



CITY OF MILPITAS
ECONOMIC DEVELOPMENT SUBCOMMITTEE
MILPITAS CITY HALL COMMITTEE MEETING ROOM
APPROVED MINUTES
February 9, 2009

- I. Call to Order** Mayor Robert Livengood called the meeting to order at 5:30 p.m. Present were Councilmember Althea Polanski, City Manager Tom Williams, City Attorney Mike Ogaz, Deputy City Attorney Bronwen Lacey and Economic Development Manager Diana Barnhart
- II. Approval of Agenda** Economic Development Manager Diana Barnhart suggested removing Item No. 5 (Local Preference Purchasing Policy) from the agenda.
- MOTION to approve the agenda with the removal of Item No. 5 from the agenda.
- M/S: Polanski/Livengood Ayes: 2
- III. Public Forum** There were no requests to speak.
- IV. Freeway Signage** Ms. Barnhart distributed copies of staff's memo and recommendation to the audience, Mayor and Councilmember Polanski. Ms. Barnhart explained that staff was tasked with trying to provide an apples to apples comparison of the three proposals that were heard by the Facilities Naming Subcommittee at their November 19, 2008 meeting. Staff met with each of the three applicant groups that include: 1) CBS Outdoor with Milpitas Automotive Group, 2), McCarthy Ranch with Clear Channel and 3) Media Management Services. Ms. Barnhart summarized each of the three proposals and recommended that it was in the City's best interest not to split the market between two or three advertising groups as all parties agreed that it could impact revenues. Staff suggested that by including the private property owner that owns sites, it would expedite implementation. In summary, staff recommended to negotiate exclusively with CBS Outdoor to work with McCarthy Ranch and Milpitas Automotive Group.
- Chair/Mayor Livengood asked each of the three groups to make a five minute presentation regarding their proposals.



Chair/Mayor Livengood introduced Milpitas Automotive Group.

Kai Giffin, representing CBS Outdoor with Milpitas Automotive Group, said this is the same proposal that was submitted to the Simon Company for the 680 existing sign site. He explained their proposal to the Economic Development Subcommittee and urged the Subcommittee to approve their proposal.

Chair/Mayor Livengood asked Mr. Giffin what he thought of staff's recommendation. Mr. Giffin said he has no problem with staff's recommendation, however, when there is a forced partnership with two parties, there could be impasses and the City would have to mediate.

Councilmember Polanski asked where the proposed signs would be located. Mr. Giffin said the proposed signs would be located on Piercey Toyota's property and would include the current sign on I-880, and would also look for other sign locations along I-880 and I-680.

Councilmember Polanski asked about CBS outdoor and Mr. Giffin said they do the high quality LED signs similar to sporting events.

Councilmember Polanski asked if the lights would be too bright at night and Mr. Giffin said that there are state laws that regulate the brightness of the signs, and he also pointed out the signs have dimmers at night and there will be a test program to test the signs.

Mayor Livengood introduced McCarthy Ranch.

Bill Hooper, President of Clear Channel and representing McCarthy Ranch, explained their proposal to the Economic Development Subcommittee and urged the Subcommittee to approve their proposal.

Mayor Livengood asked Mr. Hopper why his projected sales revenue of \$4 million at 80% was significantly lower than the other proposals. Mr. Hopper said considering the current market, they were giving a more conservative approach.

Councilmember Polanski asked about if the lights would be too bright at night. Mr. Hopper said they do not receive complaints about sign lights being too bright and that they are regulated.



Chair/Mayor Livengood introduced Media Management.

Michael Pauls, representing Media Management Services, Inc., explained their proposal to the Economic Development Subcommittee and urged the Subcommittee to approve their proposal.

Mayor Livengood asked Mr. Pauls if he felt that dividing up the proposal among different companies would be a good or bad thing. Mr. Pauls said it could be a good thing but not necessarily disastrous.

Councilmember Polanski said she watched the Super Bowl and felt it was difficult for advertisers to sell their ads. She hopes that advertisers will want to advertise on freeways and digital signs.

Mayor Livengood opened the public hearing.

Tony Morici, Milpitas Square property owner, said they are going through the long term development proposal for the 17-acre Milpitas Square property. As part of the environmental review they are proposing two LED signs.

There were no other speakers.

Councilmember Polanski said she is trying to understand staff's recommendation.

Ms. Barnhart explained they brought everyone to the table and saw a mutual benefit to work with CBS Outdoor, McCarthy Ranch and Milpitas Automotive Group.

Councilmember Polanski said she would like all the companies to work together and she is not sure of staff's recommendation.

Mayor Livengood felt it was very difficult to look at the projected revenues from all three proposals because they are very different and hard to make sense of. He said this started out as an economic development issue to generate revenue and felt it was a benefit to have one person to selling the advertising. He recommended that staff work with McCarthy Ranch and Milpitas Automotive Group and compare apples to apples. He also felt that McCarthy Ranch, Piercey Toyota, the Great Mall, the area near the Sheraton, I-680 and I-880 in Milpitas need to have a sign.



Councilmember Polanski recommended that Item No. 4 (Freeway signage) be taken off the agenda and would like staff to compare apples for apples such as having the same signs, same locations, same number of fronts, same LED screens, and state how much revenue will be generated.

Further discussion ensued among the Subcommittee members and the representatives of the proposals.

Motion to move forward with CBS Outdoor with Milpitas Automotive Group and McCarthy Ranch and compare apples to apples and have them work with staff and come back to the subcommittee within 30 days.

M/S: Polanski/Livengood Ayes: 2 Noes: 0

**V. Meeting
Schedule**

Councilmember Polanski and Mayor Robert Livengood agreed that the Economic Development Subcommittee meet the third Monday of the month.

VI. Adjournment

Chair/Mayor Robert Livengood adjourned the meeting at 6:26 p.m. to the March 16, 2009 meeting.

Respectfully submitted,

Veronica Bejines, Recording Secretary