

MINUTES OF THE CITY COUNCIL

SAN JOSÉ, CALIFORNIA

TUESDAY, MARCH 11, 2008

The Council of the City of San José convened in regular session at 9:30 a.m. in the Council Chambers at City Hall.

Present: Council Members - Campos, Chirco, Chu, Constant, Cortese, Liccardo, Nguyen, Oliverio, Pyle; Reed.

Absent: Council Members - Williams. (Excused)

Upon motion unanimously adopted, Council recessed at 9:31 a.m. to a Closed Session in Room W133, (A) to confer with Labor Negotiator pursuant to Government Code Section 54957.6: City Negotiator: City Manager Designee Alex Gurza; Employee Organizations: (1) San José Police Officers' Association; (2) International Brotherhood of Electrical Workers, Local 332; (3) International Association of Firefighters (IAFF), Local 230.

By unanimous consent, Council recessed from the Closed Session at 10:59 a.m. and reconvened at 1:30 p.m. in the Council Chambers.

Present: Council Members - Campos, Chirco, Chu, Constant, Cortese, Liccardo, Nguyen, Oliverio, Pyle, Williams; Reed.

Absent: Council Members - None.

INVOCATION

Chaplain Javier Loera of the Calvary Chapel and San José Police Department presented the Invocation. (District 3)

PLEDGE OF ALLEGIANCE

Mayor Reed led the Pledge of Allegiance.

ORDERS OF THE DAY

Upon motion by Council Member Pyle, seconded by Council Member Campos and carried unanimously, the Orders of the Day and the Amended Agenda were approved, Item 2.9 was dropped; Item 3.2 was deferred to March 18, 2008, and Item 4.6 was deferred to April 8, 2008.

Dan Fenton of Team San José expressed sadness on the great loss of Dee Rogers, an 18-year employee of the City of San José, and spoke of her many contributions.

CEREMONIAL ITEMS

1.1 Presentation of a Business Appreciation Commendation to Meg Whitman in recognition of 10 years as President and CEO of eBay Inc. and her contributions to the evolution and transformation of global e-commerce. (Mayor)

Action: Mayor Reed recognized and commended Meg Whitman for serving 10 years as President and CEO of eBay Inc. and for her contributions to the evolution and transformation of global e-commerce.

1.2 Presentation of a commendation to Father Eugene Boyle for his outstanding commitment and dedication to the well being of all through community service. (Mayor/Cortese)

Action: Mayor Reed and Vice Mayor Cortese commended Father Eugene Boyle for his commitment, dedication and outstanding community service.

1.3 Presentation of a commendation recognizing Yeh Fei Pai, internationally known master artist and Chinese brush painter, for the artwork and the arts education he has brought to the San José area. (Chu)

Action: Mayor Reed and Council Member Chu recognized and commended Yeh Fei Pai for the artwork and arts education he has brought to the San José area.

CONSENT CALENDAR

Upon motion by Council Member Chirco, seconded by Council Member Constant, and carried unanimously, the Consent Calendar was approved and the below listed actions were taken as indicated. (11-0)

2.2 Final adoption of ordinances.

- (a) **ORD. NO. 28249** – Rezoning certain real property situated at the northeast corner of Monterey Road and Umbarger Road (2680 Monterey Road) to CN Commerical Neighborhood Zoning District. C07-092.

Documents Filed: Proof of Publication of the title of Ordinance No. 28249 executed on March 4, 2008, submitted by the City Clerk.

Action: [Ordinance No. 28249](#) was adopted. (11-0.)

- (b) **ORD. NO. 28250** – Rezoning certain real property situated on the north side of San Felipe Road approximately 650 feet south of Fowler Road (3810 San Felipe Road) to R-1-5 Single Family Residence Zoning District. C07-093.

Documents Filed: Proof of Publication of the title of Ordinance No. 28250 executed on March 4, 2008, submitted by the City Clerk.

Action: [Ordinance No. 28250](#) was adopted. (11-0.)

- (c) **ORD. NO. 28251** – Rezoning certain real property situated on the east side of Almaden Road, approximately 450 feet southerly of McKean Road (19600 Almaden Road) to A(PD) Planned Development Zoning District. PDC07-037

Documents Filed: Proof of Publication of the title of Ordinance No. 28251 executed on March 4, 2008, submitted by the City Clerk.

Action: [Ordinance No. 28251](#) was adopted. (11-0.)

- (d) **ORD. NO. 28252** – Rezoning certain real property at the southwesterly corner of Eberly Drive and Neilson Court to A(PD) Planned Development Zoning District. PDC07-100

Documents Filed: Proof of Publication of the title of Ordinance No. 28252 executed on March 4, 2008, submitted by the City Clerk.

Action: [Ordinance No. 28252](#) was adopted. (11-0.)

- (e) **ORD. NO. 28253** – Rezoning certain real property situated at the south side of East Taylor Street approximately 90 feet westerly of North 20th Street (944 East Taylor Street) to A(PD) Planned Development Zoning District. PDC07-003

Documents Filed: Proof of Publication of the title of Ordinance No. 28253 executed on March 4, 2008, submitted by the City Clerk.

Action: [Ordinance No. 28253](#) was adopted. (11-0.)

- 2.2 (f) **ORD. NO. 28254 – Rezoning certain real property situated at the southwest corner of the intersection of Airport Parkway and Old Bayshore Highway (40 and 50 Airport Parkway), from IP Industrial Park Zoning District to A(PD) Planned Development Zoning District. PDC06-130**

Documents Filed: Proof of Publication of the title of Ordinance No. 28254 executed on March 4, 2008, submitted by the City Clerk.

Action: [Ordinance No. 28254](#) was adopted. (11-0.)

- (g) **ORD. NO. 28255 – Rezoning certain real property situated on the north side of Los Esteros Road, 2,000 feet east of Grand Avenue (675 Los Esteros Road), from A(PD) Planned Development Zoning District to A(PD) Planned Development Zoning District. CEQA: Resolution to be adopted. PDC006-120**

Documents Filed: Proof of Publication of the title of Ordinance No. 28255 executed on March 4, 2008, submitted by the City Clerk.

Action: [Ordinance No. 28255](#) and [CEQA Resolution No. 74272](#), entitled “A Resolution of the City Council of the City of San José Making Certain Findings Concerning Significant Effects, Mitigation Measures, Adopting a Mitigation Monitoring and Reporting Program, and Making Findings Concerning Alternatives for the Zanker Material Recycling Facility Project (File No. PDC06-120), for which an Environmental Impact Report has been Prepared in Accordance with the California Environmental Quality Act of 1970, as Amended.” was adopted. (11-0.)

- (h) **ORD. NO. 28256 – Rezoning certain real property situated at the west side of North First Street at River Oaks Place to the A(PD) Planned Development Zoning District. PDC07-057**

Documents Filed: Proof of Publication of the title of Ordinance No. 28256 executed on March 4, 2008, submitted by the City Clerk.

Action: [Ordinance No. 28256](#) was adopted. (11-0.)

- 2.3 (a) **Adoption of the following 2007-2008 Appropriation Ordinance and Funding Sources Resolution amendments in the General Fund (Fund 001):**

- (1) **Increase the estimate for Transfers and Reimbursements by \$400,000; and**
- (2) **Establish an appropriation to the Police Department for the South San José Police Substation Interior Public Art in the amount of \$400,000.**

2.3 (Cont'd.)

- (b) **Adoption of the following 2007-2008 Appropriation Ordinance amendments in the Construction Tax and Property Conveyance Tax Fund: Parks Purposes Council District #2 (Fund 378):**
 - (1) **Establish a Transfer to the General Fund to Reimburse Los Paseos Youth and Family Project Costs in the amount of \$200,000; and**
 - (2) **Decrease the Ending Fund Balance by \$200,000.**
- (c) **Adoption of the following 2007-2008 Appropriation Ordinance amendments in the Construction Tax and Property Conveyance Tax Fund: Parks Purposes Council District #4 (Fund 381):**
 - (1) **Establish a Transfer to the General Fund to Reimburse Alviso Education Center Project Costs in the amount of \$100,000; and**
 - (2) **Decrease the Ending Fund Balance by \$100,000.**
- (d) **Adoption of the following 2007-2008 Appropriation Ordinance amendments in the Construction Tax and Property Conveyance Tax Fund: Parks Purposes Council District #5 (Fund 382):**
 - (1) **Establish a Transfer to the General Fund to Reimburse TRAIL: Silver Creek/Wenlock Drive Project Costs in the amount of \$100,000; and**
 - (2) **Decrease the Ending Fund Balance by \$100,000.**

CEQA: Mitigated Negative Declaration, File No. PP04-304. (City Manager's Office)

Documents Filed: Memorandum from Deputy City Manager Ed Shikada and Budget Director Larry D. Lisenbee, dated February 19, 2008, recommending adoption of appropriation actions for interior artwork at the South San José Police Substation.

Action: [Ordinance No. 28264](#), [Ordinance No. 28265](#), [Ordinance No. 28266](#), and [Ordinance No. 28267](#) and [Resolution No. 74273](#) were adopted. (11-0.)

- 2.4 **Approval of award of open purchase orders for supplies, materials, equipment and services for FY 2007-2008 #6 and authorization for the Director of Finance to execute the purchase orders. CEQA: See Administration's memo to Council for specific CEQA clearance determinations on each recommended action. (Finance)**

Documents Filed: Memorandum from Director of Finance Scott P. Johnson, dated February 19, 2008, recommending approval of an award of open purchase orders.

Action: The award of open purchase orders for supplies, materials, equipment and services for FY 2007-2008 #6 was approved, and the Director of Finance was authorized to execute the purchase orders. (11-0.)

2.5 Adoption of the following 2007-2008 Appropriation Ordinance and Funding Sources Resolution amendments in the Stores Fund:

(a) Increase the Inventory Purchases appropriation by \$400,000.

(b) Increase the estimate for Transfers by \$400,000.

CEQA: Not a Project. (Finance/City Manager's Office)

Documents Filed: Memorandum from Director of Finance Scott P. Johnson and Budget Director Larry D. Lisenbee, dated February 19, 2008, recommending adoption of appropriation ordinance and funding sources resolution amendments.

Action: [Ordinance No. 28268](#) and [Resolution No. 74274](#) were adopted. (11-0.)

2.6 (a) Adoption of a resolution:

(1) Authorizing the Director of Finance to execute a second amendment to the existing Electronic Citation System Agreement with 3iInfotech, Inc. to extend the term by an additional six months from February 29, 2008 through August 29, 2008, amend the scope, and increase the contract amount by \$18,200 from \$782,320 for a total contract amount of \$800,520; and

(2) Amending Resolution No. 73374 to reduce the original contract contingency of \$36,680 in the 2002-2003 California Law Enforcement Equipment Program by \$9,100, and authorize the Director to execute change orders not to exceed the revised contingency amount of \$27,580.

(b) Adoption of the following 2007-2008 Appropriation Ordinance and Funding Sources Resolution amendments in the General Fund:

(1) Increase the Non-Personal Appropriation to the Police Department by \$9,100; and

(2) Increase the Revenue from Local Agencies estimate by \$9,100.

CEQA: Not a Project. (Finance/City Manager's Office)

Documents Filed: Memorandum from Director of Finance Scott P. Johnson and Budget Director Larry D. Lisenbee, dated February 19, 2008, recommending adoption of a resolution and adoption of appropriation and ordinance and funding sources resolution amendments.

In response to Council inquiries, San José Deputy Chief Christopher Moore provided an update on the electronic citation program.

Public Comments: William Garbett expressed concerns that the electronic citation program could lead to unfair practices due to its lack of digitized signatures.

2.6 (Cont'd.)

Action: Upon motion by Council Member Chirco, seconded by Council Member Constant and carried unanimously, [Resolution No. 74275](#), entitled: “A Resolution of the Council of the City of San José Authorizing the Director of Finance to Execute a Second Amendment to the Existing Agreement with 3i Infotech, Inc., for an Electronic Citation System for the Police Department and to Amend Section 2 of Resolution 73374 to Reduce the Original Contingency Amount”, [Ordinance No. 28269](#), and [Resolution No. 74276](#) were adopted, with Staff directed to follow up with a complete progress report in one year. (11-0.)

2.7 **Accept the Annual Progress Report on the Implementation of the San José 2020 General Plan Housing Element covering the period from July 2006 through December 2007. CEQA: Not a Project. (Housing/Planning, Building and Code Enforcement)**

Council Member Liccardo pulled this item to update his colleagues and to speak in support of the Inclusionary Housing Policy.

Documents Filed: Memorandum from Director, Planning, Building and Code Enforcement, Joseph Horwedel and Director of Housing Leslye Krutko, dated February 14, 2008, recommending acceptance of the annual Progress Report on the Implementation of the San José 2020 General Plan Housing Element.

Action: Upon motion by Council Member Liccardo, seconded by Council Member Pyle and carried unanimously, the Annual Progress Report on the Implementation of the San José 2020 General Housing Element was accepted. (11-0.)

2.8 **Approval of an amendment to the Aborn Park Master Plan to allow for the development and construction of a new play lot. CEQA: Exempt, File No. PP07-265. Council District 8. (Parks, Recreation and Neighborhood Services)**

Documents Filed: Memorandum from Director of Parks, Recreation and Neighborhood Services Albert Balagso, dated February 19, 2008, recommending approval of an amendment to the Aborn Park Master Plan.

Action: The amendment to the Aborn Park Master Plan to allow for the development and construction of a new play lot was approved. (11-0.)

2.9 **Adoption of a resolution:**

- (a) **Authorizing the City Manager, or designee, to accept, and to negotiate and execute, upon receipt, a grant agreement with the California Integrated Waste Management Board (CIWMB) for a Waste Tire Amnesty Event Program in the amount of up to \$30,000 for FY 2007-2008; and**
- (b) **Authorizing the City Manager, or designee, to apply for, to accept, and to negotiate and execute upon receipt, a grant agreement with the CIWMB for the subsequent four fiscal years, FY 2008-2009 through FY 2011-2012.**

CEQA: Exempt, File No. PP07-023. (Planning, Building and Code Enforcement)

2.9 (Cont'd.)

Documents Filed: Memorandum from Director, Planning, Building and Code Enforcement, Joseph Horwedel, dated February 19, 2008, recommending adoption of a resolution.

Action: Dropped per Administration.

2.10 Adoption of the following Appropriation Ordinance and Funding Sources Resolution amendments in the Services for Redevelopment Capital Projects Fund (City-side Redevelopment Fund) for 2007-2008:

- (a) **Increase the estimate for Earned Revenue by \$106,002.**
- (b) **Increase the appropriation to the Department of Public Works for the Kingman Avenue and Leigh Avenue, San Antonio Avenue and Scharff Avenue Traffic Signal Installation Projects (PSM #497 Amendment 1) in the amount of \$106,002.**

CEQA: Exempt, File No. PP06-210. Council District 5. SNI: Mayfair. (Public Works/ City Manager's Office)

Documents Filed: Memorandum from Director of Public Works Katy Allen and Budget Director Larry D. Lisenbee, dated February 19, 2008, recommending adoption of appropriation ordinance and funding sources resolution amendments.

Action: [Ordinance No. 28270](#) and [Resolution No. 74277](#) were adopted. (11-0.)

2.11 Request for an excused absence for Councilmember Chirco from the evening Meeting of the City Council on February 26, 2008 due to Authorized City Business: Cambrian School District/Kramer Project Development Company Appreciation Event. (Chirco) (Rules Committee referral 2/27/08)

Documents Filed: Memorandum from Council Member Chirco, dated February 25, 2008, requesting an excused absence from the evening Council Meeting of February 26, 2008, due to authorized City Business. (11-0.)

Action: The absence was excused. (11-0.)

2.12 Request for an excused absence from the Regular Meeting of the City Council of February 26, 2008 and the Regular Meeting of the Rules and Open Government Committee of February 27, 2008 due to Authorized City Business: Meetings with Federal Legislators in Washington D.C. from Tuesday, February 26, 2008 through Thursday, February 28, 2008. (Reed)

Documents Filed: None.

Action: The absence was excused. (11-0.)

END OF CONSENT CALENDAR

At approximately 2:10 p.m., the City Council convened as the San José Financing Authority to jointly consider the City's outstanding variable rate bonds impacted by recent downgrade of bond insurers (see separately, Special Minutes of the Joint City Council San José Financing Authority, dated March 11, 2008).

At approximately 2:30 p.m., the joint meeting was adjourned, and the Redevelopment Agency convened. At approximately 2:45, the RDA adjourned, and the regular meeting of the City Council resumed.

STRATEGIC SUPPORT SERVICES

3.2 Report of the Rules and Open Government Committee – February 27, 2008 Mayor Reed, Chair

Action: Deferred to March 18, 2008 per Orders of the Day.

3.4 Report of the Rules and Open Government Committee – February 6, 2008 Mayor Reed, Chair

Documents Filed: The Rules and Open Government Committee Report, dated February 6, 2008.

Action: Upon motion by Council Member Oliverio, seconded by Council Member Chirco and carried unanimously, the Rules and Open Government Committee Report and the Actions of February 6, 2008 were accepted. (11-0.)

3.5 Report of the Rules and Open Government Committee – February 13, 2008 Mayor Reed, Chair

Documents Filed: The Rules and Open Government Committee Report, dated February 13, 2008.

Action: Upon motion by Council Member Oliverio, seconded by Council Member Chirco and carried unanimously, the Rules and Open Government Committee Report and the Actions of February 13, 2008 were accepted. (11-0.)

3.6 Report of the Rules and Open Government Committee – February 20, 2008 Mayor Reed, Chair

Documents Filed: The Rules and Open Government Committee Report, dated February 20, 2008.

Action: Upon motion by Council Member Oliverio, seconded by Council Member Chirco and carried unanimously, the Rules and Open Government Committee Report and the Actions of February 20, 2008 were accepted. (11-0.)

- 3.7 (a) **Approval of Amendment No. 3 to the Naming Rights and Trademark License Agreement among the City, San José Arena Management, San José Sharks and Hewlett Packard Corporation removing certain restrictions on the use of a portion of the funds received by the City in exchange for the Arena naming rights.**
- (b) **Adoption of a resolution specifying the City Council’s intent to use the additional funds from the Naming Rights Agreement for any use allowed under the Council Expenditure and Reimbursement Policy, except personnel.**
(Rules Committee referral 1/30/08)
(Deferred from 2/12/08 – Item 3.5, 2/26/08 – Item 3.5, and 3/4/08 – Item 3.11)

Documents Filed: (1) Memorandum from City Attorney Doyle, dated January 31, 2008, recommending approval of an amendment and adoption of a resolution. (2) Supplemental memorandum from City Attorney Doyle, dated March 5, 2008, revising the terms of the agreement.

Chief Deputy General Counsel Patricia Deignan responded to questions from Staff.

City Clerk Lee Price clarified the process for tracking expenditures and rebudget of remaining funds, as part of the budget process.

Action: Council Member Chirco moved approval of the Staff recommendations as amended, to direct that unexpended funds be subject to automatic rebudget at the end of each fiscal year. Council Member Oliverio seconded the motion. On a call for the question, the motion carried unanimously as amended, and [Resolution No. 74285](#), entitled “A Resolution of the Council of the City of San José Specifying the City Council’s Intent to Use the Additional Funds from the Naming Rights and Trademark License Agreement among the City, San José Arena Management, San José Sharks and Hewlett Packard Corporation for Constituent Outreach in Compliance with the Council Expenditure and Reimbursement Policy” was adopted. (11-0.)

COMMUNITY & ECONOMIC DEVELOPMENT

4.1 Report of the Community & Economic Development Committee – February 25, 2008 Councilmember Pyle, Chair

Documents Filed: Report of the Community & Economic Development Committee of February 25, 2008.

Action: Upon motion by Council Member Pyle, seconded by Council Member Oliverio and carried unanimously, the Community & Economic Development Committee Report and the Actions of February 25, 2008 were accepted. (11-0.)

4.2 Approval of an ordinance amending Title 14 of the San José Municipal Code, the Public Works And Improvements Code, to add a new Chapter 14.31 to set forth procedures for forming Community Benefit and Improvement Districts, incorporating provisions of the State Property and Business Improvement District Law of 1994. CEQA: Not a Project. (City Attorney's Office)

Documents Filed: Memorandum from City Attorney Doyle, dated February 28, 2008, recommending approval of an ordinance.

Council Member Oliverio provided an overview of the proposed ordinance, as outlined in City Attorney Doyle's memorandum of February 28, 2008.

Council Member Campos expressed concern about the city-wide impacts and questioned the extent of community outreach to business districts and neighborhood associations.

Public Comments: Michael Mulcahy (Willow Glen Business Association) spoke in favor of the proposed ordinance.

Action: Upon motion by Council Member Oliverio, seconded by Council Member Constant, and carried, [Ordinance No. 28271](#), entitled "An Ordinance of the City of San José Amending Title 14 of the San José Municipal Code, the Public Works and Improvements Code, to Add a New Chapter 14.31 to Set Forth Procedures for Community Benefit and Improvement Districts" was passed for publication. (10-1-0. Noes: Campos.)

**4.3 Acceptance of the Small Wonders Workplan Update to enhance the public and pedestrian experience Downtown, and advance the 1st Act Vision. CEQA: Not a Project. (Economic Development)
[Community and Economic Development Committee referral 02/25/08 – Item (c)(3)]**

Documents Filed: (1) Memorandum from Agenda Service Manager, Nadine Nader, dated February 27, 2008, transmitting the "Small Wonders Workplan" presented to the Community and Economic Development Committee on Small Wonders on February 25, 2008. (2) Supplemental memorandum from Chief Development Officer Paul Krutko, dated March 5, 2008 updating the Progress Report on the Small Wonders Workplan.

Assistant Director of Economic Development Kim Walesh and Redevelopment Agency Project Management Director Bill Ekern provided an update on the Small Wonders Workplan.

Deputy Executive Director of the Redevelopment Agency John Weis presented an overview of highrises and residential aspects of the plan.

Action: Upon motion by Council Member Liccardo, seconded by Council Member Oliverio and carried unanimously, the Small Wonders Workplan Update was accepted. (10-0-1. Absent: Constant.)

4.4 Acceptance of the following reports on the Economic and Fiscal Impact of the Proposed Development of the Airport West and iStar Properties:

(a) *Market Assessment and Economic Impact Analysis for Proposed Soccer Stadium in the City of San José* by Dr. Daniel Rascher of SportsEconomics, LLC.

(b) *Fiscal and Economic Impact Analysis of Major League Soccer Stadium Proposal* by Economic and Planning Systems, Inc.

CEQA: Not a Project. Council Districts 2 and 3. (Economic Development)

[Community and Economic Development Committee referral 02/25/08 – Item (d)]

Documents Filed: Memorandum from Agenda Services Manager Nadine Nader dated February 27, 2008, transmitting the Soccer Stadium, Airport West and iStar Development “Cost Benefit Analysis” presented to the Community and Economic Development Committee on February 25, 2008.

Sports Economics Consultant, Dan Rascher presented an overview of the economic and fiscal impact of the proposed development.

Public Comment: Don Gagliardi and Colin McCarthy (Soccer Silicon Valley) spoke in support of promoting soccer as an economic benefit and urged the Council to proceed. William Garbett objected to the Staff report. Bob Brownstein expressed concerns about economic impacts.

Chief Development Officer Paul Krutko responded to questions from Council.

Action: Upon motion from Council Member Pyle, seconded by Council Member Liccardo and carried unanimously, the reports on the Economic and Fiscal Impact of the Proposed Development of the Airport West and iStar Properties were accepted. (11-0.)

4.7 Acceptance of the report as an update on the Housing Department and the Blue Ribbon Commission on Ending Homelessness and Solving the Affordable Housing Crisis' progress towards preventing and ending homelessness in San José. CEQA: Not a Project. (Housing)

[Community and Economic Development Committee referral 2/25/08 – Item (b)(1)]

Documents Filed: Memorandum from Agenda Service Manager Nadine Nader, dated March 5, 2008, transmitting the Final Report on the Blue Ribbon Commission on Homelessness.

Director of Housing Leslye Krutko and Maureen O’Malley-Moore, Assistant to Supervisor Don Gauge, presented a report on homelessness and responded to questions from Council.

Public Comment: Mark Trout spoke off-topic.

4.7 (Cont'd.)

Action: Upon motion by Vice Mayor Cortese, seconded by Council Member Chirco, and carried unanimously, the final report as an update on the Housing Department and the Blue Ribbon Commission on Ending Homelessness and Solving the Affordable Housing Crisis' progress towards preventing and ending homelessness in San José was accepted. (11-0.)

- 4.5 (a) **Adoption of a resolution approving a conditional grant of up to \$6,291,000 to Family Supportive Housing, Inc., or its designee, for predevelopment, construction, and permanent financing of the 36-unit New San José Family Shelter project located at 686 North King Road to be made affordable to extremely low-income (ELI) households.**
- (b) **Adoption of a resolution finding that the use of Redevelopment Tax Increment funds for the New San José Family project is of benefit to the Redevelopment Project Areas in San José.**
- (c) **Approval of the following Appropriation Ordinance amendments in the Multi-Source Housing Fund (Fund 448) for 2007-2008 to:**
- (1) **Establish a new appropriation for the Family Shelter Project in the amount of \$4,000,000.**
 - (2) **Decrease the Unrestricted Fund Balance by \$4,000,000.**

CEQA: Resolution No. 71496, File No. PDC07-015. Council District 3. (Housing/City Manager's Office)

Documents Filed: Memorandum from Director of Housing Leslye Krutko and Budget Director Larry D. Lisenbee, dated February 19, 2008, recommending approval of a funding commitment for the new San José Family Shelter Project.

Public Comments: Trish Crowder spoke in support of the Staff recommendation.

Action: Upon motion by Council Member Liccardo, seconded by Council Member Pyle and carried unanimously, [Resolution No. 74278](#), entitled: "A Resolution of the Council of the City of San José Approving a Resolution (A) Approving a Conditional Grant of up to \$6,291,000 to Family Supportive Housing, Inc., or its Designee, for Predevelopment, Construction, and Permanent Financing of the 36-Unit New San José Family Shelter Project Located at 687 North King Road, to be Made Affordable to Extremely Low Income Households, and (B) Finding that the Use of the Redevelopment Tax Increment Funds Outside of a Redevelopment Project Area for the New San José Family Project is of Benefit to the Redevelopment Project Areas in San José", and [Ordinance No. 28272](#) were adopted. (11-0.)

4.6 **Actions related to the Coyote Valley Specific Plan and the revised Environmental Impact Report.**

Action: Deferred to April 8, 2008 per the Administration.

NEIGHBORHOOD SERVICES

5.2 Adoption of a resolution amending and superseding Parks and Recreation Fees and Charges Resolution (Res. No. 73832) effective April 1, 2008 for the 2008 Summer aquatics Season:

- (a) **Recreational Swim:**
 - (1) Amend the fee for recreational swim to \$2.25 per youth per session and \$3.00 per adult per session; and
 - (2) Establish a rate for seniors and persons with disabilities equal to the youth rate.
- (b) **Group Discounts:** Establish a group discount of \$2.00 per person for pre-registered groups larger than 35 participants for the Summer Swim Programs.
- (c) **Family Pass for Recreational Swim:** Establish a family pass rate of \$9.00 per session of recreational swim for a family of four [Family to include at least one adult and two youth and up to four additional admissions would qualify for the youth rate for a maximum of 8 admissions per family pass or a total of \$18].
- (d) **Individual Recreational Swim Pass:** Amend the fee for admission passes to ten visits for \$20 for youth, seniors and disabled and a pass of 11 visits for \$30 for adults.
- (e) **Swim Lessons:**
 - (1) Increase the fee for entry level swim classes (for nine, 30-minute lessons) to \$50 for youth, seniors and disabled, and \$59 for adults.
 - (2) Increase the fee for competitive swim and junior lifeguard programs (for nine, 65-minute lessons) to \$118 [non-residents will pay an additional \$10 per session, regardless of type].
- (f) **Discounts and Scholarships for Swim Lessons:**
 - (1) Establish a swim lesson discount of \$10 per qualified child per session.
 - (2) Establish a full scholarship opportunity for 25 qualified participants with a preference for siblings in swim lessons [proof of government assistance or other low-income verification is required to be eligible for the scholarship and discounts].

CEQA: Not a Project. (Parks, Recreation and Neighborhood Services)

Documents Filed: (1) Memorandum from Council Member Liccardo, dated March 11, 2008, recommending approval of Staff's proposed fee changes, with the exception of the recreational swim admission fee. (2) Memorandum from Director of Parks, Recreation and Neighborhood Services Albert Balagso, dated February 19, 2008, recommending proposed changes to the fees and charges for the Citywide Aquatics Program. (3) Letter from Rudy Martinez, President, Gardner Advisory Counsel, dated March 10, 2008, in support of the Staffs' recommendations.

Deputy Director of Parks, Recreation and Neighborhood Services, Cynthia Bojorquez presented the Staff report.

5.2 (Cont'd.)

Motion: Council Member Liccardo made a motion to approve the Staff recommendation, as amended, to decrease the fee for youth admission to \$1.00 and with direction to Staff to establish a mechanism for accepting donations for scholarships (as outlined in Council Member Liccardo's memorandum dated March 11, 2008). Council Member Nguyen seconded the motion. Extensive Council discussion followed.

Public comments: Mark Trout spoke off topic.

Motion on the floor failed. (4-7-0. Noes: Campos, Chirco, Constant, Cortese, Oliverio, Pyle, Williams).

Action: Upon motion by Council Member Liccardo, seconded by Vice Mayor Cortese and carried unanimously, [Resolution No. 74279](#), entitled "A Resolution of the Council of the City of San José Setting the Schedule of Fees for the Use of Parks and Recreational Facilities and Repealing Resolution No. 73832, to be Effective on April 1, 2008" was adopted with the following amendments: (1) Youth recreational swim fees to be set at \$2.00. (2) Staff directed to explore options to implement a rewards or discount program for youth swim fees, continue to look for ways to further reduce youth swim fees, and return to the Neighborhood Services Committee with a progress report incorporating Councils' recommendations within 60 days. (3) Staff directed to establish and communicate to local businesses, foundations, and nonprofit organizations a clear mechanism for accepting donations for scholarships for swim lessons and recreation swim. (11-0.)

TRANSPORTATION & AVIATION SERVICES

6.2 **Adoption of a resolution authorizing the City Manager to negotiate and execute a Specialized Aeronautical Services Operation Management Agreement with Atlantic Aviation for the management of City Operated General Aviation facilities on the west side of the Norman Y. Mineta San José International Airport for a five-year term from the date of execution, with the option to extend the agreement for up to three (3) additional one-year periods at the City's sole discretion, and with a minimum annual rent guarantee to the City of \$24,750 per month or 85% of annual gross revenue, whichever is higher. CEQA: Resolution Nos. 67380 and 71451, File No. PP08-030. (Airport)**

Documents Filed: Memorandum from William F. Sherry, A.A.E., Director of Aviation, recommending adoption of a resolution authorizing the negotiating and executing of a Specialized Aeronautical Services Operation Management Agreement with Atlantic Aviation.

6.2 (Cont'd.)

Action: Upon motion by Council Member Liccardo, seconded by Council Member Pyle and carried unanimously, [Resolution No. 74280](#), entitled: “A Resolution of the Council of the City of San José Authorizing the City Manager to Negotiate and Execute a Specialized Aeronautical Services Operation Management Agreement with Atlantic Aviation for a Five-Year Term with the Option to Extend the Agreement for up to Three Additional One-Year Periods with a Minimum Annual Rent Guarantee to the City of \$24,750 Per Month or 85% of Annual Gross Revenue, Whichever is Higher”, was approved. (11-0.)

6.3 Report on Request for Proposal (RFP) for a Closed Circuit Television system for the Norman Y. Mineta International Airport and adoption of a resolution authorizing the Director of Finance to:

- (a) Execute an agreement with 180 Connect Inc. for the purchase and installation of a Closed Circuit Television System for the Norman Y. Mineta San José International Airport, in an amount not to exceed \$1,708,368 including all hardware, software, sales tax, and the first year of maintenance and support and professional services.**
- (b) Exercise four one-year options for ongoing maintenance subject to the appropriation of funds.**
- (c) Execute change orders in an amount not to exceed \$342,000 as contingency to cover unanticipated changes in the system design and/or installation.**

**CEQA: Resolution Nos. 67380 and 71451, File No. PP06-004. (Finance)
(Deferred from 3/4/08 – Item 6.2)**

Documents Filed: Memorandum from Director of Finance Scott P. Johnson, dated February 11, 2008, recommending acceptance of a Report on Request for Proposal (RFP) for a Closed Circuit Television System for the Airport.

Action: Upon motion by Council Member Constant, seconded by Council Member Pyle and carried unanimously, [Resolution No. 74281](#), entitled: A Resolution of the Council of the City of San José Authorizing the Director of Finance to Execute an Agreement with 180 Connect, Inc., for the Purchase and Installation of a Closed Circuit Television System for the Norman Y. Mineta International Airport” was adopted. (11-0.)

OPEN FORUM

- (1) William Garbett voiced concerns on police enforcement tactics and spoke on the issue of homelessness.
- (2) Hoa Truong submitted a letter asking that the Council reconsider its March 4, 2008 vote regarding the Story Road retail area naming issue.
- (3) Mark Trout expressed religious viewpoints and submitted a military research article "Is Military Research Hazardous to Veterans' Health?" for the Mayor and Vice Mayor's consideration.
- (4) Khanh Weinberg (Vice President, Evergreen Valley Recreation Center) submitted a letter proposing that the Evergreen Valley Pool be turned over to the City of San José to be preserved as a community asset.
- (5) Donna Lydon spoke in support of adequately funding City libraries.

ADJOURNMENT

The Council of the City of San José was adjourned at 6:17 p.m. in memory of Dorothy (Dee) Rogers, a City employee of over 18 years at the Convention Center. Dee is survived by her four children, daughters Jaime Garcia and April Jones, and sons Anthony Jones and William Shropshire, and longtime partner Mike Higare. She will be greatly missed.

Minutes Recorded, Prepared and Respectfully Submitted by,

Lee Price, MMC
City Clerk

rmk/10-11-08MIN

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NOTICE OF CITY ENGINEER’S AWARD OF CONSTRUCTION PROJECTS

In accordance with Council Resolution No. 73532, the Construction Contract Process Streamlining Policy approved on December 5, 2006, the following is a list of projects that were awarded or rejected by the Director of Public Works in February 2008:

AWARD:

<u>Project Name</u>	<u>Council District</u>	<u>Contractor</u>	<u>Contract Award Amount</u>	<u>Award Date</u>
Norman Y. Mineta San José International Airport General Engineering Contract 07-08	Citywide	Granite Construction Company	\$226,300	2/14/08
W. Virginia Street Sanitary Sewer Rehabilitation Project	6	Fermin Construction, Inc.	\$143,400	2/15/08
Alma Community Center Phase I Improvements	7	Joseph J. Albanese, Inc.	\$337,700	2/26/08

NOTICE OF CONTRACTS EXECUTED BY COUNCIL APPOINTEES

In accordance with Municipal Code Section 4.04.080, titled “Quarterly Reports”, the following is submitted as a report on contracts executed by Council Appointees or designees during the second quarter of Fiscal Year 2007-2008 (October 1, 2007 – December 31, 2007). The list includes contracts or amendments to contract for services with a value greater than \$100,000 and up to \$250,000 and contracts or amendments to contracts for equipment, supplies, and material with a value greater than \$100,000 and up to \$1 million. Contract amounts are rounded to the nearest dollar. No Council action is being requested with respect to this report.

<u>Contractor</u>	<u>Description of Contract</u>	<u>Amount</u>
Brown Buntin Associates	Preparation of quarterly and annual noise reports as required by the State of California and the Federal Aviation Administration for the Aviation Department	\$250,000
Cheryl Sutton dba Cheryl Sutton Designs	As-needed marketing services for the Housing Department.	\$120,000
Goodwin Simon Victoria Research	Marketing research services for the Environmental Services Department.	\$189,100
KidSportz, Inc.	Recreational classes (martial arts and sports) for residents at City facilities for PRNS.	\$200,000
Tim Bowen dba Play-Well TEKnologies	Recreational classes and day camps (problem solving and critical thinking skills) for youth (ages 4 – 12) at City facilities for PRNS.	\$180,000
Young Rembrandts, LLC	Classes and camps for youth (ages 3.5 – 12) at City facilities for PRNS.	\$180,000

NOTICE OF CONTRACTS EXECUTED BY COUNCIL APPOINTEES (CONT'D.)

Director of Finance Contract Activity – Services

<u>Contractor</u>	<u>Description of Contract</u>	<u>Amount</u>
3i Infotech Inc.	Electronic Citation Hardware/Software for the Police Department.	\$109,032
Aris Helicopters Ltd.	Helicopter Maintenance for the Police Department.	\$158,000
Authentic Restoration	Repair of Cracks and Leaks in Digester Tank Tunnels for Environmental Services; First Amendment to add \$25,000.	\$120,000
Calif. Roofing Co. Inc.	Roofing Services for General Services.	\$120,000
Duran Hogan Construction Inc.	Concrete Removal, Replacement & Repairs at Various Locations for General Services	\$138,000
Information Global Solutions, Inc.	Maintenance, Support and Training for Datastream Application for Information Technology; First Amendment to add \$26,000.	\$103,000
Intergraph Corp.	Integrated Development Tracking System Software Maintenance Support for the Information Technology Department.	\$115,403
JF Pacific Liners Inc.	Storm & Sewer Line Cleaning for Department of Transportation.	\$200,000
Koffler Electrical Inc.	Maintenance & Repair of Motors & Generators for Environmental Services.	\$250,000
Lopes Electric Inc.	Electrical Repairs as needed for General Services.	\$150,000
Oracle Corporation	Oracle/Peoplesoft Licenses for Information Technology Department; First Amendment to add \$19,041.	\$136,826
Pro Sweep Inc.	Power Washing of Downtown Garages for Department of Transportation.	\$145,000
PSC Industrial Outsourcing Inc.	Digester Tank Cleaning Service for Environmental Services.	\$140,000
PSC Industrial	Emergency Clean-Out of Sanitary Line for Environmental Services; Fourth Amendment to Add \$90,000.	\$190,000
RFI Communications and Security System	Maintenance & Repair for Automated Access Control System for Aviation Department; First Amendments to Add \$50,000.	\$125,000
Safety-Kleen Systems Inc.	Hazardous Waste Pick Up and Disposal for Environmental Services; First Amendment to add \$19,000.	\$210,000
San José Boiler Works Inc.	Replace Burners on Two Boilers for Environmental Services.	\$123,898
Sheldrake Mumford	& Resurfacing of Tennis Courts for PRNS; Second Amendment to add \$49,610.	\$219,610

NOTICE OF CONTRACTS EXECUTED BY COUNCIL APPOINTEES (CONT'D.)

Director of Finance Contract Activity – Services

Taser International Inc.		Extended Four Year Warranty for Tasers for Police Department.	\$106,615
Terix Computer Company Inc.		Integrated Billing System (IBS) Hardware/Software Maintenance Support for the Information Technology Department.	\$128,604
Trugreen Landcare		Emergency Tree Work for PRNS; First Amendment to add \$124,990.	\$249,990
Valley Systems	Power	Purchase and Installation of Diesel Exhaust Retrofit Devices for General Services; First Amendment to add \$10,410.72.	\$240,410
Willson Construction		Concrete Sidewalk Removal and Replacement for Department of Transportation.	\$150,000
		<u>Contractor</u>	<u>Description of Contract</u>
			<u>Amount</u>
Bay Area Designz Inc.		Screen Printed Sportswear and Clothing Items for PRNS.	\$200,000
Brodart Inc.		Library Materials.	\$200,000
Butler Health-Lowest	Animal	Veterinary Supplies for PRNS; First Amendment to add \$12,000.	\$101,999
Hoblit Motors		Law Enforcement Sedans for the Police Department.	\$418,867
Hollister Honda Inc.		Motorcycles for the Police Department.	\$114,003
Ingram Services	Library	Library Materials; First Amendment to add \$25,000.	\$125,000
L.N. Curtis & Sons		Equipment for new Fire Apparatus for the Fire Department; First Amendment to add \$85,000.	\$195,000
Maita GEO & GMAC	Chevrolet	Unmarked Sedans for the Police Department.	\$139,873
Motorola CE Inc.		Motorola Radio Equipment for the General Services.	\$243,991
Motorola CE Inc.		Motorola Radios for Office of Emergency Services.	\$198,707
Nortel Networks Inc.		Network Equipment and Software; First Amendment to add \$300,000.	\$400,000
Western Signal LLC	Pacific	Network Switches for Traffic Signal Controller/Firmware Project for the Department of Transportation.	\$234,219
Western Signal LLC	Pacific	Traffic Signal Cabinets for the Department of Transportation.	\$120,000

JOINT REDEVELOPMENT AGENCY ITEM

- 8.1 (a) **Adoption of a resolution by the Redevelopment Agency Board approving a Reimbursement Agreement with Stion Corporation, Inc., in an amount not to exceed \$700,000, for acquisition of capital equipment to be installed in Stion Corporation's industrial and manufacturing headquarters facility in the Edenvale Redevelopment Project Area and making certain findings.**
- (b) **Adoption of a resolution by the City Council directing the City Manager to pursue Employment Training Panel Funds, in an amount up to \$100,000, to support the workforce development efforts of Stion Corporation, Inc.**

CEQA: Resolution No. 67245. [EDENVALE]

Documents Filed: Memorandum from Executive Director of the Redevelopment Agency Harry S. Mavrogenes and City Manager Debra Figone, dated February 28, 2008, recommending a reimbursement agreement with Stion Corporation and assistance in obtaining employment training panel funds.

Chet Farris, President and CEO of Stion Corporation, spoke on Stion's new partnership with the City of San José. Deputy Executive Director of the Redevelopment Agency John Weis responded to questions from Staff.

Action: Upon motion by Council Member Williams, seconded by Council Member Oliverio and carried unanimously, Resolution No. 74282, entitled "A Resolution of the Council of the City of San José Directing the City Manager to Pursue Employment Training Panel Funds, in an Amount up to \$100,000, to Support the Workforce Development Efforts of Stion Corporation, Inc." and Redevelopment Agency Resolution No. 5814 were adopted. (11-0.)

- 8.2 (a) **Adoption of a resolution by the City Council making certain determinations required by Redevelopment Law, Health and Safety Code Section 33445, for Agency funding of the proposed improvements to the Montgomery Theater.**
- (b) **Adoption of a resolution by the Redevelopment Agency Board approving a contract with PCD, in the amount of \$197,496, for the Montgomery Theater Audio Project, authorizing a project contingency in the amount of \$19,750 for a total contract amount of \$217,246; and authorizing the Executive Director to execute changes to the contract subject to the limitations applicable to construction contract change orders.**

CEQA: Not a project. [PARK CENTER PLAZA]

Documents Filed: Memorandum from Executive Director of the Redevelopment Agency Harry S. Mavrogenes, dated February 28, 2008, recommending approval of a contract with PCD for the Montgomery Theater Audio Project.

8.2 (Cont'd.)

Action: Upon motion by Council Member Liccardo, seconded by Council Member Pyle and carried unanimously, Resolution No. 74283, entitled A Resolution of the Council of the City of San José Making Certain Determinations Required by Redevelopment Law, Health and Safety Code Section 33445, for Redevelopment Agency Funding of the Public Improvements for the Montgomery Theater Audio Project” and Redevelopment Agency Resolution No. 5815 were adopted. (11-0.)

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