

City Council

Rich Tran, Mayor
Bob Nuñez, Vice Mayor
Karina R. Dominguez, Councilmember
Carmen Montano, Councilmember
Anthony Phan, Councilmember

Members of the Subcommittee

Carmen Montano, Chair
Karina R. Dominguez, Councilmember



MEETING MINUTES

Minutes of: Economic Development Council Subcommittee
Date: Tuesday, March 24, 2020
Time: 4:00 p.m. – 5:30 p.m.
Location: Zoom/Dial-in Conference
(in place of Milpitas City Hall, 455 East Calaveras Blvd.)

- I. Call to Order and Roll Call:** Economic Development Director Alex Andrade called the meeting to order at 4:05 p.m.
- Present: Chair Carmen Montano, Councilmember Karina R. Dominguez, Interim City Manager Steve McHarris, Assistant City Manager Ashwini Katak, City Attorney Chris Diaz, Director of Finance Walter C. Rossmann, and Economic Development Director Alex Andrade
- II. Pledge of Allegiance:** Alex Andrade led the Pledge of Allegiance.
- III. Approval of Agenda:** Chair Carmen Montano motioned to approve the agenda; Councilmember Dominguez seconded. Motion approved 2-0.
- IV. Approval of Minutes:** No prior minutes to approve.
- V. Public Forum:**
- Inderjit Mundra (Vice President of Milpitas Chamber) Asked Finance Director what is the probability metric of the forecasting report? Recommend sending out a survey in order to find out what to do and the priorities for plan of action.
- Galen Boggs (Congressman Ro Khanna's Office) Feel free to reach out to Congressman Khanna's office as a resource.
galen.boggs@mail.house.gov
- Jerry Wang (Celsius Ice Cream) Rent and expenses estimated at \$10K/month and there's little resources to help with that. Mentioned big tech companies are supportive of small business during this time and are offering small grant services.

Dennis King (Executive Director, Small Business Development Center) will assist the Office of Economic Development in supporting small business owners in securing funds during the COVID-19 pandemic.

Warren Wettenstein (President of Milpitas Chamber) Of the approximately 4K business, most are small businesses with rent & payroll concerns. Recommends no business relocation since it is a longer-term solution with limited resources.

Nina (Noodle Restaurant near Dixon) Revenues down 60-70%, can't cover rent or payroll. How will the City help with rent?

Eric Zang (VIOC Automotive Repair Services) Applied for SBA loan but did not qualify, seeking other resources.

VI. New Business:

Discussion topics listed below focus on COVID-19 responses and recovery actions.

1. Select Chair - Councilmember Dominguez motioned to nominate Councilmember Carmen Montano. Council Member seconded. Motion approved 2-0.
2. Presentation of COVID-19 Preliminary Fiscal Impact by Walter C. Rossmann, Finance Director.
 - Reported loss of tax revenues to City budget due to decrease in sales, licenses and permits, TOT, and hospitality taxes.
 - Preliminary budget and forecast report indicate a loss to tax revenues at least \$10M for both FY2020-2021 and FY2021-2022, subject to change.
 - Recommend temporary hiring freeze and expenditure freeze for non-essential activities to support COVID-19 activities and ensure savings this fiscal year to be applied to next fiscal year.
 - Chair Montano asked about wages freezes. Finance Director reported that MOU with Labor Union representation requires Council direction.
 - Chair Montano asked if a recession happens what is the buffer time to have the financial continuity for City services. Finance Director reported that if the recession is ongoing like the Great Recession, then reserves will not sustain City and will have to decrease expenditures.
 - Chair Montano asked what percentage of small businesses contribute to sales tax. Economic Development Director reported that the majority of our sales taxes originate from our small businesses.

3. **Adopt Subcommittee Purpose**
Subcommittee purpose is to assist and preserve small businesses with various types of business assistance and relief.

4. **Draft Work Plan Discussion**
 - *Small business loan programs that provides rent relief and aid in reducing layoffs;
 - *Assist small businesses with resources available from federal, state, and county, and assist with marketing and promotions of local businesses;
 - *Economic stimulus supplements;
 - Business relocation
 - *Stimulate business recovery and increase revenues for business (such as restaurants through promotions effort);
 - *Develop co-op business model for multiple businesses operating in one location;
 - *Partner with Silicon Valley Small Business Development Center for business assistance and guidance;
 - *Participate on Silicon Valley Strong Initiative;
 - *Commercial eviction moratorium;
 - *Develop and issue a business survey;
 - *Change Subcommittee name to something more relative to small business assistance and relief;
 - *Subcommittee is temporary ad hoc as it was established under Council action of adopting a Resolution to ratify the City of Milpitas Emergency Proclamation regarding COVID-19.

- * These items had consensus.

5. Subcommittee meeting schedule through June 2020.
 - Identified next meeting on the week of April 6, 2020.

VII. Other Business: No other business was discussed.

VIII. Next Meeting:

IX. Adjournment: Chair Montano adjourned the meeting at 6:07 PM.