professional Services Agreement with consultant Strategic Economics for development of an Economic Development Strategy in the amount of \$129,985

Motion/Second: Councilmember Montano/Vice Mayor Dominguez

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

C9. Assume First Amendment to McCarthy Ranch Development Agreements

Approved form Partial Assignment and Assumption Agreements to Embarcadero Capital Partners and Bridge Development Partners and authorized the Interim City Manager to execute the assignments, subject to minor conforming and clarifying changes approved by City Attorney.

C10. Digital Billboard

Directed the Interim City Manager to proceed with a City Digital Billboard Guidance Study through a Professional Services Agreement.

11. Agreement with Peninsula Pump & Equipment for Wet Well Rehabilitation

Councilmember Montano wished to comment on wet wells in the stormwater system. For these pumps, there must be a lack of debris in stormdrains, so residents needed to concentrate with the city on cleaning up streets. Public Works Director Tony Ndah explained the need for work on the wet well, and responded to her comments.

Motion: to approve a five-year Agreement with Peninsula Pump & Equipment Inc. from the date of execution through June 30, 2024, for a total maximum compensation of \$457,800, to provide Wet Well Rehabilitation and Annual Maintenance Services, subject to annual appropriation of funds

Motion/Second: Councilmember Montano/Councilmember Phan



## CITY OF MILPITAS AGENDA REPORT (AR)

<b>Item Title:</b>	Receive a presentation from staff and provide feedback and direction to on proposed planning concepts, strategy, timeline, and community engagement strategies for preparation of a new Milpitas Gateway/Main Street Specific Plan
<b>Category:</b>	Community Development
<b>Meeting Date:</b>	11/12/2019
<b>Staff Contact:</b>	Ned Thomas, Planning Director, 408-586-3273 Jessica Garner, Planning Manager, 408-586-3284
<b>Recommendations:</b>	<ol style="list-style-type: none"> <li>1. Receive a presentation from staff</li> <li>2. Provide feedback and direction on proposed planning concepts, strategy, timeline, and community engagement strategies for preparation of a new Milpitas Gateway/Main Street Specific Plan</li> </ol>

### **BACKGROUND**

In June 2019, the City concluded its previous consulting contract with MIG for preparation of an update to the existing Midtown Specific Plan. At that time, Planning staff informed the City Council that we would work with the City Manager’s Office and the Economic Development team to develop recommendations for a new strategic direction and scope of work for this project. The stated intent was to prepare a new Request for Proposals (RFP) for circulation in early 2020 with a scope of work that aligned with Council priorities and current conditions in the Midtown area.

The current Milpitas Midtown Specific Plan was adopted in March 2002 after a three-year planning process that included several community workshops as well as meetings with the Planning Commission and City Council. In June 2008, the plan was amended to remove approximately 100 acres and create the Transit Area Specific Plan. In 2014, urban planning students from Cal Poly San Luis Obispo conducted a land use and urban design study and visioning process that included a portion of Main Street within the Midtown Specific Plan area. Information and analysis from these efforts provides valuable background and design concepts for developing a new plan.

At present, Planning staff is completing work on the Milpitas General Plan Update while work continues on more than twenty other citywide planning efforts in other departments. These include the Economic Development Strategy, Bike and Pedestrian Master Plan, Green Infrastructure Plan, Recreation and Parks Master Plan, Transit Area Specific Plan Update, master plans for sewer and water. Information and analysis gathered in conjunction with these plans can help identify appropriate boundaries for the new Milpitas Gateway/Main Street Specific Plan (proposed new title) and develop strategies for long-range planning and strategic investment in a smaller, focused area.

As noted above, staff expects to circulate an RFP for consultant services in early 2020. Council feedback and direction are desired at this time on a proposed RFP scope of work, including preliminary input on proposed planning concepts, strategies, timeline, and community engagement ideas.

### **ANALYSIS**

#### **Planning Framework**

The current boundaries of the Midtown Specific Plan encompass a large geographic area with diverse land use types and issues. Most properties in the southern portion of the current Midtown Specific Plan area, a narrow area extending south from Curtis Avenue to the City’s southern boundary at Montague Expressway, are built-out

or have new projects that are entitled or under construction. Other large portions of the Plan area, namely the large surface parking lot adjacent to the Union Pacific Railroad and the Elmwood Correctional Facility, have uses that are not likely to change or be redeveloped in the foreseeable future. Considering these circumstances, staff observes that the effectiveness of the current Midtown Specific Plan may be diminished because the Plan is simply trying to address too many issues over too much territory. In response, staff suggests that an update of the Midtown Specific Plan should focus strategically on three important and interconnected “gateway” areas that are ripe for new development or redevelopment.

Staff proposes that the new Milpitas Gateway/Main Street Specific Plan should focus on strategic planning, marketing and financing analysis, and redevelopment opportunities in the following areas:

- Historic Main Street from Curtis Avenue north to Weller Lane
- Calaveras Blvd. from the I-880 interchange to the UPRR viaduct
- I-880 Frontage – Abbott Ave. extending south from Calaveras Blvd. and connecting via Thompson St. to Montague Expressway

Attachment A is a diagram that illustrates the location and extent of each focus area.

### Guiding Principles

The three focus areas are inextricably linked by roadways, traffic circulation, and land use patterns, but each area functions at a different size and scale. At present, Main Street is a narrow, local corridor with smaller retail and restaurant uses. The corridor also exhibits cultural amenities, slower traffic, and a pedestrian scale streetscape. Calaveras Boulevard is a major thoroughfare with larger retail and, restaurant uses, surface parking lots, heavier traffic, and infrastructure at scale that caters to people traveling through the corridor. Properties along the I-880 frontage have the opportunity to be developed with high visibility retail, office, hotel, and educational uses to announce the gateway into the City.

Each of the focus areas has a different set of challenges and opportunities to address through the Specific Plan process. Staff has identified the following guiding principles to frame the discussion around each area:

- Economic Development – Maximize opportunities for economic development, including retail, office, service-oriented retails, hotel, and cultural/educational uses at an appropriate scale for each “gateway” focus area and consider impacts and linkages across the entire city.
- Urban Design and Placemaking – Support development and redevelopment that creates attractive new urban environments with a distinctive sense of place at an appropriate scale for each “gateway” focus area. Pay attention to streetscape design, including sidewalks, landscaping, lighting, and other amenities.
- Land Use – Promote a compatible mix of residential, retail, office, service-oriented commercial, and cultural/educational uses at appropriate locations and densities within each “gateway” focus area. Encourage thoughtful design to achieve compatibility between adjacent residential and non-residential uses.
- Circulation/Parking – Provide connectivity and the efficient circulation of pedestrians, bicyclists, and vehicles at an appropriate scale for each “gateway” focus area. Actively promote the use of transit and alternative modes of transportation through urban design and parking policies.
- Image/Branding – Develop a distinctive brand for Milpitas by visually enhancing each “gateway” focus area with an emphasize on high quality architectural design, public art, innovative public infrastructure, interactive public spaces, and attractive landscaping.

### Public Engagement

Direction from the Council is needed regarding the level of public engagement desired for development of the Milpitas Gateway/Main Street Specific Plan. In addition to the usual meetings and workshops, staff has identified the following collaborative activities that could be used in this effort:

- Taste and Talk – a series of lunch and/or dinner events at local restaurants with invited speakers to address topics relevant to the “gateway” focus areas, such as economic development or urban design.

- Pop-up Planning – interactive information displays set up at local venues and events where residents are invited to provide input on topics related to planning and development in the three focus areas. Possible venues include: City events, farmer’s market, City Hall lobby, Milpitas Library, Milpitas High School, grocery stores, etc.
- Better Block - Planning and Economic Development are interested in collaborating with a national non-profit group called Better Block regarding possibilities for a temporary installation on Main Street to engage residents with the neighborhood. Examples of Better Block activities in other cities include converting a street block with pop-up sidewalk cafes, curbside parklets, temporary bike lanes, pop-up businesses, trees, plants, and lighting. The intent is to demonstrate how the block can be revived to improve area aesthetics, activity, health, safety, and economics. See [www.betterblock.org](http://www.betterblock.org).

Council feedback and direction is desired on the public engagement activities outlined above or any additional ideas to include in the RFP for a project consultant.

### Catalyst Sites

While Planning staff is preparing the new RFP, we will continue to coordinate with developers and property owners along Main Street and the other “gateway” focus areas to understand their conceptual ideas and needs for future development. Property owners in various locations along Main Street have been meeting with Planning staff and discussing a range of proposals for redeveloping their properties. Some of these are individual property owners while other are groups of property owners interested in assembling their adjoining parcels for greater development opportunities.

Working with these property owners is an excellent opportunity for staff to engage in a creative dialogue while working on a new Specific Plan. As appropriate, we may schedule time to present some of the conceptual ideas for new development within the focus areas to the City Council for preliminary consideration and feedback. In this way, staff will be able to calibrate the draft Specific Plan to address the needs and designs of actual projects at specific “catalytic project” locations, and developers and property owners will be able to adapt their plans to meet the City’s desired outcomes. Staff believes that this type of “plan-design-build” approach to preparing a new Gateway-Main Street Specific Plan will address issues that seemed to hamper implementation of previous planning efforts within this area.

### Timeline

Staff anticipates starting initial community engagement activities in January to gather input from Milpitas residents on how they view Main Street and the Calaveras corridor and what they would like to see happen there in the future. This feedback will be used to help write the RFP and select a consultant, which is expected to occur in late Spring 2020. The consultant will conduct analysis and prepare a draft Specific Plan, including required environmental review under CEQA, during Summer-Fall 2020, with an Administrative Draft ready for review in late 2020. Adoption of the new Milpitas Gateway-Main Street Specific Plan would occur in early 2021.

### **POLICY ALTERNATIVE**

This is an information item for Council feedback and direction on proposed planning concepts, community engagement strategies, process and timeline in preparation for issuing a Request for Proposals for consultant services to prepare a new Milpitas Gateway/Main Street Specific Plan.

### **FISCAL IMPACT**

This is an information item for Council direction. No fiscal impact.

### **CALIFORNIA ENVIRONMENTAL QUALITY ACT**

The Milpitas Gateway planning process will include preparation of an Environmental Impact Report (EIR) in accordance with the California Environmental Quality Act (CEQA). By the definition provided in Section 15378 of the CEQA Guidelines, the discussion planning concepts does not qualify as a “project” for the purpose of CEQA as this action has no potential to result in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

## **Recommendations**

- 1) Receive a presentation from staff
- 2) Provide feedback and direction to on proposed planning concepts, strategy, timeline, and community engagement strategies for preparation of a new Milpitas Gateway/Main Street Specific Plan

## **Attachment**

Milpitas Gateway/Main Street Planning Concept Diagram

# Milpitas Gateway/Main Street Planning Concept

Draft 11.12.19

