



City Of Milpitas
Economic Development Subcommittee
Milpitas City Hall Committee Meeting Room
UNAPPROVED MINUTES
May 16, 2011

- I. Call to Order / Roll Call**

Mayor Esteves called the meeting to order at 5:30 PM.

Present: Mayor Esteves and Vice Mayor McHugh; City Manager Tom Williams, Economic Development Manager Diana Barnhart and Recording Secretary Veronica Bejines; Chamber President Robert Paedon and Chamber CEO Carol Kassab.

Absent: None
- II. Approval of Agenda**

Motion: to approve the agenda, as submitted

Motion/Second: Vice Mayor McHugh/Mayor Esteves

Motion carried by a vote of: Ayes: 2
Noes: 0
- III. Approval of Unapproved Minutes**

Motion: to approve the unapproved Minutes, as submitted

Motion/Second: Vice Mayor McHugh/Mayor Esteves

Motion carried by a vote of: Ayes: 2
Noes: 0
- IV. Public Forum**

None.
- V. Chamber of Commerce Contract for Business Retention and Attraction**

Diana Barnhart, Economic Development Manager, introduced Chamber of Commerce President Robert Paedon, who presented a proposal for business retention and attraction services.

Vice Mayor McHugh asked how the Chamber will be compensated for their services.

City Manager Williams felt that the Chamber contract would be performance based like a consultant contract, performing the work first and receiving payment afterwards for services rendered.

Mr. Paedon said they would like to be paid up front with a quarterly review.

Chamber CEO Carol Kassab said she has been meeting with



businesses and having procurement meetings with fortune 500 companies and has an extensive network. She felt that with her outreach, she would be able to compliment what the City is doing to retain and attract businesses in Milpitas.

Motion: to recommend to the City Council that \$20,000 be made available to the Chamber of Commerce for the first quarter.

Motion/Second: Mayor Esteves/Vice Mayor McHugh

Motion carried by a vote of: Ayes: 2
Noes: 0

Vice Mayor McHugh asked the source of the \$20,000 and City Manager Williams said the redevelopment funds.

Vice Mayor McHugh said that he would like to have the contract measurements at the next June Subcommittee meeting and Ms. Barnhart concurred.

Mayor Esteves pointed out that the Economic Development Commission also has a business retention program. Ms. Barnhart said that she would like the Chamber to meet with the Economic Development Commission Business Retention/Attraction Subcommittee to make sure they are not duplicating efforts but complementing each other.

Mayor Esteves said this is a very ambitious process and would like a report every three months.

In response to a question from Mayor Esteves, Ms. Barnhart indicated that the City provided a loan of \$1.0 million to Flextronics and of \$1.5 million to Sunpower.

After further discussion, the Subcommittee decided to meet on Monday, June 13th at 5:30 p.m. in the Committee Conference Room to discuss the Chamber of Commerce performance measurements. The Vice Mayor also requested that the attachments be e-mailed to him by Thursday, June 9th so that he can review the contract. The Subcommittee would also like this item to be added to the City Council Agenda for approval at the June 21st meeting.

Vice Mayor McHugh reiterated that the City is only making a one year commitment. Mr. Paedon said the Chamber would like a three year commitment, but one year is fine.



**VI. Marketing
Milpitas**

Ms. Barnhart announced that the Economic Development Commission voted unanimously at the Commission meeting on May 9th to recommend that the City Council proceed with the attached Request for Qualifications (RFQ) for Marketing and Communications Support and to advertise it through a Free Press Release service. She requested that the Subcommittee support the Commission's recommendations and forward it to the City Council for their consideration. The amount of the RFQ would be a not to exceed amount of \$125,000.

Mayor Esteves inquired about the expectations of the marketing consultant. Ms. Barnhart said the consultant chosen for the marketing campaign will include outreach efforts and implementation and marketing of the city. They will identify what market to target and how to connect with foreign companies, and how to let them know about Milpitas.

City Manager Williams suggested that staff work with the Chamber to get their contract going, and if they are successful, maybe reevaluate this marketing campaign at a later date.

Vice Mayor McHugh pointed out how Sunnyvale has been successful with an aggressive PR campaign and would like to see the same thing for Milpitas. He felt the City has great success stories and would be very supportive of this concept moving forward to City Council for approval.

Mayor Esteves said he would like to see ten strong points in marketing Milpitas to the public. Ms. Barnhart said that Milpitas is in an ideal geographical location and has terrific lease rates.

City Manager Williams said he would like staff to work with the Chamber, utilizing their resources on bringing attention to Milpitas aggressively. He reiterated that he does not want to see the marketing consultant and the Chamber doing the same work.

Vice Mayor McHugh suggested that staff bring back benchmarks to proceed further with the marketing campaign.

After further discussion, staff agreed to bring this item back to the June 13th Subcommittee meeting to see how the marketing consultant and the Chamber of Commerce can work together and will also bring this item forward to the June 21st City Council meeting.



Mayor Esteves asked Ms. Barnhart to attend the next Chamber of Commerce meeting on May 26th. Ms. Barnhart said she would be happy to attend.

**VII. Future Agenda
Items / Next
Meeting**

The next Economic Development Subcommittee meeting is scheduled for Monday, June 13, 2011 at 5:30 p.m. in the Committee Conference Room.

VIII Adjournment

Mayor Esteves adjourned the meeting at 6:31PM.

Respectfully submitted,

Veronica Bejines, Recording Secretary