



ECONOMIC DEVELOPMENT COMMISSION

Approved Meeting Minutes

Date/Time: Monday, May 13, 2013 at 6:05 p.m.

Where: Milpitas City Hall, Committee Conference Room

Attendants: Councilwoman Montano, Chair Peoples, Vice Chair Brahmbhatt (6:16 pm), Commissioners Ablaza (6:13 pm), Grilli, Holthaus, Howard, C. Nguyen (6:06 pm), Tsao, and Wettstein, Wong; PN&S Director Steve McHarris, Principal Housing Planner Felix Reliford, and Recording Secretary Rachelle Currie City Manager Tom Williams (speaker)

Excused Absence: Commissioners Ahuja, Bhambhra, M. Nguyen

I. **Flag Salute**

Chair Peoples called the meeting to order at 6:05pm and led the Pledge of Allegiance.

II. **Roll Call and Approval of Alternates**

Chair Peoples called for Roll. Commissioners Ahuja, Bhambhra, and M. Nguyen are not present; Vice Chair Brahmbhatt came in at 6:16pm while Commissioners Ablaza and C. Nguyen walked in at 6:13 pm and 6:06pm respectively. Alternate Commissioner Holthaus was seated.

III. **Announcements**

Councilwoman Montano mentioned to the Commission housing development is going on in the South Main Street area.

Commissioner Tsao reminded and invited everyone to the Mandarin Business Seminar in Cupertino on May 15, 2013; she also mentioned at the end of the seminar tickets to the Chamber mixer will be given out. She also said that she will report back at the next meeting about an ICC event to be held on May 30, 2013.

Commissioner Holthaus spoke about a new group, China Silicon Valley, launched at San Jose City Hall. The group is a non-profit corporation committed to promoting investment and business communication and cooperation between China and Silicon Valley. She added that it would be ideal to have a representative to speak at a future commission meeting, and the entire commission concurred.

Chair Peoples said that the Mayor forwarded a web comment email to him regarding a request for an organic grocery store. Planning Director McHarris replied that the City has talked to 3 corporations regarding this issue and will report back to the commission once a definitive outcome is reached. Commissioner Ablaza added that perhaps staff could invite the store contacts at a future commission meeting. City Manager Williams said that the Farm Fresh chain is working with Integral District property group in discussing square footage availability. Nob Hill store in Jacklin Road is closing its doors sometime in Fall due to lack of demand in that area and no support to keep that business in that location. Chair Peoples would like to invite store representatives at future meetings of the commission to hear their concerns. Vice Chair Brahmbhatt said that the City needs higher-end shopping center; Councilwoman Montano asked who owns Nob Hill and City Manager Williams responded Shapell.

Principal Housing Planner announced Community Advisory Commission's mobilehome Park clean-up day scheduled on May 11th. Planning Director McHarris also mentioned DeVries Housing Tour scheduled in the morning of May 18.

IV. **Public Forum (Please *limit comments to 3 minutes*)** None

V. **Approval of Agenda**

Commissioner Howard moved to approve the agenda as submitted and seconded by Commissioner Tsao. The motion carried unanimously.

VI. Approval of Minutes – April 8, 2013

Motion: to approve the April 8, 2013 Unapproved Minutes as submitted.

Motion/Second: Tsao/Howard

Motion carried by a vote of:

Ayes: 8
Noes: 0
Abstain: 2 (Grilli, C. Nguyen)
Absent: 3 (Ahuja, Bhambhra, M. Nguyen)

VII. New Business

A. Update on EB-5 Program

City Manager Williams gave the Commission an overview as to what EB-5 Program is. It is a section in the Immigration Code where an investor needs to invest \$1 million in business within the EB-5 designated area. He said that the \$250,000 funding to get the project started was supposed to be coming from Redevelopment Agency. However, when the State dissolved the RDA and found out about Economic Development Corporation formed by the City, state auditors ordered to return \$39 million back to the Successor Agency. At this point the City is looking for its next move because the funding for this project has been frozen until all the win-down activities are resolved.

Manager Williams said that the City is still pursuing investors privately but we are faced with competitions from cities of Oakland and San Francisco that could offer more than us. Vice Chair Brahmbhatt said that FTZ attracts foreign companies, is Milpitas looking into it? Manager Williams responded yes and reminded the commission that the then-redevelopment agency of San Jose City provided significant dollar amount to FTZ. Councilwoman Montano asked if San Jose provided upfront capital to the FTZ companies. Mr. Williams said yes. A good example is the City of Milpitas was inches away in getting Samsung Company but San Jose came in and offered significant amount that is why we lost Samsung. We are still working to get upfront capital to bring in business and will be easier now that the economy is improving therefore general fund is improving as well.

Chair Peoples verified if the initial buy in is \$250,000; City Manager Williams responded yes because of the paperwork for consultant to work with the potential investor. Commissioner Wettenstein asked if the EB-5 Program designated area is for a million dollar investor, how about half a million dollar investor? Mr. Williams said we could designate half a million dollar investor area depending on the employment of the business investor.

Vice Chair Brahmbhatt briefly mention San Francisco successor of FTS and City Manager Williams said that staff will look at it again to see if there are any changes. Commissioner Wettenstein said a market research study to include FTZ will perk people's interest up. An update is needed from the City to put this item on the Milpitas Chamber meeting and perhaps add this in the Commission's work plan.

B. Potential Support of Sister City Relationships

Chair Peoples told everyone that he attended the April 25th meeting of the Sister City Commission to hear discussion and receive commission's request to expand the Economic Development Commission's role to include support to the Sister City Commission in terms of bringing in economic development aspects of current and

possible future Milpitas sister cities. At this point Chair Peoples introduced Sister City Commissioner Chair Dennis Grilli and Alternate Commissioner Peter Chang to give the entire Commission an overview of this subject matter.

Chair Grilli outlined the purpose of the Sister City Commission to give everyone an idea what this commission does. The Sister City Commission is in negotiation to amend Huizhou's Memorandum of Understanding and possible economic development aspects for both cities (Milpitas and Huizhou) came up. He explained that his commission is not qualified to sit down with both cities representatives and discuss pursuing businesses within the two cities (current or future sister cities). In depth discussion, question and answer portion ensued between the Commission, Chair Grilli and Commissioner Chang with the City Manager responding to some of the questions.

Chair Peoples asked staff to draft a letter to City Council recommending that the Commission will participate with the Sister City Commission to explore economic development aspects and participate with the delegation's meeting coming in August.

Motion: to include participation and provide support to Sister City Commission regarding economic development aspects with the current and possible future Milpitas sister cities by including this item in the Economic Development Commission's work plan and invite Chamber of Commerce to participate as well.

Motion/Second: Grilli/Tsao

Motion carried unanimously.

C. Develop the Commission's goals for the new year and establish 2013 Work Plan

Chair Peoples mentioned to add Foreign Trade Zone, EB-5 Program, and support to Sister City Commission regarding economic development aspects discussion with current and possible future Milpitas sister cities. It was mentioned during the meeting that Savers grocery store is considering leaving City of Milpitas and have someone to reach out to the owners and ask what their concerns are. Business Retention Subcommittee includes Chair Peoples, Commissioners Ablaza and Tsao.

Commissioner Howard moved to make Special Project as a separate subcommittee and for this subcommittee to be flexible as new projects come in and seconded by Commissioner Tsao. The motion carried unanimously. Members are Commissioners Grilli, Holthaus, Howard, Tsao, and Wong.

VIII. Old Business – Discussed during New Business as part of Agenda Item C

IX. Other Business – None

X. Upcoming Events – None

X. Adjourn – Vice Chair Brahmhatt moved, and Commissioner Wettenstein seconded, to adjourn the meeting at 8:00pm to the next regular meeting on June 10, 2013. The motion carried unanimously.