



ECONOMIC DEVELOPMENT COMMISSION

Approved Meeting Minutes

Date/Time: Monday, March 12, 2012 at 6:00 p.m.

Where: Milpitas City Hall, Committee Conference Room

Attendants: Chair Peoples; Vice Chair Brahmabhatt; Commissioners Ablaza, Ahuja, Bayangos, Grilli, C. Nguyen and Tsao; City Manager Tom Williams, Acting Planning & Neighborhood Services Director Felix Reliford, and Recording Secretary Veronica Bejines

Excused Absence: Commissioners Bhambra, McEvoy, M. Nguyen, Suri and Wettenstein

I. Flag Salute

Chair Peoples called the meeting to order at 6:10 PM and led the Pledge of Allegiance.

II. Roll Call and Approval of Alternates

Chair Peoples called for Roll and Alternate Commissioners Ahuja and Bayangos were seated as part of the voting body.

III. Announcements.

Mayor Esteves welcomed new members Sumeet Ahuja and Dinna Bayangos to the Commission.

Mayor Esteves announced that the City Council is currently focused on the \$9.2 million Budget issue from the State taking away the City's Redevelopment Agency monies. He also announced that BART is coming to our area and the projected schedule is early 2017. Homes are continuing to be built in Milpitas and the City Council approved a moratorium on converting industrial land to residential. He also mentioned that the maximum contribution is \$250.00 for Campaign contributions for City elections.

Commissioner Tsao asked when homes are expected to be built and Mr. Reliford said in the next three to four years. He also said that out of the 2,000 homes, 85% will be built in the Midtown Transit Area.

Mayor Esteves announced that the Developer Group that owns the Pacific Mall in Canada bought part of the McCarthy Ranch development.

City Manager Williams said in the future, staff can ask the new developer of the McCarthy Ranch to come and make a presentation to the Commission.

Commissioner Grilli asked what tenants are expected to move into the old Mervyns building and Mr. Williams said LA Fitness Center and Petco.

Commissioner Ablaza arrived at 6:22 p.m.

Chair Peoples gave a brief introduction about the expectations of the Economic Development Commission and requested that staff provide Brown Act training to the new Commissioners.

Vice Chair Brahmabhatt arrived at 6:26 p.m.

Vice Chair Brahmabhatt announced an opportunity to put a charging station in front of City Hall for free. He will get more information and pass it along to the City Manager.

Commissioner Ablaza said the real estate market is doing really well in Milpitas, Cupertino and Saratoga, and homes are going over \$100,000 over listing price and there is very little inventory.

Commissioner Tsao added that retail has been picking up as well and is close to ten percent from the last few years.

Commissioner Bayangos announced that the Season's Marketplace at Landess is at 95% occupancy.

Chair Peoples pointed out that Milpitas is getting a lot of attention because of affordable commercial buildings, however Arcadia is moving to Fremont.

Commissioner Ahuja said that it would be great if the City could do branding that Google employees live in Milpitas.

City Manager Williams said the economy is coming back however the City is still struggling because of the State legislature.

Commissioner Ablaza pointed out that home buyers do not mind paying over \$100k to \$200k over the asking price as long as the School District's scores are over 900.

City Manager Williams pointed out that Ms. Barnhart is still on leave and the Commission could contact him if they have any questions.

IV. Public Forum Please *limit comments to 3 minutes*

There were no comments during Public Forum.

V. Approval of Agenda

Motion: to approve the agenda.

Motion/Second: Brahmhatt/Grilli

Motion carried by a vote of:

Ayes: 8
Noes: 0

VI. Approval of Minutes – January 9, 2012

Motion: to approve the January 9, 2012 Unapproved Minutes as submitted.

Motion/Second: Grilli/Ablaza

Motion carried by a vote of:

Ayes: 4
Noes: 0
Abstain: 4 (Ahuja,
Bayangos, C. Nguyen, and
Tsao)

VII. Old Business

A. MUSD Update

Commissioner Grilli announced that the School District is moving forward with the General Obligation Bond because the only way the School District could build another school is if the Bond passes. Commissioner Grilli, Mike Mendizabal and Nancy Mendizabal started a campaign fundraiser called the Community United for Excellent Milpitas Schools and asked that donations be made to support Milpitas Schools. The measure would generate \$95 million and cost property owners an average of \$50.00 per \$100,000 of assessed value annually.

City Manager Williams pointed out that the City is working with the School District to build a new elementary school in the McCandless area and could put this item on a future agenda.

B. Subcommittee Updates

None

VIII. New Business

A. Moratorium on conversion of industrial land to residential

City Manager Williams said since the approval of the Transit Area Specific Plan and Midtown plan, merchant builders are coming in from the decline in the economy and are able to purchase the industrial land much cheaper. A good example is KB Homes offering to buy Preston Pipelines to build housing, however staff does not think that would be a good location for housing because of active rail roads, no easy way to get there and no school; however he felt it would be a fantastic location for big box retail. The City is having a problem trying to control the job housing market, and staff's recommendation is to slow it down for six months to prevent rezoning from commercial industrial to residential. KLA Tencor relocated all their facilities to Milpitas and is doing very well. Sandisk bought a company and is doing very well. The City is trying to maintain a residential population of 70,000; daytime population is 120,000 and may reach to 130,000; but want to see it at 150,000.

Commissioner Grilli said as a resident, she is pleased with what the City is doing.

Commissioner C. Nguyen said there is a lot of development for high density, but the City has not addressed high end housing.

City Manager Williams said that the Moratorium might tie in with the Marketing Business and Attraction Subcommittee. He also mentioned that he will come back to the Commission with any updates.

Commissioner C. Nguyen requested more data such as projected usage, square footage, growth rate, how much land is left in the City, acreage, residential versus industrial, changing the way industrial land is used, etc. City Manager Williams said the data could be provided a couple of meetings away.

Commissioner Ablaza asked about unincorporated land. City Manager Williams said there are provisions in Measure Z and T that do not allow infrastructure pass Piedmont because of environmental constraints.

Chair Peoples said he would talk to staff regarding adding this item to a subcommittee at a later date.

B. Discussion of what can be done to influence developers to use local sources/companies

Chair Peoples said he wants to see what the City can do to influence developers to shop local.

Commissioner Bayangos pointed out that Seasons Marketplace put over \$20 million dollars in the Home Depot project.

City Manager Williams said the City of Los Gatos has a Community Benefit Ordinance where 10% of the project, either hiring local, brings added value to the schools and parks, to make the community better. He also said that Devcon would be a very good resource. They have done a lot of local projects, are a consultant for the BART project, are going to work on the 49ers stadium, and are a good company with a good reputation.

Commissioner Bayangos said it would be helpful if the City of Milpitas had a link on the website to find local companies/contractors that could bid on potential projects.

Commissioner Tsao said that the Chamber of Commerce might be able to provide a list online.

Commissioner Ablaza suggested that the Commission could come up with a list under the Marketing Subcommittee and everyone agreed.

C. Discussion of “Fiscal Emergency” and what it means for business, image, etc.

City Manager Williams said he heard from Moody's and the fiscal emergency does not affect the City's credit rating. The reason why the City Council declared a fiscal emergency was for putting a possible revenue measure on the June ballot to give the City an advantage for a 50% plus one vote or simple majority vote. The measure would have looked at a ½ cents sales tax or \$8 million in revenue and would have cost the City about \$100,000. 61% was soft support and 51% was hard support.

IX. Other Business

Commissioner Tsao asked if plastic bags are banned in Milpitas. City Manager Williams said the City has a draft ordinance and it is put on hold. He will check with the Assistant City Engineer and report back with the status to the Commission.

X. Adjourn- The Commission adjourned at 8:00 p.m. to the next regular meeting on Monday, April 9, 2012.