



# ECONOMIC DEVELOPMENT COMMISSION

## Approved Meeting Minutes

**Date/Time:** Monday, August 8, 2011 at 6:00 p.m.

**Where:** Milpitas City Hall, Committee Conference Room

**Attendants:** Chair Peoples; Commissioners Ablaza, Bhambhra, McEvoy, M. Nguyen, C. Nguyen, Suri, Tsao, Wettenstein and Yu; City Staff Diana Barnhart and Recording Secretary Veronica Bejines

**Excused Absence:** Vice Chair Brahmbhatt and Commissioner Grilli

**Absent:** Commissioner Mulder

### 1. Flag Salute

Chair Peoples called the meeting to order at 6:00 PM and led the Pledge of Allegiance.

### 2. Roll Call and Approval of Alternates

Chair Peoples called for roll and Alternate Commissioners Bhambhra and Suri were seated as part of the voting body.

### 3. Announcements

Mayor Esteves announced that the State budget is taking away redevelopment agency (RDA) money and the City has two options; to either eliminate the local redevelopment agency or pay back millions of dollars. Loss of redevelopment funds will impact the City's budget and the City will have to address an additional \$7 million dollar deficit. Currently, the Governor's budget approval to eliminate RDA or require a payment to stay in business is under litigation. On another note, the City is developing a park north of the Milpitas library, and encouraged the Commission to give their input. Last Thursday, August 4<sup>th</sup>, National Night was held with more than 30 communities who participated. On Tuesday, August 2<sup>nd</sup>, the City Council approved a new preschool that will be located at the Community Center called Elan Esprit. Staff also announced that BART will be coming in 2018. He also mentioned that there are no vacancies on any of the City's Commissions including the Mobile Home Park Board, and there are waiting lists on many of the Commissions, with the exception of one member of the large industry on the Emergency Preparedness Commission. Pension reform was approved for miscellaneous employees at 2.0% at 60 based on an average of the three highest years but the City still needs to make budget cuts to address our deficits. There was no pension reform for public safety. He said the City is back to most likely making tough decisions to budget cuts or other approaches to address the ongoing deficit.

Commissioner Wettenstein announced he attended a "Made in California" meeting hosted by Assemblymember Wieckowski at Solyndra in Fremont. The purpose of the meeting was to develop an initiative to keep manufacturing in California. Eleven businesses attended including representatives from an agriculture business that sold fresh fruits and vegetables, big corporate businesses, smaller businesses, and a medical device company from Union City. Ms. Barnhart added that the Assemblymember is going to propose legislation that the State would not accept the state portion on the use tax of equipment as an incentive to retain and recruit business.

Commissioner Wettenstein announced that a new business is locating from South City to Milpitas.

Chair Peoples announced that a new business, Semicat, which refurbishes high tech equipment, is moving from Fremont to a new 46,000 sq. ft. location in Milpitas.

Chair Peoples had lunch at a new restaurant called Asian Kitchen located at the corner of Serra and Abel next to Subway sandwiches.

Chair Peoples announced that an Auto Broker business was approved by the Planning Commission and is located on Montague Expressway.

Mayor Esteves attended a Ribbon Cutting Ceremony of a new business, Snelling Staffing Services, located at 1156 Jacklin Road. He is also attending a Ribbon Cutting Ceremony on Tuesday, August 9th at Baskin Robbins located at 357 Jacklin Road.

Mayor Esteves said a new Vietnamese restaurant opened at the Old Blockbuster adjacent to Chili's called Yo Pho.

Commissioner Minh Nguyen said King Egg Roll will be opening at the old Denny's Restaurant on Calaveras.

Commissioner Wettenstein announced that Black Bear Diner will be opening soon at the old Bakers Square/Zahir's Restaurant.

Commissioner McEvoy announced that a company called Dialogic, relocated from San Jose and will be moving to a location near Montague and Tasman.

Chair Peoples asked how hotel sales are doing. Commissioner McEvoy said the Crowne Plaza has been good. Occupancy is up however they are anxious as a result of the economy but hotels are remaining cautiously optimistic.

Mayor Esteves asked if the City asked for an increase in the Transient Occupancy Tax (TOT) or hotel tax from 10% to 12%, would it impact the hotel business. Commissioner McEvoy said he does not think it would be a huge impact but anything over 12% would be.

Ms. Barnhart announced that she has been meeting with different companies wanting to locate in Milpitas. One company is a medical electronics firm, with about 35 to 40 employees at high salaries, a good economic company for the City to have. She also met with a German electronics company that does the same thing that Flextronics does. They decided to enter the US market and acquired a company in Sterling, Virginia. They had been looking for a west coast/Silicon Valley location and decided on the west side of I-880 in Milpitas. On another note, she mentioned that she has been getting involved in a lot of calls from businesses who are getting inspected by the City's Fire Prevention division in regards to hazardous materials inspections. The City takes hazardous inspections seriously and follows the City's code on what is allowed and what is not allowed.

Commissioner Yu arrived at 6:30 p.m.

In response to the discussion on inspections, Commissioner Yu asked if the City is on the high regulatory side and Ms. Barnhart said they follow the code and have annual inspections.

#### **4. Public Forum *Please limit comments to 3 minutes***

There were no comments during Public Forum.

#### **5. Approval of Agenda**

Motion: to approve the agenda.

Motion/Second: Suri/C. Nguyen

Motion carried by a vote of:

Ayes: 10

Noes: 0

## **6. Approval of Minutes – June 13, 2011**

Motion: to approve the June 13, 2011 Unapproved Minutes.

Motion/Second: McEvoy/Wettenstein

Motion carried by a vote of:

Ayes: 10

Noes: 0

## **7. South Main Street Entry Sign**

Chair Peoples, Commissioner McEvoy and Commissioner C. Nguyen attended a meeting with the Public Art Subcommittee about the Gateway signs. The group provided their comments and gave input which will be included in the RFP.

## **8. Marketing and Business Attraction Subcommittee**

Commissioner Tsao announced that she could use help in working with the Cupertino Chamber of Commerce and City on the Mandarin “How to Start a Business” event. She will move forward as much as possible and keep the Commission updated.

## **9. Business Retention and Workforce Development**

The Subcommittee did not meet last month.

## **10. Development Review Assistance**

Chair Peoples announced that members from the Development Review Assistance Subcommittee will meet on Wednesday, August 10<sup>th</sup> with members of the Planning Commission. Members of the Economic Development Commission include Chair Peoples, Vice Chair Brahmhatt, Commissioner M. Nguyen and Alternate Commissioner Bhambhra with Commissioner Grilli as the alternate.

## **11. Chamber of Commerce Procurement Expo**

Ms. Barnhart announced that the Chamber of Commerce Procurement Expo will be held on Wednesday, August 17<sup>th</sup> from 9:30 a.m. to 3:00 p.m. at the Embassy Suites and asked if anyone is available to volunteer, please contact her directly.

## **12. Milpitas: Home to Technology Business**

Ms. Barnhart suggested that this item be added to the Marketing and Business Attraction Subcommittee.

## **13. Other Business**

Commissioner Ablaza told the Commission he would like the Marketing and Business Attraction Subcommittee to compare concessions with what other cities are offering businesses.

**14. Adjourn**

The Commission adjourned at 7:30 p.m. to the next regular meeting on Monday, September 12, 2011.