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MEMORANDUM

TO: Honorable Mayor & City Council **FROM:** Vice Mayor Dave Cortese
SUBJECT: Evergreen Development Policy **DATE:** June 15, 2007

APPROVED:  **DATE:** 6/15/2007

POINT OF CLARIFICATION

Both the initial staff report (dated 6/1/07) and the supplemental staff report (dated 6/14/07) incorrectly state the actions approved by City Council at the May 15th City Council Meeting, with respect to item 10.2 (Evergreen East Hills Vision Strategy - EEHVS), which is the basis for item 4.8 on next week's city council agenda.. For the record, three actions were approved related to the EEHVS. This can be verified by the transcript of the meeting, which has been attached for your review.

1. Part 1 of 5/10/07 Memorandum from Mayor Reed & Councilmembers Constant, Chirco and Pyle: Defer Consideration of all Campus Industrial land conversions associated with the Evergreen-East Hills Vision Strategy (EEHVS) to the General Plan Update, which will be launched in June 2007 and is estimated to be completed by August 2008
2. 5/15/07 Memorandum from Vice Mayor Cortese:
 - a. Amendments to the EDP creating development "triggers" applicable to the Evergreen study area, the intent of which are to ensure that industrial development precedes residential development, allowing possible exemptions for smaller infill properties seeking to develop 25 units or less.
 - b. Amendments to the EDP that incorporate the EEHVS Guiding Principles (as adopted by the city council) into the EDP document as planning goals, to preserve the Task Force's valuable work
 - c. Amendments to the EDP that incorporate the EEHVS Amenity Lists as exhibits in order to memorialize the unfunded infrastructure needs in the study area as determined by the Task Force.
3. Deferral of non-industrial General Plan Amendments to the next General Plan Hearing.

Staff's assertion and the City Council Synopsis statement that the City Council approved, (1) "To provide recommendations and required next steps for ways in which nonindustrial sites may be considered for development; and (2) To provide further analysis on existing and potential future demographics on retail market conditions and demand for services in the Evergreen area, including the Evergreen Valley College site" is **incorrect** and has led to confusion and misunderstanding amongst the community and other interested stakeholders as to what this coming Tuesday's actions will determine. This confusion and misunderstanding is demonstrated by inquiries to my office and as reported by staff in their supplemental memorandum. Unless an immediate clarification is issued by the administration, the City Council should strongly consider deferring this item so as to allow time for the correct information to be transmitted by the administration.

The following transcript is provided for your convenience, but does not represent the official record of this meeting. The transcript is provided by the firm that provides closed captioning services to the City. Because this service is created in real-time as the meeting progresses, it may contain errors and gaps, but is nevertheless very helpful in determining the gist of what occurred during this meeting.

[gavel pounding]

>> Mayor Reed: Good afternoon. I'd like to call the City Council meeting to order for May 15th, 2007. The first item on our agenda as always, is our invocation. Councilmember Campos will introduce our invocator.

>> Councilmember Campos: The pastor from South Bethany church. Leading us in an invocation.

>> Good afternoon. Let us thank God for all we've been given. We pray for God's help to give our leaders the wisdom to lead the city and make decisions that serve our people. To guide them in ways that bring about positive progress, to grant them integrity and honesty. Fill their work with vigor, stamina and a hearty spirit. We pray that God will watch over our people of our city, our state, our nation and our world, for all this we give thanks to God, amen.

>> Mayor Reed: Thank you. We have a special occasion today, for pledge of allegiance. We have two -- children from two different schools here. We have the Alta Vista school district. [pledge of allegiance]

>> Mayor Reed: Thank you. I'd like to thank all of the students who came today. Hope they had a good time and got to see our falcons in action, I hope. If not, you can watch them on the web cam. We're going to take a couple of things out of order today. The first thing I want to do is to report out of closed session. This morning, the City Council unanimously selected Deb Figone to be our next City Manager. I hope Deb is here. Yes, she is! [applause]

>> Thank you, Mayor Reed and men's of the council, members of the public and all my colleagues. I'm thrilled to be here. I'm just so excited to be your next City Manager and I look forward to joining you on July 23rd, when we can all get to work together. So thank you all for this great honor. I won't let you down. Thank you. [applause]

>> Mayor Reed: Now we'll do orders of the day. I have some requests for changes to the agenda. I think item 2.5 C needs to be dropped, that was a request for excused absence that there was no absence for. Item 2.7 to be deferred to June 5th. Item 9.1 to be considered in a joint City Council-redevelopment agency session this afternoon. 3.6, and 3.7, are for -- request to approve positions of support. Any other changes to the agenda as we've got it? Any other additions or drops or deferrals? Okay, is there a motion on orders of the day? Motion to approve orders of the day. All in favor, opposed, none opposed, that motion carries unanimously. We'll now move to the ceremonial portion of the agenda. And I want to invite the City Manager to join me at the podium for the first ceremonial. Before we do that we have something special we're going to do today. I thought it would be nice. We have a whole bunch of school kids here to see this. We're going to do something unannounced. Councilmember Liccardo is going to join me first.

>> Councilmember Liccardo: Thank you, mayor. Kids, listen up because I know you're working hard at school right now and I think this woman is a wonderful example for all of us, away it means when you work hard and what happens. Lily Laos is 86 years young. She has left -- well, let's see, she was last in school in 1937, I believe. And in the meantime she's raised six children. And all six of them have gone on to graduate from college. And several like Robert here her son, have gone on to receive graduate degrees and professional careers. And Lily has just completed her GED and has received it from east side union high school district. And she lives in Naglee park, and we are thrilled to be able to present Lily Liles as a wonderful example of hard work, persistence, and faith will get you. Lily, could you join us? [applause] [applause]

>> Mayor Reed: Never too late to learn and it's never too early to learn. Now, for the first commendation, I'd like to invite Kay Winer to stand in for Les white for a continuation of our pride of San José awards. We have been recognizing teams of San José City Hall people for their outstanding contribution to a lot of events. This is the citywide events team, who make their -- well, make their life's work doing events, it seems. We've had great events, fun and safe environment for the grand prix, rock and roll

half-marathon. I'll let Kay say a few more words.

>> Kay Winer: Thank you very much Mr. Mayor. As the team comes forward, this is a cross disciplinary team as you can see, 11 members from 33 departments, integration of major new events in the community. This following the adoption of the economic development strategy in 2003, the city has successfully stepped in in its effort to ensure distinctive high profile outdoor events that really showcase San José. Through the teams outstanding service, four major events, they include did San José grand prix, 2005, 2006, the Amgen tour ever California, 2006-2007, ZeroOne San José festival of art and technology and the rock 'n' roll half-marathon. The team was charged to find win win solutions, for the response to the residents and the businesses in the community. The team's depth and breath of knowledge and their persistent desire to overcome obstacles has led to continuous improvements in these many events and we congratulate all of them. I think Irene Ray is going to say a few words on their behalf.

>> Thank you Kay, mayor, and City Council. This team is absolutely fantastic to work with. It has members from the city attorney's office, risk management, police department, Department of Transportation, parks, environmental services, general services, you name it, all departments. And the folks that you see in front of you here really represent some of the people that work diligently all year long. There are many other city staff, and did I mention the development? If I didn't, I'm sorry. Many people who work all year long on events. In addition to the signature team just mentioned this team is responsible for hundreds of parades and festivals of all sizes that are held across the city all year, in the office of economic development I want to say, thank you from the bottom of my heart to all these wonderful people who are so responsive and responsible and make events safe and enjoyable for the community and visitors. Thanks.

>> Mayor Reed: We do have commendations for everybody. Before we let them go, I want to remind everybody that we are doing the recognition of these teams because these people demonstrate values project, integrity, excellence, collaboration, respect. Thank you for your hard work. For our next commendation, I want to invite Leslye Krutko, our director of housing, forward. To present the next commendation.

>> Leslye Krutko: Thank you, mayor. This week is the week that we celebrate both what we have done to accomplish our goals of addressing affordable housing crisis, as well as letting people know what the affordable housing problems are in our community. And they do continue, despite our good efforts. I wanted to highlight a couple of the events that are happening this week. On Thursday we have project homeless connect, which is a day we get together and we have hundreds of volunteers who help serve the homeless and that will be happening on Thursday, the 17th. And we are looking for volunteers. So anybody who is watching in the audience who's interested, please contact us. Also, on Saturday, there will be a tour of affordable housing in Palo Alto, which is a way of showing our neighbors how nice affordable housing can look and what the need of affordable housing is. And I also would recommend that anybody stop by the -- we have a booth in the customer service area in the first floor and that tells you a bit about affordable housing, as well. Thank you, mayor. [applause]

>> Mayor Reed: Next item is the consent calendar. There are any requests to discuss items on the consent calendar? I have no requests from the public. On that point, if anybody does wish to speak, please fill out a card and bring it down to the clerk. There's a motion to approve the consent calendar. All in favor, opposed, that motion carries unanimously. Item 3.1 is a report of the rulings and open government committee for April 25th, 2007. Those minutes have been circulated, is there a motion? Motion to approve. All in favor, opposed? None opposed, that carries unanimously. 3.4 is approval of actions related to trustee held commercial paper proceeds. Is there a motion? I have no

request from the public to speak to this item. All in favor, opposed, none opposed, that motion carries unanimously. Item 3.6 is approval of a support position for AB 763. Motion to approve. Discussion? All in favor? Opposed? None opposed, that carries unanimously. Item 3.7 is approval of support for AB 927. Motion and second to approve the support position. All in favor? Opposed? None opposed, that motion carries unanimously. Item 4.3 is direction related to updated evaluation of proposed employment land conversions. I'm getting somebody here wishes to speak to this item, and probably staff, as well. I think we'll just hear from the public first. Bonnie mace. Anybody else who wishes to speak? Put a yellow card in. We'll let the public speak first. I think we only have one speaker request.

>> Thank you, mayor and City Council. The new framework is a vast improvement over the previous framework in that it moves the focus from speculation to employment lands as a valuable aspect. This is very good however there are four questions that we need to look at as we move forward, in contemplating the yellow subareas which are lands which could be developed in the future for residential. So these four questions are the following: Under what market conditions will these yellow subareas be converted and are some more apt to be converted than others? Since there are only four of these yellow areas. And we need quantifiable evidence. What is the definition of social benefit, economic benefit, how will the community good be incorporated into this as well? The methodology has to be really looked at here. Number 3, would a mitigation fee be considered in every course of extraordinary economic benefit. In other words, are you look at fees, will that be incorporated in every case. And finally number 4, what methodology will be determined to consider, others, so as we move forward please let us look at these four issues in looking at the yellow subareas while at the same time retaining off-limits for the red subareas. Thank you very much.

>> Mayor Reed: I have no other requests from the public to speak on this item so I'll come back to Paul Krutko here.

>> Paul Krutko: yes, mayor, we have a brief presentation that Laurel Prevetti was going to do. I believe we moved a little faster on the agenda than she expected.

>> Mayor Reed: Laurel has just come in.

>> Laurel Prevetti: Thank you very much. Laurel Prevetti, assistant director of Planning, Building, and Code Enforcement. This afternoon we wanted to preview with you some skeptics around the employment land conversion. We had our study session back in March and we wanted to give you some thoughts how we believe we can strengthen this, a strategy for employment lands rather than emphasizing the conversion. This is a map we showed you at the study session. The red areas are places where we've had conversion and where we feel we have enough. The yellow areas are places where we want to consider additional conversions and then the downtown of course is the place where some amount of mixed use makes sense. And then this is the southern part of our city, including Evergreen and Edenvale. The components we want to show you today are really some of the concepts to strengthen, useful to you so that our applicants have more certainty around what we're really expecting to do with our employment lands. So first of all we think it's very important to have clear, no conversion areas. Off limits, we've done enough, we really need to protect this land base for future business in San José. We would certainly look at how our employment base might be changing, perhaps industrial uses to commercial. But the idea is to maintain it as an employment use. Second is, areas where we might consider for conversion, and this would require two requirements, one would be job retention. As well as possibility for job intensification, more jobs on a smaller foot print, as well as having an extraordinary economic benefit, which we would like to explore how we would define that with you. And finally being firm on retaining our light and heavy industrial lands for those businesses that provide services as well as supplies to other businesses. So with that, I do apologize that I was late. But we'd be happy to take your

questions. Thank you.

>> Mayor Reed: Thank you. I had some things that I'd like to add to the framework analysis. I did send out a memo yesterday on this but I just wanted to talk about where I think we should tighten up some of the staff recommendations, because even in the recommendations, there is a potential for some conversion of uses. The industrial to commercial, for example. And I think we have some concerns about even those kinds of conversions. So I'm suggesting that we ought to add to the framework, a concept of no net loss of total employment capacity as a result of any of these amendments to the general plan. Because we are ultimately trying to preserve the, if we were going to convert a heavy industrial area to commercial, it would have to be offset of some sort of heavy industrial, somewhere else, somehow. Because we've seen the numbers on those light and heavy industrial and we know that they're short supply. The conversions to support public infrastructure, I think we should be the moving party. It should be moved by the staff and City Council, not developers. For example, the BART station in Berryessa, we adopted a general plan amendment basically anticipating the need to do conversions, we invited that. There are other areas where people think we should do a conversion, but I think we're the ones to say, we want to see conversions in some areas as in a BART station. And I think we have to eliminate the extreme economic benefit category, because that's a very broad term. It's a very broad definition. And I think it should be limited to where we're actually increasing jobs or at least retaining the jobs and we really are getting a tax revenue or some revenue to the city and that is more narrowly drawn than the staff recommendation. I don't know if it was a decade ago when we did an overlay switch. That's the thing I believe we should add to the concept, and I put it out there for the council's consideration along with anything else the council wants to talk with today. Councilmember Liccardo.

>> Councilmember Liccardo: Thank you, Mr. Mayor. I'd make a motion to accept staff's recommendation and the mayor's memo. I had just a couple of questions.

>> Mayor Reed: Is there a second? It's been seconded.

>> Councilmember Liccardo: Thank you.

>> Councilmember Liccardo: Laurel, if we're going to set a cap on the aggregate amount of -- well, I guess we're setting a aggregate cap on residential lands in some ways, and conversely, we're deciding there's going to be no net loss industrial. Has there been any localities where they set up a cap in trade system and allow, say, a developer who has industrial land that they'd like to convert, pay off a developer in another location of the city who has in hand a right to be able to develop housing, to go back to industrial? And did reason I ask that is, I would imagine as we look back through the general plan, we identify some of the areas that have been converted where we don't yet have housing built. And I know that's a small number of sites. We may think it was not such a good idea that we converted to begin with and we may want to identify some of those lands as potential targets for some kind of cap in trade sustain where we can ensure there's no net loss of land and allow the developers to trade among each other, and get an industrial land in a place better suited. Maybe there are locations where we can get industrial development more quickly. Is that a system that's been tried anywhere?

>> Laurel Prevetti: I'm not aware of any, councilmember. It's an intrigue idea. Because when we're talking about capping and retaining employment capacity, my staff reminded me as we prepare for general plan update, we're actually going to have to find a place for 250,000 new jobs. It's not only a cap, but understanding where we could perhaps grow our job base. I would suggest that if San José is interested in pursuing that idea, we again use our general plan as the framework in terms of receiving areas for the new jobs or conversely, it's controlled by council decisions as opposed to just two developers working out a deal amongst themselves.

>> Councilmember Liccardo: Right. The City Council would have to identify in advance which sites they

believe were appropriate. The other question I had had to do with intensification. I know we're using intensification in North San José where it seems appropriate and there was talk about how we do it in Edenvale as well. I'm concerned that we could make it a justification to make the conversion happen. Are there clear principles or clear lines we can draw that ensure that intensification doesn't get us down that slope?

>> Laurel Prevetti: I think we're going to need to define what those are by land use, again. Industrial park certainly lends itself more readily to intensification, whereas our heavy and light industrial lands really don't. Our challenge is we don't want to squeeze all the jobs onto a smaller and smaller parcel, and in fact that never happens. Perhaps external analyses will make sure that where we are intensifying we can actually deliver the employment.

>> Councilmember Liccardo: Thank you, Laurel. And as a final comment. Just my -- I was a little concerned about the suggestion about mitigation fee program on page 5. I suspect that that could become really susceptible to a lot of political manipulation. I believe on that point I'm very leery.

>> Laurel Prevetti: Point noted.

>> Mayor Reed: Councilmember Campos.

>> Councilmember Campos: Thank you, mayor. Hi, Laurel. Actually, the one question I have for you is in relationship to the land that is in Edenvale, where you have the majority of red surrounding it, which is a preserve for employment. And no conversion. So I'm looking at the parcel that's next to it that's in the bright yellow. I'm wondering what was the thinking, what drove us, drove staff to place this particular parcel in the yellow, versus the red? Did it have to do with anything that is -- anyone else proposing using that land for something or what was your thinking? I just --

>> Laurel Prevetti: Well, the yellow area does include the Hitachi site as well as the I-star. And we have successfully changed the general plan to allow for the intensification on Hitachi. And there is an interest, as publicly noticed, that there might be a proposal coming forward for the remainder of the property. That was just an acknowledgment that that might be a site that we could look at additional increases in intensity. And in this case, it might be that that intensity or the job retention could actually occur on the other side of 101, on the larger red area. So that's, again, it's all public, that there are studies underway to examine whether or not all of Edenvale can essentially retain its total job potential through additional studies. So this just acknowledged that that study was underway.

>> Councilmember Campos: Thank you.

>> Mayor Reed: Councilmember Williams.

>> Councilmember Williams: Yes, thank you, Mr. Mayor. In regards to the churches, I guess that's been one of our major issues in connection with industrial conversion, and jobs. I've been through that scenario. When we declare, preserve for employment, does that mean that it is that, and it is not open for any other uses, other than -- and we wouldn't trade off as we've done in the past. So are we amending our changes for the past? Because in the mixed overlay area, which was on the east side of Monterey, it was mixed overlay. And I think a portion of the southern portion of Edenvale on the west side is mixed overlay. And we allowed for churches to go in that area. But I guess the latest one that we had was, it went into the industrial area, which was a nonoverlaid area. And we sort of said we were going to let that go in temporarily, that it is not forever that. That is in the document that we put together. Now, will we exercise that option, or will we do those kinds of things in the future, where we will allow temporarily with the time, and then once that time is run, it converts back? I need to understand it. Because we said we were going to do that for this particular one. I would like to have it definitive. It just causes grief many times when we're not quite sure. And there are other cases where we've had heavy industrial, and it's a church and other things, and we've allowed those conversions to happen. Now, when we come out with

the general plan update, these areas that are defined will be those -- divined none, no questions about it, an they will be there, so that the decision when you go to look, then you avoid those altogether because it's not going to happen?

>> Laurel Prevetti: Yes, councilmember, what we would like to do is have clarity as to all our places of worship, it does have the mixed industrial overlay, really the way our rules now work is that they can stay into the foreseeable future. To protect Edenvale, we need places to put that mixed industrial overlay so future places of worship will know where to locate. Some of those general plan amendments are something we would like to do in the short term. Because we believe clarity helps all of our customers as they start looking for land, and we know that many of our places of worship are currently looking for places to expand. So we don't necessarily need to wait for the update to make those changes. And I think with the motion on the floor, we could certainly meet the intent of not decreasing the total amount of land allowed for those uses.

>> Councilmember Williams: I do want to look, the location at Piercy, to understand that though the metrics are being met, and that there was a period of time authorized over time. I don't want us to just let it drift, and it becomes forever. Because we made a conscious decision to do that. So I want to make sure that we keep that industrial land as much as upon and make professions that we can find other locations to do that.

>> Laurel Prevetti: Okay.

>> Councilmember Williams: So I really applaud staff for putting this together more definitively. But it was still that area political, there was political wiggle room in there. And we want to take that out as much as possible so that we can deal with the issues related to the jobs and housing and so that we don't get caught up in the political acts of, well, making a decision for this particular reason or not. Well, for jobs, it is important for housing, it's important mixed, and we know that definitively, thank you very much.

>> Mayor Reed: Vice Mayor Cortese.

>> Vice Mayor Cortese: My question just has do with, number one, the mayor's memo talks about no net loss of total employment capacity as a result of any amendment to the general plan. I'm assuming that means on a per parcel basis, not total capacity citywide. But my question is how do you -- who gets to decide on a piece of dirt what total employment capacity is? It seems like unless you benchmark that area, that's an area of I won't say manipulation, but anybody wants to walk up to the podium and say, you know what, we think we have 15 employees going on that set of acres, and this will only give 5,000. Evergreen, which we'll talk about later tonight, over and over and over again, we hear its capacity is 11,000 employees for manufacturing-industrial, which in my opinion doesn't occur here anymore. But it's just my observation, that there's 377,000 square feet built out on that site already with only 500 employees. And that employer considers that to be in capacity. If you extrapolate that out, you'd have no more than 5,000 employees on that site. Who gets to decide, in terms of the reality checking in Councilmember Liccardo's question, isn't it important before we put a framework out there that people are to be able to depend on and understand and go through and do reality checking, what capacity these lands are, so people know whether or not they have a better mouse trap to bring us?

>> Larry Lisenbee: Vice mayor, our benchmark would be in our existing general plan and our assumptions built in with each designation, how many jobs it will yield. In addition if there are environmental analyses or any other development proposes as in the case of the Evergreen campus industrial, there we have approved permits, approved EIRs that have essentially helped us scope the number jobs that are out there. So it's a little bit more defined than perhaps some other areas of San José. So I think we would use our existing tools to do that. I think we would need to really affirm those assumptions based on current market trends, as well. Because we know that in some cases, and it really

depends on the employer. Some of them are happy to give their workers nice spaces to work in, and others repair to really have shared offices and realize have a reduced amount of space per employee. So there are a lot of variabilities, and I think to your point about making sure that there's certainty, again, we would want to rely on our existing policy documents and really what's on the record as the first place to go.

>> Vice Mayor Cortese: My wife and I were traveling through Edenvale coming back from a mother's day event and we were looking at the vacant buildings there, because we were involved in a startle-up for ten years that grew rather rapidly on the other side of town. It wasn't located there but we were talking about this capacity issue, how many employees today, based on market conditions, really are going to end up going in those buildings. And the discussion started to get into those kinds of buildings, when originally contemplated and scoped out, were built that way in part because they needed to have slab floors, so that you could put heavy equipment, manufacturing and medicine shops, on the floors, and spread them out, and then put a lot of employees working in there. You know, we talked about and the company I'm referring to, how they were divided almost equally in thirds between R&D, manufacturing, and administration in their buildings. And the differences in laying out that building three different ways in terms of the intensity of, you know, cubicles if you will in that job. And we are surmising in Edenvale, when you will see those buildings fill up, administrative is much more than manufacturing uses. Whatever the employment projections for Edenvale may be off now, because you know, whether you have a 500 foot cubicle or a 5,000 or 80,000 as Hitachi has, what you are alluding to, a whole bunch of people running around and working in machine shop. To adjust our thinking as necessary, on what these different types of land use designations like light industrial are going to provide in terms of intensity of use on a human personnel basis. Thank you.

>> Mayor Reed: Fully other council questions? I have one more request from the public to speak and I'll take that now, Jim foran.

>> Thank you, Mayor Reed. And I'd like to address on this item the staff report in particular, I want to take exception on page 3 to the last sentence on the bottom of the page, saying the conversion allowed the city to add 20,000 square feet of industrial development. Both these conversions and the industrial development are a future matter. And not the past. No entitlement has taken place until zoning would be approved, fit would be approved. I want to point out that that will depend also on the impacts in the community, as to whether it is a benefit or a negative in terms of enabling the rest of the North San José vision. In fact, it's very important for the council to look at on conversion of employment lands as to what is on the land now. There is a big difference between vacant land, land with nonfunctional one-story tilt-ups who's had their low assessment since their vote long time ago further lowered as a result of the down turn by the assessor and unable to provide enough development land. And buildings occupied and functional and merely being vacated by companies moving to other corridors because they better meet their needs. Thank you.

>> Mayor Reed: Thank you, this completes the public testimony on this. Any further counsel discussions? There is a motion on the floor to approve council's recommendations with the additions of the five principles I've outlined in my memo. All in favor, opposed, none opposed, that motion carries unanimously. Our next item is 5.3, approval to name a new soccer bowl. You don't get a chance to do this very often. I don't know if there's a staff report on this or not, but we do have two requests from the public to speak. Don galliardi, and John Abronzini.

>> I'm Don galliardi, president of soccer Silicon Valley. Sponsored the application to rename the soccer bowl at Watson park the Emberto Abronzino soccer bowl. Another member of the staff deserves a commendation at some point. Umbertoabronzino is a major force of youth soccer in our region. He was

instrumental in creating youth soccer in Silicon Valley which is currently one of the top soccer areas in the country. Since arriving in San José he, quote, helped establish the game of soccer where none existed. And although he lived in Willow Glen, his true home was at the Watson bowl. Fittingly, Watson bowl should be named after him. Let me quote one. Rich says, I can remember when I was a young boy sitting across the dinner table with my dad. He said I have to go to Abronzino's to get my passes. Two years later I was with managing my own youth team doing the same thing. I was shocked, I got to know Umberto, we were the first game of the day and UmBerto needed help. Methodic, determined and strong. I realized this is what he had been doing all those years I was growing up, making it possible for thousands of people just like me to keep playing soccer at Watson bowl, thank you. I realize my time is done.

>> Mayor Reed: Alton Abronzino.

>> Mayor, and councilmembers, I hope to speak harder than my heart that is beating in my chest. As part of a recommendation to name a soccer bowl after my father. To say he had a passion for the sport would be an understatement. He loved the game because of the game itself. It didn't matter of age, didn't matter of size, it didn't matter of gender. If you were old enough to walk and kick you would get a soccer ball in front of you, as his granddaughter could tell you. If you knew my father, he was a very humble man. The accolade that Mr. Gallardi talked about, he kept that really quiet. It wasn't about the accolade. To be honored by the City of San José would be -- excuse me -- top honor for my father. And on behalf of my family, we just want to say thank you for the consideration, the honor to keep his legacy alive. I think my heart is slowing down now.

>> Mayor Reed: Thank you. Mark Boyd.

>> Hi, good afternoon. Mark Boyd. I'd like to thank Councilmember Liccardo for this agenda item. I believe there's no one more worthy of this honor, and I know he'd be very proud of this, because I was -- if anyone has been in his Bascom avenue barber shop, you would see tall honors, all the newspaper clippings, hanging in his barber shop. A little dust on them but they were all there. He helped me launch my soccer career. Although I never progressed past the collegiate level, we do have one who was a referee of world cup games. He's not here but I'm sure he shares with you this thanks for this honor. Every boy and girl who has ever laced up a pair of soccer boots in this valley owes a debt of gratitude for Umberto. Umberto was the Stanley ambassador to the world cup in 1994. This was one of the venues was at Stanford stadium. And I had the pleasure of working with him as a referee. There was no one more full of fun and expert advice. Just like a father figure. He was just an extraordinary human being. You know and I think everybody thought of him as a father figure, shared his passion for soccer. This renaming of soccer bowl Watson bowl to the Umberto Abronzino soccer stadium, would not prevent him from being named, because I think he would be most worthy of that honor. He would love this honor but I know he would really appreciate in the community and the community deserves to know the story of Umberto. Thank you.

>> Mayor Reed: Last speaker on this item is Ross Signorino.

>> Thank you, Mr. Mayor, members of the council. I want to tell you that this sounds like a good project, and the community needs these kind of projects, sports is a very important thing for people's development. Also, I would like to say, when I go walking sometime during the soccer season on Sunday mornings, they're playing soccer, Hispanic to say the truth, because I say good morning, they don't answer me in English, they answer me, Buenas Dias. I repeat to them, not that I know what I'm saying. But nonetheless, the next morning, on Monday, when I come by, this is a Sunday I'm talking about that they're playing soccer there, let me tell you the location, I'm sorry. It's the school, challenger school there in Moore park, in that area. They're playing on Sunday, soccer. It's very nice to watch the

kids going up and down, the parents enjoying themselves. The next morning on Monday, when I come there and walk again, you can't find a trace of litter. They clean the place up very well. Thank you very much.

>> Mayor Reed: That completes the public testimony on this item. Councilmember Liccardo.

>> Councilmember Liccardo: Thank you, mayor. I wanted to thank Al for coming down here with his daughters, Brianne. Thank you for joining us. This is if least we can do to honor your father, Al. I think Mark Boyd put it well. He is a father figure, really a father of youth soccer here in San José. Don galliardi, thank you, and Mike Will. This is something the community can be proud of for many decades to come. With that I'll make the motion to approve.

>> Mayor Reed: Motion to approve. Any further discussion? All in favor, opposed? None opposed, that carries unanimously. Congratulations. Move to item 5.4, approval to name a new park. There is a motion and second to approve. I have no requests from the public to speak to this item. All those in favor? Opposed? None opposed, that motion carries unanimously. Item 5.5, approval of an agreement for consultant services for the Watson community park project. There's a motion to approve. All in favor? Opposed? None opposed. That motion carries unanimously. 5.6 is approval of fiscal actions for the Mayfair community center project. Councilmember Campos.

>> Councilmember Campos: Thank you, mayor. I just wanted to make a few comments on this plan project. We as a community have been working on this for many years. This is actually one of the number 1 priorities for the Mayfair community and they are in a strong neighborhoods initiative area. I would like to thank the staff who has been engaged and committed to the long process and working with the community and taking a time out, even if it was on a sat or late evening, to work with the community and be very flexible. So I ask my colleagues to support this, and we are actually going to be having a groundbreaking on May 31st in the evening to celebrate this project. I move for approval.

>> Mayor Reed: Motion to approve.

>> Councilmember Williams: I want to hear that, second.

>> Mayor Reed: Who got the second? Councilmember Williams got the second. Okay. Any further discussion on it? Councilmember Liccardo, did you want to add something?

>> Councilmember Liccardo: Just briefly. I look forward to the groundbreaking. Sorry to have you down to answer a few questions I had, but when I was reading through the report a couple of things came to mind. One is, I know we've got about a half dozen bidder all within \$11,000 of one another. And a next bidder a small amount from the next bidder. Is there any reason why we should be concerned about quality or competence here?

>> Katy Allen: Councilmember Liccardo, I don't believe so. We checked several of the construction companies' references, they've built a number of large schools and a community center. Glowing comments from their previous comments. We're really excited to have them work on our project. We did go through a prequalification process. I don't anticipate reasons why we wouldn't want to move forward and award this contract to them.

>> Councilmember Liccardo: I notice for the public art project there was \$64,000, considering the amounts of hard costs which is \$13 million. Am I using the wrong numbers?

>> Katy Allen: I'm looking for a bit of help. Typically, 2% is our public art position. I don't know why \$64,000 doesn't sound like the right figure but I'll be happy to answer that question when we present next.

>> Councilmember Liccardo: Thank you.

>> Mayor Reed: Councilmember Williams.

>> Councilmember Williams: In terms of the construction cost, that number, is that in today's dollars or

was that some time prior or what -- or is this brand-new or refurbishment? What is it in terms of the center?

>> Katy Allen: As far as the -- let me make sure I understand your question. As far as the engineer's estimate we use current dollars. And when we put capital budgets into the CIP budget, we do build in escalation.

>> Councilmember Williams: Okay.

>> Katy Allen: Fanned we notice that our bids are coming in higher, we would go back and adjust it. That actually occurred last year. We are bidding with dollars that are current.

>> Councilmember Williams: Okay. We're in the process of trying to do some -- find some dollars. And we just wanted to know how many of those dollars we have to look for, and then I guess given escalation, based on what the future might be in terms of how long we think it might get there. Because I know it's difficult, we hear many variations in regards to costs. I want to know how you approach this, so when we sit down I want to make sure.

>> Katy Allen: We are looking at dollars per square foot as we go in and open bids. It is not as simple as that. The smaller more complex projects come in at higher dollars per square foot, the larger projects, there is a little more economies of scale. We have a very experienced I think and good city staff that does this, we also use outside consultants who watch the markets. We have a handle of building estimates that are reflective of today's building environment.

>> Councilmember Williams: I'm glad to see this project because it really is in the ballpark size-wise as well as being able to provide for a community that really needs the kinds of amenities for that kind of community. So I am supportive of the project.

>> Mayor Reed: Any other discussion? I think there's a motion to approve. Seems like the right thing to do on this. All in favor? Opposed? None opposed, that motion carries unanimously. Item 6.2, an approval to amend an agreement for construction management related professional services at the airport. You're already there. Katy Allen, Public Works.

>> Katy Allen: Thank you, mayor read, members of the council, we have a very short presentation on 6.2, we wanted to update you ton status of construction. If you've been out at the airport you've seen a lot of steel going up. And then construction management contract amendment that's before daw. If you take a look at this project you're looking inside the north concourse, the steel is going up, the right is the air field and the paseo. There is a gentleman kind of on the loafer left-hand side, he is actually in what will become the walkway, the holding area is on the right-hand side and concessions is on the left. That is sort of a sneak preview. This coming August we'll have a topping off ceremony, it will be the last piece of steel going into the project and we'll offer a tour to individuals. You'll have an opportunity to see what's going on inside. Could I go to the next slide or I think I have that right here. A quick overview of the time line of the north concourse. There is a little bit of sometimes confusion as to what's going on. We have the design-build contract, our contract with hensell Phelps. That's really separate than what you see being built at the north concourse. Let me go back in a little bit of time. In September of '03 we watered a construction contract to Gil Bane and broke ground. We were in the excavation. We asked you in November of '05 to visit the long term plan. We declared a 45-day moratorium and then in November of 05, council approved the new project that is moving forward with design-build. What happened with the project in 04, we had to redesign it. And imgoing to go to the next slide and mention just a couple of things. This is a multiprime contract. What that means is, the city's actually acting as the general contractor and we have multiple contractors out there working on it. We have an unblemished safety record, there's been zero days off for any lost teem. And also we have no outstanding claims. In the light that \$50 million of construction has been completed that should make us all feel very good. On the lower

left side is the vapor barrier for the remainder of the airport that hasn't been completed yet. There's three active construction packages. The steel you see going up, 40 per complete. We're not even halfway to the end of the concourse. Finally, the completion package. The completion project, the design-build item in this concourse actually elapse. Dollar-wise, of that budget, \$237.6 million is construction. That's the area shown in blue. And then the red and green, 21.6 million is going to this contract, the CM, it's our construction manager, who represents us every day out in the field. There is city staff out on the team as well but that's the what turner Devcon did on this project. 64.4 million in program management and design cost, that'sing everything else not in construction and not in the Gil Bane contract. This is our last slide. And what I wanted to do is go over some of the actions that you're taking today. The project is within budget, which ask a good thing. We've bought out all of our construction. We have negotiated this contract in terms of industry standards. So we checked in with San Francisco, LAX and JFK on what their soft costs were. And we learned that that range of soft costs is 20 to 27 and a half percent. We're on the high end, 26%. When we changed the designing, I think we're within a reasonable change to the amendment in this contract. Mayor, that concludes all the presentation hi. I have staff here to answer any questions.

>> Mayor Reed: Councilmember Liccardo.

>> Councilmember Liccardo: Thank you, Mayor. Katy, could you flesh out for me, I'm sorry I'm not that familiar with some of the terms. The \$65 million allocated to program management and design. What's program management?

>> Program management, I'm going to take a stab at it and Dave Moss from the airport is here. Program management is when the airport look for their master plan for buildouts, they look at the revenues and the needs and the scope of the airport, and they put together the program goes out to 2017. It's triggered by rider ship on airlines. And then the construction then will follow based on that. So programming is kind of that very high look at the business of running the airport. Dave, is there anything you want to add?

>> Yes, Councilmember Liccardo, Dave Moss, program manager for the airport. We look at department wide, what would east that strain for the program. And we gave them, cost control and schedule control, any of the costs of our analyst staff that process payment or change orders and so for, that goes in the program management, the program picks that up, so that program management cost is sort of make its fair share of that wider cost. And in this case it's approximately 4.5%. So the air concourse is paying its piece of that.

>> Councilmember Liccardo: The 26% figure you alluded to, that includes both construction management and design and program management?

>> Katy Allen: That's correct, 87. The green and the red add up to 26%.

>> Councilmember Liccardo: Great, thank you.

>> Mayor Reed: Councilmember Oliverio.

>> Councilmember Oliverio: Hi, we spent approximately \$428,000 I think it was for software. Six or seven weeks ago. I remember asking Forrest, asked, because purchasing this, Gil Bain wouldn't mention that.

>> Several weeks ago there was a software package that we purchased for the system, two pieces: One a cost and schedule control component and one was, keeping track for requests for information and so forth. I can't speak to the cost savings that would accrue towards Gilbain, other program-wise you may want to add to that.

>> Councilmember Oliverio, Harry Freitas, perhaps there might have been, I didn't observe the council meeting, we're primarily using the software that Dave spoke about, the project we're working on. GilBain uses prolog and they will continue to use prolog. And the at the time will continue use being prolog. We have, trends in terms of cost and scheduling.

>> Councilmember Oliverio: Got it. It was just when I was asking that questioning, one of the main reasons going forward is its was not charmed but that's the release I got to it of it primarily.

>> We're using this for Hensel-Phelps, terminal A and B, and fit portions of the interior of this building.

>> Councilmember Oliverio: Okay.

>> Mayor Reed: I had a question on your very first slide, which is the interior shot of the construction site. Yeah, that one. I didn't follow the -- what's going to happen on the mezzanine. That is a mezzanine. I think I'm looking at --

>> Katy Allen: Mezzanine, that's right, that would be --

>> Mayor Reed: We're not looking at the basement are we?

>> Katy Allen: You're not leek looking at the same place. If you look to the right and you see that shiny area above the paseo roof? That is the holding areas, you'll be walking down the mezzanine walkway area and then to the right is a hold area where you will wait to board your plane. With concessions which you can't see would be to the left of the slide.

>> Mayor Reed: Okay. We're all excited about it. Big project, takes a long time. Any other questions from this? I have no requests from the public to speak on this item. Is there a motion? Motion to approve the staff's recommendations. All in favor? Opposed? None opposed, that motion carries unanimously. Okay. We're done with item 6.2. Move to item 9.1. Approval to amend the inclusionary housing policy. Vice Mayor Cortese.

>> Vice Mayor Cortese:.

>> Vice Mayor Cortese: Question about this one, reading on page 2 of the policy says that projects of a certain size can receive -- or can pay an in lieu fee, 65,000 for purchase unit and 75,000 for rental units. I think there has been a request -- reading that project of 11 to 20 units, is that the maximum that you can -- maximum project or unit count that you have? I shouldn't say project, is it 20 affordable units?

>> Leslye Krutko: It is projects of 11 to 20 units that would have somewhere between a 2 to 4 unit requirement. So for those projects, we allow an in-lieu fee. Any project greater than 20 now is required to incorporate the units into the development.

>> Vice Mayor Cortese: And what's the rationale for that cutoff point? Meaning why not a project of 100 units, for example?

>> Leslye Krutko: Well, I think what we were trying to do at the time, and this change was made several years ago, was to allow small projects where it might be a financial burden, to be able to pay the fee, and those that are smaller than 10, not to have to pay the fee at all. But that was, you know, it could have been 25 units, it could have been some number. But we at that point picked 20. Now, we are coming back however to the council I need to say in June with more of an overall look at the inclusionary policy and proposed flexibility. So that will be a topic that the council may want to reconsider.

>> Vice Mayor Cortese: Yeah, I'm just wondering, I guess, let me just ask one more question before I comment. If you -- when you get this money, I assume it goes -- maybe you could just tell me where it goes so I don't have to guess. If you get \$71,400 for 20 units then what happens?

>> Leslye Krutko: It goes into the housing trust fund, which is one of the funds that the housing department has. And it's used for things, for example, recently we funded a project for unity care, that purchased four-plex units for emancipated youth. So that's the kind of project that it would assist.

>> Vice Mayor Cortese: Is there value in having more money for that fund? I'm asking a sources and uses question here. If you had more of that money per -- if you had more in-lieu fee money, what would you do with it more than you are accustomed to presently?

>> Leslye Krutko: We are looking for more affordable housing. The 20% fund is exceptional? In terms of how much San José gets, however, it's insufficient to meet our need. Any other funding sources we get

are important. However, on the other hand, the funding projects, as a result of the inclusionary project, I look at as another affordable housing program. Money that we don't have to put money into but they are affordable. I think there are pros and cons of both.

>> Vice Mayor Cortese: Yes, my understanding is you're obviously taking the unit off the market so to speak, if you take the in lieu fee, but then to some sort of offset in the sense that you take the in lieu fee and then reinvest it according to the housing trust fund. I would love to see some more feedback from you to the council, on where the breaking point is, so to speak, on that becoming -- it becoming valuable enough for you to offer in-lieu fees on certain projects, some projects over 20 units, whether that's -- is that 71,400 per unit, is there a point where you feel it is more valuable to get cash into the housing trust fund? I don't know if you have done some work on that but if you have could you distribute to it council and give us a report of some kind?

>> Leslye Krutko: Later this month we'll be going to the CED committee and with that information. With inclusionary policies, what you want to do is set the fee at a rate where a developer has to make the decision, do I pay the fee or make the units. If you set it too low, they'll pay the fee. If you set it too high, they'll never pay the fee.

>> Vice Mayor Cortese: I know our underground university, had that same problem. It was almost always better paying the in-lieu fee than trenching and trying to underground utility lines. And I know we've fixed that up a little bit, shored that up a little bit and increased those fees. That's the question I'm asking, where is the equilibrium point out there. The forever reason, I don't know if it's philosophical, management decision or whatever, that they're so interested in getting out of the construction side of it, if you will, even though management side would be a better way of putting it, constructing them are typically no different, the management side that they're willing to pay a substantial fee per unit to get out of the requirement. So where that would be on units over 20 would be great. Is the report you're talking about in June intended to include that anyway? I wouldn't ask you to do additional work.

>> Leslye Krutko: Yes, we'll include that in our request for more flexibility and that will be set out.

>> Vice Mayor Cortese: Will that come directly to council or to a committee?

>> Leslye Krutko: We're going to CED and then council as a follow-up to that. That's the 24th of this month.

>> Vice Mayor Cortese: Okay, looking forward to that, thank you.

>> Mayor Reed: Councilmember Campos.

>> Councilmember Campos: Thank you. Leslye, I think the vice mayor answered some of my questions. But I think what I'm asking is what do you want the outcome to be with what you're bringing forward in changing the policy? And let me just share some of my concerns. I really appreciate the dialogue that you were having with the Vice Mayor, because it actually touched on a few things, you set the fee too high then the developers won't pay, if you set it too low then they'll opt to pay and not build affordable housing projects. I guess I'd like to understand what is the outcome, maybe not a year from now but five years from now on what we would like to see this policy actually do as we move forward in building out the city. I think one of the things that I've always been concerned about and I know we've had this conversation indirectly, about how are we creating housing that is for low-income families in all communities and in all projects? So that we really have a mixture of incomes in certain projects. So I'm trying to understand what you're hoping that this will lead to, as you move forward and continue to build affordable housing.

>> Leslye Krutko: I think in the broader picture, there's definitely a reason to try to prioritize keeping units within a development. So I think whatever we bring forward that would certainly be my position, that our first choice that the units be integrated into each development but there be some flexibility. In this

particular case before you today, what this amendment to the policy would be, it's not allowing everybody to pay an in-lieu fee. This particular one would allow a developer who wanted to pay an up-front fee, and also dedicate land that could be used for future development at a later date, and only, if those two options together exceeded what the in-lieu fee would be and would create as many or more units than would have been created if they were required to build them onsite. So this particular one, I think, for us is, I look at it as a really positive, because if we get a big amount of up-front money, we can have some immediate result. And then we can also have the opportunity to at a later date either sell the piece of property that we get and make money for affordable housing or build that number or more. One thing that we'll be talking to you about when we come back is any change that would allow us to take in-lieu fees as opposed to incorporate the units would allow us to accomplish deeper affordability. Right now, with fiscal reality, it's difficult to require a developer without any subsidy to provide extremely low income units, so we're not getting those units. But if we get an in-lieu fee we can use those funds to help an extremely low-income unit. So that's a positive that I think would come out of more flexibility.

>> Councilmember Campos: And I guess as we move forward, in looking at that time bigger picture, how do you balance that so that you're able to move at the same time that people are paying into this fund, and actually get those houses or those units online, and not just continue to build this fund? I know it's challenging to build affordable housing in this valley and we know that. We have to continue to think of creative ways and ways to give incentives for people to build affordable housing. And I know that's challenging. So I know that the action that we're taking today is kind of a one-item thing that we're looking at. But I really want us to be able to focus on what the bigger picture is as we move forward and not continue to take just one item separate from everything else. What we have been voting on a month ago, three weeks ago, a year ago, we may down the line have created something that really doesn't benefit everyone being -- having the ability to live here in San José. So that's my concern. Thank you.

>> Mayor Reed: Councilmember Liccardo.

>> Councilmember Liccardo: Thank you, mayor. Leslye, I appreciate your creativity and that of others involved in the deal. I see Mr. morely is here. I just have two concerns, the one is I know we're doing this typically we're doing housing, we expect there to be environmental issues. For instance in the deal we'll be contemplating this evening, we may not take possession of the land for several years. So it leaves questions on who's on the hook for mediation. And is explicit to ensure who is on the hook going forward?

>> Leslye Krutko: I'm not sure can I answer that. Or in answer to that we're aware of any environmental issues with the property.

>> Councilmember Liccardo: I appreciate that may be an issue we address this evening. Yes, I guess for purposes of the policy though, I mean we're going to I'm sure encounter these issues many times. Is there any reason why we should not routinely require that the developer remain on the hook for remediation? If there's going to be any contributed land?

>> Leslye Krutko: Typically we would, in a normal project where we might allow this, for example, we did make an amendment to the policy for Hitachi prior to this. Those kind of deals to require that the developer provide the housing with no city cost. So in that respect that's happening. In this case it's a little different because we'd be taking title to the land. I think this is a really unique case. I'm not sure that we'll be seeing this very often as all. But if we do then I do think that's a wise issue to be concerned about.

>> Councilmember Liccardo: Okay. The other question I had to do with the policy in recent years with inclusionary housing. It's spelled out in page 2 that the first full paragraph, that affordable units be spread throughout the housing development, and have the same sizes finishes and amenities that the developer's providing in its market rate units. And I'm concerned that if we were to use this on a

widespread scale this might undermine that policy on a certain scale. Because now we'll have all of those units on a closer scale, it is not the city's intention to housing people, we want mixed unit developments that are of like quality. How do we ensure we can still maintain those goals?

>> Leslye Krutko: I think that needs to be our first priority, is to ensure that the units are incorporated. But in some cases, I think that we want to look at other goals which would be the ability to get deeper affordability. And that comes with this kind of flexibility. So that's really the tradeoff, from a socioeconomic standpoint, having the units integrated into the project is really the highest priority. But at the same point, there are some other positives with alternatives.

>> Councilmember Liccardo: So the focus here then is for ELI and VLI units to be constructed on these separate parcels?

>> Leslye Krutko: Yes, that's just not happening, we are getting a small amount of very low income limits and a lot of mod is what largely we're getting at this point.

>> Councilmember Liccardo: Thank you.

>> Mayor Reed: Councilmember Chirco.

>> Councilmember Chirco: Well, most of my concerns have been answered but I know this sounds like a very narrow focus change in the policy. But one of the questions that came to my mind was, will there be a percentage that the land in cash must exceed? Because you say it exceeds our requirements. But will there be a standard in case -- I think when we do changes in policy you have to in some way think about as many of the contingencies as you can. Because anyone can walk in and if you have a policy in place, you know, sit going to be a 1% in excess of our requirements, or what this particular development is offering?

>> Leslye Krutko: I think that's a good point. At this point we don't have a percentage requirement built into the policy. So it does just say that in staff's evaluation, that it would exceed what the in-lieu payment would be or what the number of units would be.

>> Councilmember Chirco: What percentage does this particular proposal exceed our requirements?

>> Leslye Krutko: At this point it's fairly large. It's more than 25% over what would be required. And that's looking at what the value of the land would be, and taking depreciation as well.

>> Councilmember Chirco: And I like your idea of having flexibility with housing money. But I really love the idea of inclusionary housing, because just as Sam said, you know, warehousing, you know, whether it's low or extremely low, or ELI, I don't think that well-serves our community. And just because I don't know, why would the developer continue to hold title for six and a half years to the property that would go to the city?

>> Leslye Krutko: Why is this happening?

>> Councilmember Chirco: Uh-huh.

>> Leslye Krutko: Well, at this point the housing department would prefer not to be a landowner, and actually by redevelopment law not supposed to own and operate property. So at this point, this is the deal that we believe would work. And there is a lease on the property. So --

>> Councilmember Chirco: Yes, and it is for one of our own agencies. I just really encourage you to think about percentages.

>> Leslye Krutko: Okay.

>> Councilmember Chirco: So there are kind of more precise guidelines. We want it to be really specific and benefit the city when exceptions are given. Thank you.

>> Mayor Reed: Councilmember Campos, did you have another question? Okay. I do not have any requests from the public to speak on this item, and no more requests from the council. And there is a motion to approve staff's recommendation. All in favor? Opposed? None opposed. That motion carries

unanimously. I think that completes all the stuff we can take up before 3:30. As we've noticed the redevelopment agency for not before 3:30 I think and the open forum not before 3:30. So we have work left to do on our closed session agenda and I think this is a good time to do it, although -- does anybody here want to speak on the open forum? Ross? You want to speak now or do you want to wait until we come out of closed session? Okay, then we're going to adjourn into closed session and come back sometime after 3:30 to take up the rest of the agenda. [recess]

>> Mayor Reed: Okay, we're going to reconvene the City Council in open session. We just finished the closed session agenda. We have nothing to report from the closed session. One request to speak on the open forum, Mr. Apgar. Two minutes.

>> Sorry to be occupying you folks' time like this. Shannon, I'd like you to respect timing and message, and I want a nice at aboy for this from you. Since Mr. Trout speaks, what's so special about number 23, the Bible likes it and therefore I guess so does Hollywood, what's so special? Mark do you know, Mr. Reed probably has more immediate issues. Cousins, since you're part of the story I'll make you the hint to the question. What's so special about 23? A special number as there is. But how did the writers of the Bible know this? By the way, how old is San José? Since the NFL came up with some timely drafting I will tell you, that I was given the impression about three years ago that Shannon was a wagers sports fan. I asked her, how you doing with the NFL Shannon? About three months later, I was making a comment to one Mongo, nickname I guess security at Garden City, remains what it is, relevant still, the point is a bizarre remark by Greg Kin 60 hours or so later tells me my words were passed on. I hope never to elaborate but late next month I may have to. Next, since psychology academics would say synchronicity comes from excess emotion, works well with a book I was opening a few weeks ago, it expresses something I never thought of, how sit we talk to God? What is it, what is it the language which human beings learn to speak fluently, very early on. What did poker get me addicted to? Company and cerebral activity. Back in 1975, I'm guessing, I am writing is Kraft mentioned, live by the sword, die buy the sword.

>> Mayor Reed: That completes your time. That's the only speaker I have for open forum. We will now move to the redevelopment agency portion of the meeting. First item on the redevelopment agenda is the consent calendar. I have no requests to speak to any of those. Is there a motion? Motion and second to approve the consent calendar. All in favor? Opposed? None opposed, that carries unanimously. Item 7.1, approval of the amended to the exclusive negotiating agreement with living tomorrow and mesa San José, living direction and some RFP action.

>> Harry Mavrogenes: Mr. Mayor, members of the council, if I may begin briefly, this is a request for an extension to a hotel component to the site. The applicants are here to address the application itself. We believe it is in our best interest to continue to explore the project to allow that element. You may recall, the living tomorrow component of this project was the initial project discussed here. And as we have been in negotiation west living tomorrow, we have brought in a residential partner, primarily to help pay for construction costs of the living tomorrow pavilion. The city has already committed \$2.8 million in park funds to the parking-plus program on the city side, towards the living tomorrow project. And I want the board to understand that as we continue with living tomorrow, the way it's proposed now, any proceeds that would accrue from this development, rather than going to the agency, would go towards building the living tomorrow pavilion. About \$8 million is being talked about as going towards that project. But I want the board to understand that it would be unlike the mesa project, south of the 360, where the funds accrued to the agency. That's to be understood as we proceed along. We've also ask that living tomorrow strengthen its financial commitment. Because as we understand, they have about \$8 million in funding commitments towards the \$20 million shell, and they're about \$6 million short at this point in time. And part of the extension is asking them to find that funding gap. These are financial questions that need to be answered, over the next 90 days. And we would hope that that could be addressed within that time period. At this point, if there's any questions of me, and I know the applicants do want to address the project, as.

>> Mayor Reed: Councilmember Liccardo.

>> Councilmember Liccardo: Thank you, mayor. Harry, I just had a quick question about the funding gap. As I understand the math, living tomorrow have funding commitment, potentially 8 million that mesa would pay.

>> Harry Mavrogenes: that's correct.

>> Councilmember Liccardo: I understand they would have \$16 million. I'm told the funding gap is \$6 million. Are we estimating the hard cost of the building shell to be \$22 million, is that how we're getting the 6?

>> Harry Mavrogenes: We were addressing, John can jump in on this, I believe it was a \$6 million gap at this point that we have.

>> The gap we believe is \$6 million. It's \$6 million, 6, 6 and then two.

>> Councilmember Liccardo: Okay. I see the estimate for the building shell cost at the top of page 4 are \$20 million. When we're referring to funding gap we're just referring to the funding required to get Sheldon is that correct?

>> This is Ruth Shikada. Development cost, don't go directly to the shell cost, but plans, permitting, costs they actually sustain before they start construction.

>> Councilmember Liccardo: Thank you Ruth. That \$20 million then is hard cost?

>> Correct, for the shell.

>> Councilmember Liccardo: That's where the \$6 million comes up.

>> Correct.

>> Councilmember Liccardo: That's helpful. I'll reserve my remaining questions until after we hear testimony. Thank you.

>> Mayor Reed: I want to get issues out on the table so they can be addressed. First, the real estate issues have changed. We ought to be cautious about extensions in tying up this property that has been tied up for a very long time, the market has changed and so I think we have to be cautious about extending the time beyond this extension. This is an unusual proposal and one of my concerns is it is so unusual that if there is no exit strategy, it will end one a building that is not usable or at least part of it not usable by something else. And I don't want to see empty store fronts or buildings for a decade until we find another unusual user. So it has to be designed with an exit strategy in mind. I'm certainly hopeful that mesa and living tomorrow can find the funding commitments necessary to move it forward within the time allotment. But I think time is really important in the market we're in. And finally I just have to lay my biases on the table. Any time I'm putting more money into the deal than the other people, I'm nervous. The \$8 million that mesa is putting in, is the \$8 million in land value. We're putting that in. And we have more money in this than living tomorrow is. That makes me nervous. You can have anything you want with projections. I'd like to see real money. Right now, it doesn't look like they have real money and maybe they do. I certainly want to hear from them on this when we get into the testimony. Any other questions or comments from the council on this? We have four cards wishing to speak to this item. A little trouble with the handwriting. Okay. Richard shields first from mesa, and then Peter Boyles, I think. Sean Arnold from starwood and then Joan gallo.

>> My name is Richard shields. I'm a principal of mesa, thank you for the opportunity to extend the DNA for block 2. This is an opportunity to continue the great work the city has done, bringing nor residents into the city, making it a 24-hour city. Living tomorrow is an exciting new product to bring to downtown one that not only brings people living in this city, but ideas to this city. People want the excitement of ideas and places and it's an exciting opportunity. In this project, we've already identified and presented to the city all of the financing required to develop this project. We've developed and delivered letters of commitment to that intent. And we intend to invest 20s of millions of dollars, not just the \$8 million for

living tomorrow. We're excited to receive this extension to bring starwood capital to the program to introduce an exciting concept of introducing a third element to the building, which is a high-ends hotel product. And the building then would have living tomorrow, a hotel, and condominiums. I stand here prepared to respond to any of your questions, and with that, thank you for this opportunity to speak.

>> Mayor Reed: Thank you. The person whose name I couldn't read the handwriting of from living tomorrow, peter bongers. Between your handwriting and my bad eyesight, it was a challenge. Tell me your name.

>> Peter Bongers. Chair Reed, board members, thank you for the opportunity for me to be here. I want to try to explain what living tomorrow is, and especially for those who are not familiar with it, Councilmember Williams and Councilmember Pyle already visited our project in Europe. Thanks again for doing that. So living tomorrow is a venue where major companies come together, to collaborate on innovation. And basically what they do is test drive the future in living tomorrow. We have a proven business model, very successful in Europe, collaborating with over 150 companies, in relationships, long term, multimillion dollar agreements where we collaborate with them, and names include HP, Microsoft, Volvo. We plan to have here 40 participants in our project. We recently started approaching them. We met already 60 of them. And I can assure you they're very interested to join in this project. They are very enthusiastic. San José as the capital of Silicon Valley is a wonderful location to build a living tomorrow, and it's shown already now that we're going to be very successful in doing that. What else we will bring to our city? About 120,000 visitors, business people coming to your downtown for conferences we organized in living tomorrow, and about 100,000 visitors during the weekend and during free days coming to your downtown, if you like, confronted with what the future of Silicon Valley is. Some people call living tomorrow as the showroom of Silicon Valley, test driving it, showing the world what Silicon Valley all about. We have I think a wonderful design for the building. It will showcase these ideas, on many teams, green concepts, for example, the ground floor is designed to highly engage in the street. We have lots of events there. The top floor, the second floor of the podium if you like is demonstration area on how store, office, car of the future. Now, we have been working with mesa to develop the sound structure for bringing this forward. I can only express that we are very confident in this project and of course we need, we understand that we need to address these fiscal issues. But as I said, we're very confident that we can bring a very successful project to your downtown and we're very excited in doing that. Thank you.

>> Mayor Reed: I think we may have some questions for you. I have one. Okay, you just gave us the sizzle. I lodge the project. Now, give us the steak. How are you going to pay for it? How much will living tomorrow have in the deal? How much risk are you taking that this will be a success?

>> We worked 15 years in Europe. Ten years we have a project open. It has been a success story from the beginning. We have our capital. We can bring this to support this project. And we have our business model to build this, and what we see today is that the way the Silicon Valley audience, the American companies, corporate America, reacts on what we do is exactly the same as what we have in Europe. So we are very confident, we are very confident in this. The thing is, we just recently started fundraising this project. And it takes generally four, five, to six months before this -- these negotiations which happen on executive level are really translated into final agreement. So we just need the time to do that.

>> Mayor Reed: How much money are you going to put into this transaction, you living tomorrow, not mesa but you as the developer?

>> Well, the \$6 million you were talking about here, in our calculation, it's a little bit less but anyway, we can bring this into the deal, no problem.

>> Mayor Reed: Oh, \$6 million?

>> Yes.

>> Mayor Reed: Anything else? We're putting in \$8 million. Looks like \$8 million into the land. You're putting in \$6 million and mesa is going to build moats of it. Where is the rest of the money going to be from?

>> Our business model is based on the participants to bring in the money. As soon as we bring the detail into the decision making, our forecast is the next \$6 million will be available before two months, so before the end of your extension.

>> Mayor Reed: Okay. I think there's some other questions, Councilmember Williams.

>> Councilmember Williams: Thank you, Mr. Mayor. I guess as the executive director said that the \$8 million went from mesa to you, to living tomorrow, rather than to the redevelopment agency, and I'd like to have it clear as to why was that done that way? Was that for services you were going to provide for mesa? Was this \$8 million something that you were contracted with them to do, the basis for the \$8 million?

>> The construction of the deal is that when we bring a project to your city, we expect a contribution from the government. And that is also what happened in our earlier projects in Brussels and Amsterdam. By the way, these governments are highly supportive over long time for us. And so the construction of the deal is that the land is provided to the partnership with mesa. And mesa supports us with \$8 million in a contribution in the development of the building of living tomorrow. I hope this is --

>> Councilmember Williams: Well, that's great. I was trying to get it clear, because there's one view that the \$8 million should come, the redevelopment for the land, and there was another agreement that was made where the \$8 million to support, you know, mesa in its efforts to look forward to living tomorrow. I'm just trying to get the view, that the money should come from RDA, and there was another, that the land was something the city should provide. So there wasn't \$8 million owed, do you get the point?

>> Well, what we are talk about right now, is how do you fiscally approach this \$8 million, but it's just one \$8 million, is that clear for you?

>> Councilmember Williams: Yeah. And I'm just saying, there are two different views. And I'm trying to get to understand the \$8 million, how it came to you, versus the redevelopment who says it should come to them. So I'm just trying to get clear as to how the deal was crafted, and if the deal was crafted, then why is there some confusion over the deal? You know, that's what I'm trying to understand.

>> Yes, I -- well, there cannot be a confusion, I think. There will be \$8 million from mesa into the building and the pavilion for living tomorrow. And of course, this is based on the fact that the land is provided by the RDA for \$1 into the partnership.

>> Councilmember Williams: Okay. That clears it up.

>> Okay. I only live for ten months in America. So sometimes I need a little bit more words to explain. I hope I was clear to you.

>> Councilmember Williams: All right, thank you.

>> Mayor Reed: Councilmember Liccardo.

>> Councilmember Liccardo: Thank you, mayor. Peter, thank you for coming to explain your perspective. I have a question, just somewhat I guess hypothetically. It's not my job to direct negotiations in any way. I'm interested given the fact that there's concern here with regard to what happened to that \$8 million if for some reason, living tomorrow can't raise the capital, can only build the shell, not build the rest. Would living tomorrow be acceptable to a trigger, a said trigger with some number which living tomorrow would have to meet in terms of funding commitments from corporate partners, before that \$8 million could be released? Is that kind of structure something that you can live with within your business model? Because as I understand it, this is really a chicken and egg problem here. The city is looking at this saying, where is the money? We want to see the money before we get into the DDA and you're

saying, we need a DDA before we go to our corporate partners and raise the money. I'm trying to hedge here and say are you amenable to that kind of structure?

>> Absolutely. We don't need \$1 or we don't need any land if we're not able to develop the project. That's clear.

>> Councilmember Liccardo: Thank you.

>> I fully agree with the way you explain it. Thank you.

>> Mayor Reed: Councilmember Pyle.

>> Councilmember Pyle: Thank you, mayor. Peter, I would like to know, I've seen the rendering, but I haven't seen the -- I don't remember, is the square footage, the approximate amount of space that it would take up. Do you remember that figure?

>> Of course. It's 40,000 square foot.

>> Councilmember Pyle: 40,000, okay. So there will be a side benefit to the city of people coming here, having dinner, going to plays, what have you, that I don't know what that would amount to, dollar-wise. But I would imagine if you predict 100,000 or the weekend, it would be fairly significant. So there's an indirect benefit, as well. Would you agree to that?

>> Absolutely. And it's not only on the weekend. The large audience visiting living tomorrow. But it's over 120,000 business to business visitors who come to living tomorrow to come to the conferences which are organized. And this is a high level audience. And this is -- this is I think something really great happening for the city, these are important for the city, crowds coming to the downtown, talking about what's next in our lives, and make really a support these things, 3 to 400 events a year, on the profile of the city as the capital of Silicon Valley.

>> Councilmember Pyle: Would you also say, Peter, that a lot of the visitors would be internationally, I mean, they would be part of the international component?

>> Absolutely.

>> Councilmember Pyle: And then also, how many people would you need to employ? If you have a 40,000 square foot building, I would imagine you'd need to have a few employees there.

>> Uh-huh.

>> Councilmember Pyle: Any projections what that would be?

>> Yes, we would have 40 people as employees and another 50 to 60 freelance people as guides and security.

>> Councilmember Pyle: You would be attracting businesses perhaps to take a look at us, and this is the potential for recruitment of businesses to the United States?

>> Well, I was talking about these 40 participants, they have a vested interest in your city. And when they are not represented today, they will be by means of living tomorrow, in your city, and collaborate when we talk about companies from the East Coast or from Asia or from Europe. The companies that participate on living tomorrow are worldwide. They will have invocation, large companies, large and small, that is typically what living tomorrow is all about, that's what we facilitate.

>> Councilmember Pyle: Also, you would not only be getting convention business, but you would be getting business from the general population here, as well? Is that right?

>> Yes, we have, of course, the tickets, ticket sales, we have a shop, integrated, and like I said, we have these restaurant activities.

>> Councilmember Pyle: Well, those are the major questions I had. Thank you very much. I appreciate that.

>> Thank you.

>> Mayor Reed: Thank you. I had one last question about the financial structure of the building. Is this

going to be essentially separate interests? You've got your piece, there's the starwood piece, there's the mesa piece, and each would own their own condominium piece of the project?

>> Exactly.

>> Mayor Reed: That's all the questions I have. I have John Arnold and Joan gallo. Why don't we take those. Thank you very much.

>> Councilmember Liccardo: Mayor, if it's appropriate while we're waiting for the next speaker, I'd like to make a motion to approve the staff recommendation.

>> Mayor Reed: Motion and seconded to approve the staff recommendation. Okay.

>> Good afternoon. My name is Sean Arnold, I'm a principal with starwood capital group. It's a pleasure to be here. Starwood capital is a global real estate and hospitality investment firm. We're excited to be working with mesa and living tomorrow on this project in Downtown San Jose and are looking forward to reviewing and finding a way to bring a contemporary luxury accommodation to our city. Any questions?

>> Mayor Reed: music to our ears. Okay. Joan gallo.

>> Joan gallo with Hopkins and Corley representing living tomorrow. But before I start I want to congratulate you on your new selection of City Manager, having worked with Deb Figone, you have made a good choice. We have been retained precisely to address the structural and fiscal issues that you've all raised. We've been work with them in order to work out a system where they do put up the capital. I think they're going to be successful. And I also, as a downtown advocate, think they're important to San José. A couple of the things to elaborate a little bit on, Nancy's question, the city will also be a participant. Part of the value is that the city will have the same status as their platinum participants who pay \$5 million for that status. It will give particularly economic development a real opportunity to interact with some of these major companies in a very excellent way. It will also be of value to our schools, where there will be programs for students. So I think a lot of the value that they bring is not the traditional value. But they do understand, and certainly very clearly understand, that when we come back to you, it has to be with a sound financial basis, and we're working with them to achieve that. So I'd be happy to answer any questions you might have.

>> Mayor Reed: Councilmember Pyle.

>> Thank you.

>> Councilmember Pyle: Joan, I just want to chime in a little bit. And you're welcome to get a conversation going here. And that is, that there's also a benefit to the businesses in the area. Because any product that are a part of the living tomorrow totality, automatically get input from people who go through the facility. That gives them research that doesn't really cost them a whole -- well, it does in the end run, because they're all participating. But it allows them to build better products, and have a turn around with bigger better products. I failed to mention that before. I think it is a really strong component, we're helping businesses in the process of doing this.

>> I think that's very, very true. And I can sum it up very simply, if we are going to be the city of innovation, I would sure hate to see living tomorrow in Palo Alto or Redwood City. Thank you.

>> Mayor Reed: Councilmember Williams.

>> Councilmember Williams: Thank you, Mr. Mayor. Visiting the living tomorrow in Amsterdam was an opportunity for me, for us, or Nancy and I, and our, yes, Mr. Krutko, to really get a first-hand look at what it is that they do. And the support that they were having in Europe. And since we are the innovative capital, we need a place to innovate. And it's difficult many times to try to separate the future and what it is we need for the future, because we want to have certainty, absoluteness. We want to know what a dollar is, we want to know exactly how tall future is going to turn out before we advance to the future. But we're going to have to take some risks, but they should be sound risks. They should be based on sound -- the

soundest principles that we have. But I believe that we need, if we're going to continue our leadership in the world, in terms of technology and innovation, creativity, and all those things, we're going to have to provide a platform here. We won't be able to do the traditional research where you go in a lab and you do things, and eventually, six years later, you come out with a product. You got to put it out to the marketplace, because the cycle time is sufficiently fast now that you don't have the time. And then if you put it out and not knowing exactly thousand response and community and customers or whatever respond to that, is an opportunity for new ideas to be placed there, before you invest all of the research dollars to refine the product. So it's important for us, and I'm willing to take the risk, as long as we have a plan in place to show what the projected return on the investments is going to be. So I'm going to -- I second the motion, because I feel it's something that we need do. Because if we don't do it, somebody else will. And I want to be in the position to say that we are still in the business of being first. So I look forward to making sure that we can get this project off ground. Thank you.

>> Mayor Reed: Any further council comments? I have no other requests from the public to speak to this item. There is a motion to approve staff recommendation. All in favor? Opposed? None opposed? That motion carries unanimously. We'll now move to the next agenda item, 8.1. Adoption of an ordinance adopting the eminent domain plan of the redevelopment agency of the City of San José. Staff report? Any council discussion? Is there a motion? There is a motion and second. I have one request from the public to speak to this item. Mr. Garbett.

>> William Garbett, speaking on behalf of the public. This reminds me of the occupation of Germany after World War II. Especially the eastern block countries. This is the best parallel I can have of success of eminent domain and the eventually outcome. Whenever eminent domain is contemplated, bargaining for the highest and best use for a property, but low-balling and crippling a property so it cannot be sold. Already, you have one-third of the city under eminent domain already with your strong neighborhoods initiative. You are cutting the throat of your city and its citizens. Property ownership does not exist, when people can't get basic services like garbage and things like this, it is very problematic. You freeze people out of their property and you steal it with a token eminent domain pattern. Here, the city is basically approval a preeminent domain plan for the redevelopment agency. Sure, you got SB 53, but what good is that? Sometimes we need a little bit, by the way, thanks for the letter, Nancy.

>> Mayor Reed: That completes the public testimony on this item. Is there a motion? I'm losing track. Does the clerk got a motion? That is a motion and second. That's what I said before, didn't I? I think I remember that only 45 seconds ago. Sorry. Any further discussion? All in favor? Opposed? None opposed? That carries unanimously. That completes our agenda for this afternoon. We unfortunately have to come back at 7:00 tonight.

>> The Clerk: Don't forget, dinner about 5:30. -- RECESS --

5-15-07 san jose 7-12 am Test, test, test...

>> we had a lengthy afternoon Agenda. We had items we have to consider This evening. And a lot of things on the Evening agenda. We'd like to get started and we Will start with some ceremonial Items and councilmember chirco Will come to the podium for the First item.

>> this is kind of a special Occasion for i'll be selfish and Say, myself. We are honoring some people that Serve our youngest citizens. I would like to invite manerva Cardenas. Mimiminiose and we'll talk about Ho they are when they get up Here. Mimi is the chair of the early Care and education commission And don perry is the staff Member that works with the early Care and education. On this very special occasion we Get to talk about the good Things they do for very young People. Last month we do attention to The future of your community by Honoring our youngest residents Proclaiming april, the month of The young child. As part of the celebration 3 Child care providers were given Awards and i would like to honor Them at this time. For outstanding award for child Care, marilyn, postano, owner. [applause] the pastano child Care has been licensed for over 20 years. She must be ready to start Accepting her second generation. After the preschool marilyn Opened her business which gave Her the opportunity to care for Her own 2 children as well as Others. Marilyn is at capacity at 24 Children between 21 minutes and 9 years. 75 percent of her clients are From san jose. Marilyn has been presented with The gold seal award from Sunnyvale. Her dedication to her family Makes were a worthy recipient. The next honoree is for Outstanding award for family Child care center is minichild Care minervea cardenas, owner.

>> minervea has been providing Child care for over 17 years. When looking for child care Gloria was impressed with Minervea's outstandingly Childhood curriculum and the Home away from home atmosphere. She's impressd that her children Know how to spell their names, Colors and how to count. Gloria wants her children to go To college and believes Minervea's child care is giving Her children an excellent Foundation. [applause].

>> the third is the george r. Howard award for outstanding Volunteerism, which goes on the Foster grandparent program of Catholic charities. Suzanne alberto is the director Of the foster grandparent Program of catholic charities. We will ask mayor reed to Present you with your Commendation. [applause] since the 1970's Hundreds of low income seniors Have volunteers their time and Hearts to become a grandparent To a child with extra special Needs. One shining example of their Community is a 94 year old Foster grandparent who rides his Bike to the neighborhood head Start preschool and works with Special needs children 4 hours a Day, 5 days a week e. Accepting The award on behalf of all Foster grandparents is susan Alberto. Let's have a round of a mruz for All of the awardees we would Like to congratulate the Outstanding recipients f their Dedication to our young children And include mimias chair of the Early care and education taking Care of your younger citizens And helping them to get a good Healthy start. To all of you, thank you very Much it's an honor and privilege To work with you. [applause]

>> next ceremonial item i'd Like to invite vice mayor Cortese this is lion club International eye glasses Recycling month.

>> thank you mayor reed. I'd like to rin viet chris Morris district governor. Bob younger, vice district Governor. Marlin governor vice district Governor elect. William rib and francis Magdelane and the rest of the Members in district 4 c 6. This has become an annual Tradition here in the city of San jose but a longer tradition With the lion's club which was Established in 1917. Many of us know the good work They dochlt the lions club eye Glass recycling helps people in Need throughout the world it Represents the lion's club International that began when Lion's club international Accepted a challenge from heller Keler in 1925 to championion the Cause of the blinds. Lci's eye glass recycling raises Awareness and

the impact a pair Of glasses can have on a person In need. In the fiscal year of 05-06 the Lion's club collected 6 million Pairs that were distributed to Third world countries in vietnam And werings. Used eye glasses is a primary Activity of the club in may to Out reach to the community. One of the places they are doing Out reach is here in city hall. There will be boxes here in Various locations including in The main lobef city hall and the Mayor/council area. We encourage all city staff to Support to donate your eye Glasses to the lion's club eye Glass recycling program. If you are visiting city hall Those members of the public who Have a fair somewhere that may Be the prescription changed, Swing by and help us out. Now, i'd like to ask the mayor To present the proclamation to Chris morris at this time.

>> thank you very much. [applause]

>> i know chris would like to Say a couple of words regarding The program. Chris.

>> thank you very much. The program last year in this Area collected over 31,000 pair Of eye glasses for recycling Over seas. We had several missions to Mexico and set up a permanent Clinic in arjen tina these Glasses are for people who can't Afford them. Thank you very much san jose for The continued support. [applause]

>> next item i'd like to invite You to the podium the Association of realtors home Words essay contests. Students wrote an essay about Their american's dreams. Winners are chosen from various Schools and districts.

>> these elected officials are Here from the city council Because we are going to be Recognizing students and Teachers from schools in the Districts that these folks up Here at the podium represent. I'd like to invite judy king Down and irene whiteside along With eduardo and carolyn Regosin. And she is a teacher. And can we have the rest of the Students and teachers come on Down that way what i will do is Read your names off as the mayor Is presenting these.

>> each year the santa clara County association of realtors Have an essay contest called, Home words the topic is, what is Your american draem in. Association of realtors awards The winners thirst, second and Third prizes from essays Submitted by hundreds of Students throughout santa clara. The teachers also received Awards that range indeed 1 to 250 dollars. I have an educated guess that That money enldzed up in the Classrooms for supplies. We do want to recognize those Folks and the association of Realtors for doing this work Every year and gives us, in the City of san jose an opportunity To recognize the winners. The first winner is edwarder and Carolyn regosin the second is Hannah tran and teacher is Shuler. Raise your hands when i call Your names so people know who You are. Third place is omar. Those were the middle school Winners the next is high school Wines. First is molek brown of oak Grove high school. Teacher is joyce coalburn. And -- [applause] second place Nieli carez and teacher is Albert amasketa. Third place is jessica gomez of Oak grove high school. I know judy king wanted to say a Few words on behalf of the Group. .

>> we do this contest every Year this is our third year we Have 200 essays. They wrote about something That's near and dear to my Heart, buying a home. We appreciate the students and Teachers efforts in reading it The mercury new, education for Promoting it and helps us Through this competition for This contest and california Association of realtors for Supporting the contest, thank You. [applause]

>> thank you all.

>> unfortunately we don't have Time for them to read their Essays tonight. Thanks for coming.

>> we have a long and Complicated agenda for tonight. So i'd like to make adjustments To the order to get some of the Simple matters out of the way. Before we deal with the others. So, what i'd like to do is to Take item 3.5 the hearing on Proposed operating and capital Budgets first. And then the land use items, Which i believe are Noncontroversial which is 11.5, 6, 7 and 8 and 9. I don't think we have requests To

Speak on any of those. Hopefully we will get those out of the way quickly and make room for everybody and 5.2 related to The rose garden and the Evergreen matters all of them. And then the lowest project, which is 11.2. I think that will work. If anybody wishes to speak to The council on any of the items, please fill out a yellow card and bring it to the clerk that way I can keep track of who wants to speak. We have a lot of speakers already. I expect there are going to be more. I will limit the public comments tonight to one minute. So that we get out of here before midnight, my goal.

>> with that agenda order, we will take up 3.5 the public hearing on the proposed operating and capital budget for this fiscal year coming up. We have been in the budget process for months now. It seems. For weeks at least. At least one week. Lots of hearings. This is the regularly scheduled opportunity for the public to come in the evening instead of the day time. The clerk has something.

>> that's correct. Thank you, Mr. Mayor. I wanted to read the items that were deferred today under orders of the day to make sure there is no one in the audience that came to hear an item that won't be heard. It's 4.2 approval of action related to the secondary unit pilot program deferred to the evening of May 22nd. Item 11.3, rezoning regarding real property on a portion of the block bounded by the Alameda Emery Naglee Avenue and Morse Street to May 22nd. 11.4, rezoning of the property east side of Alameda Express Way to the evening of June Fifth. Thank you.

>> thank you. Let's -- take up the budget item. I do have requests to speak on that matter. As I started saying earlier this is a step in the process. We will have another evening hearing on the budget June 11th for anyone that wants to comment on the work we did on the budget. We continue in study sessions for the rest of this week. People are encouraged to send us comments in writing or e-mail however they wish to get the information to us. And I just wanted to start on a note of, we are trying to close a 16 million dollar structural or budget deficit for this year, sixth year in a row. It's not easy. Takes a lot of work and pressure. The cooperation of everyone who's pitched indeed on the budget to help us figure out what needs to be done. We are trying to close that gap and then we because the charter requires us to have a balanced budget when we are done with the process. Unless the staff has additional reports? No. We will take the public testimony on the budget. We are allowed one minute and as I call your names come on down toward the speaker's podium so you will be close by when it's your turn. Tina, Yolanda Cruise and Paul Prangy the first 3. Come on down and after that Walter Lynn.

>> a long walk from the top, isn't it? It's easier coming down than going up. You must be Tina?

>> yes, I am. Thank you for having us speak tonight. I want to make quick points because of the short time. I am against strongly and stand with all unions against privatization. It is a deplorable way to do business and disrespectful to the civil servants that serve our city continually. Continually trying to cut their benefits and attack their retirement is deplorable and should not be stood for. I have many unions standing with me and will be speaking tonight. In regards to the HP Pavilion how can we invest money in new projects when we can't take care of what we have now. Thank you.

>> thank you. Yolanda Cruise. Paul Frank and Walter Lynn.

>> hello I'm Yolanda Cruise. I'm here to speak with the privatization of our city jobs. As city employees we take pride in the services. [inaudible] the city hall custodian night shift is not the way to save the city money. There are hidden costs that cost the city more money in the long run. City employees can do the job cheaper and more effectively. I hope you take this under consideration as you balance the budget, thank you.

>> thank you. Paul Prangy.

>> thank you. Yolanda said it better than I can. I request opposition to privatizing jobs support having custodial work in the city and support city employees for Park's work.

>> Walter Lynn.

>> mayor reed and members of The city council, i represent Ask me. I would like to discuss the Privatization of city jobs. I would like for to you consider The corporate priorities which Indicates the city is the choice As it relates to the city Employees. Nonhouse city services should be Done by inhouse staff. We are proud to work for the City and have comfort in knowing We have security in our Position.

>> eric larson.

>> hi i'm eric larson with ask Me. Our union is against Privatization of city jobs, Against privatization of the Rose garreder and park's Maintenance and the Privatization of city hah night Shifts. We are tired of being attacked For our health care and benefit And retirement and we ain't Going to take it. Thank you. [applause]

>> roy. And linda dennis.

>> good evening council persons And mayor. My name is [inaudible]. And i'm speaking to the issue of Privatization of city jobs. The issue is fairness. The savings that are made by Privatizing jobs are at the Expense of employed people with Inadequate or no health care. I am a homeowner, a tax payer as Well as an employee of the city Of san jose and ultimately those Costs come back to us when those People have to go to county Medical for their benefits much This is an issue of fairness. Have a good evening. Thank you. Linda dennis. That's the last card i have on The budget if you have one get The card to the clerk.

>> i'm linda dennis i'm with Ask me and citizen and tax payer In the city of san jose. I'd like to thank the department For the opportunity to do this This week of general services For working with us on the memo That came down to you about the Options for the custodians and Giving them contractors back to City hall. We work hard on the contracting In committee to make sure that All of these things are looked At and we know this is an extra Expense, obviously is health and Pension benefits. We have talked to you Individually almost all of you Individually and immroer you to Work with us to get the Employees contracted back in. 4 year system a long-term plan For doing that we think it's a Feasible plan, thank you.

>> that's the last card i have On this agenda item. This item is not agendaized for Council action it's just a Hearing to give people an Opportunity to speak to us in The evening. That completes the public Testimony and move the agenda Item. Okay. Now try to take up the what i Hope are the noncontroversial Land use items on the agenda 11.5, 6, 7, 8 and 9. 11.5, that's the rezoning of Real property at about the Southeast corner of piercy road And tenant avenue. No staff report. I have one card From the public to speak on this Item. Nancy herrington.

>> the city council i'm a Pastor of evergreen church and Appreciate this chance to speak Against changing the zoning of The property on piercy road. The zoning was done for a Purpose we need open spaces. When we don't have them we lose Touch with god's creation and What it means to be fully human. To cover our hills with more Housing is to deny an over Stressed population for the Chance of a look of rolling Hills and the amazing wildlife That still resides there so we Can lift up our lives to renewed In mind and spirit. My friends and i board horses in These hills. While we are grateful for that Opportunity the question of Rezones has brought to our minds That san jose has no room for These noble creatures. To change the zoning on this Property would be a loss for our Entire community. As a valuable recreational and Educational resource. I know you are diligently Working to over come the Constant threat of urban sprawl. I pray you have not forgotten Why we need nonurban zoning. We see this land precious and Academy as responsible stewards As a sacred trust.

>> applicant has someone here Tom armstrong. If you would like to ask Questions councilmember Liccardo?

>> i have a question for joe. Joe, i wasn't around when the Council approved the general Plan

amendment in June of last year, which changed the designation from nonurban to medium low density. I'm trying to understand one of the newer councilmembers I don't have the benefit of having the history. I'm trying to understand we spent time talking about taking hill sides and protecting urban growth boundary. Why was this approved in June?

>> councilmember, there were the general plan looks at the 15 percent slope line or where the valley floor goes to the hill side this property is one of those properties up and to that point development is appropriate urban type development. The general plan amendment recognized that it changed the general plan from nonurban hill to low density designation this is the zoning of the implementation of the general plan decision. It puts residential development in the area below the 15 percent slope line. It's consistent with the fundamental policies of the general plan.

>> am I right in believing that the prior to June of 06 the UGB boundary would have dictated we not develop this parcel?

>> that the boundary -- this is one of the areas we have not come through and fine tuned the boundary where the canals run through this part of San Jose we traditionally looked at the limits of development because it's where the 15 percent slope line occurred. Because this had known extensive amount of grading, we skipped over this area. This amendment came and allowed us to fine tune the graphic information where that line really was at. That decision through the general plan was the culmination of the final decision this is where development stops.

>> the UGB is made bite city in terms of measurement?

>> correct much the staff does the calculations we get information from the developer but we do the calculations ourselves and looking where the 15 percent slope line is at.

>> do we check the calculations with the developer? The topography come from firms. We go to the site and ground troop it and make sure what it's showing in the plan is reflective of what you see on the property.

>> thank you, Joe.

>> any other questions from the Council? A motion?

>> Mr. Chair, I move for approval of this project. I'd like to speak to the motion.

>> there's a motion to approve and a second. Councilmember Williams wishes to speak to the motion.

>> when this project came before me as a request for consideration, there was an issue on the urban service boundary in terms where was the 15 percent slope line. Before any further movement on the project it was determined that the applicant had to find out for sure in relationship to where the 15 percent slope line was located relative to the valley floor. In that particular area there's still issues in terms of the boundary, the canal and where the development should be allowed. So, it was established that that particular area was within the urban growth boundary. Once that was established. The other issue was the density. 8-16 density was the range the project was developed at the lower end 8 dwelling units per acre which was consistent with the Baskin project in that area. The community will get a park out of that development. And it would be paid for by the developer. The -- there will be 4.4 acres of restored grass land that will be permanent open space in that area. Based on the fact of the housing needs for the city. The compatibility of this development with the existing development that's there the Baskin ridge and the lower density range we felt it met all the requirements for a reasonable project in that area. Where as, open space is of concern to all of us much when we have the opportunity to secure permanent open space, we believe we should exercise that. As long as the project is within our policy of the urban growth boundary. Based on that and discussion with planning and the developer we concluded that this project met all requirements and on top of that the city will get a park as well as permanent open space. That's why I'm supporting the

Project.

>> thank you, other requests to Speak? Just like to point out that the Planning includes a public park To be privately maintained which I think is something of further Discussion for lots of other Park as we go through the Process.

>> any further discussion? All in favor? Opposed. That motion carries unanimously.

>> all right we will move to The next item, 11.6 rezoning of Real property on the southwest Corner of archer street and Kerly drive. Staff report on that. None. Motion to approve. No requests from the public to Speak. Any council discussion? All in favor. Opposed? That carries unanimously. Move to the next agenda item 11.7 the north side of willow Glen way. No staff report a motion to Approve no requests from the Public to speak on this item. All in favor? Opposed? None. That motion carries unanimously. 11.8. Rezoning of property it's got a Lot of streets. Generally bounded by auzerais, Lincoln, north rup. I do have a couple of cards from The public councilmember Olivero.

>> i will have the community Speak and i will speak after. 2 cards and allow a minute each.

>> members. Michael roka, i represent the Burbank mcgonigle montie nabbing I'm here to speak in support of This project. It meets many of The goals of our nabbing and i Like the council to give serious Consideration to approving the Project, particularly with the Recommendations that our Councilmember olivero is making.

>> randy kennion.

>> hi, randy burbank del montie Nac. Thank you for moving this Forward this is our mid night Hearing every time we have been Here much the burbank nac ask The neighborhoods have worked With the developer for 2 years On achieve this project. We are extremely happy with it And proud of it and look forward To you pushing it forward to Break ground.

>> that's all the public Comments on this item.

>> as you heard from the Community at this meeting and The prior various associations Are in favor of the project. I would like to -- i wrote memo I would like the staff to have 1.8 parking spaces. Accept the 1 level garage by the Applicant and perpendicular Parking and direct staff to work With the applicant with the Screening landscape for the Podium garage and that would be My motion.

>> thank you. There's a motion. Did we need findings on ceqa Resolutions?

>> you should have Councilmember olivero there is a Statement of over ride we Furnished.

>> the statement reads the Final environmental impact Report identifies significant And unavoidable environmental Impacts. As discussed there is no Feasible way to lessen the Affects of project and the Approval will result in several Benefits for our city. All of the benefits out weigh The significant environmental Impacts in the final eir for This project.

>> an amendment to the motion Is acceptable to the make are And the second?

>> councilmember cortese.

>> i have a question for staff. We just adopted some principles Earlier in the day, which become Principles for a framework for Industrial conversion, Obviously, they were not in Place when this came in. Can you explain how this Application would align or not With the framework we adopted For industrial. 975 residential units on 19.8 Industrial achers.

>> vice mayor cortese i will Try working for memory of how we Have the framework set up. This is a rezoning and the Frameworks did look at general Plan changes. The site is one of the areas on The map that we were showing Today where we participated Continued conversions Recognizing the pattern Decisions that were made in this Area and we were filling in the Missing pieces. We have identified a portion of The area for the light and heavy Industrial. This site is developed with Office r&d buildings, council Knows we have a large amount of Inventory throughout the city. That was part of the

rational Why we supported the conversion On this site as opposed to the Other areas that were harder to Intensify and relocate.

>> when you give us -- this is A general question, when you Report to us during study Sessions and meetings like we Had this afternoon as to the Total acreage loss in industrial Lands do you include properties Like this you recommend to be Converted.

>> yeah.

>> it would be great in the Future if we got that number Broken out for information Purposes as to what conversions Staff reported if it's 120 Achers and staff approves 40. I'm not asking for more just is That basic division. And just putting that out as a Request for information, that's All.

>> i think we can do that.

>> this also sit on top of a Light rail system so it fits in The infrastructure in the Suggest of the framework.

>> the light rail station is Literally in the middle of the 2 Projects.

>> councilmember liccardo.

>> thank you, mayor. A question for rick doyle. Regarding the subject of your Memorandum. Just so i understand the numbers That are potentially at risk. Is it the 4.8 million that's the Remaining rent payable?

>> that's correct -- well it Would be the total amount Payable over the life of the Lease. That was the concern. I think we identified we didn't See it as a significant risk but We needed to know the risks none The less.

>> okay. If i'm not mistaken that's 4.8 Million?

>> whatever that amount is, Yeah.

>> thank you very much.

>> there are 2 parts to this Item 1.8 a and b. The motion was for both or one?

>> yes, both.

>> okay.

>> any further discussion i Have no cards from the public to Speak on it. All in favor? Opposed?

>> that motion carries Unanimously. 11.9 rezoning of property at the East side of taft drive. Further staff report? None. I do have one request from the Public to speak. Hue walch. Come on down.

>> thank you.

>> immediately after this Property changed ownership a Battered trailer a pored on the Side of my fence. Both the trailer and the Resident are in violation of the City codes. In june 06 code enforcement Inspected the property and Issues sitations and said the Property would be brought in Compopulation in september 06 i Met with the owners and Complained with the trailer and The residents they assured me They would be gone. Last month i called code Enforcement. They found the caretaker in the Trailer and issued new Sitations. The trailer and the resident Still remain. Once construction begins it will Be in everyone's best interest If the owners comply with city Code and demonstrate concerns For the appearance of the Neighborhood and the quality of Life for it's resident. To assure this, i am respectful Leave asking the council to Delay the change in zoning until The owners prove they are able And willing to comply with the Existing city codes.

>> time is up, thank you. That's the only card i have, is There a motion?

>> i'd like to see if director Of planning and code enforcement Can address the concerns Enforced by the speaker?

>> councilmember chirco i'm not Aware of the complaint but i Will check in the morning on the Status of the complaints on the Property and assure we are Moving ahead with prosecution if It's been open that

long it's Due to being finished.

>> i'd like to you let our Office know the resolution of This. With that i would move approval.

>> second.

>> motion to approve is on the Floor. Discussion on the motion? All in favor? Opposed? That carries unanimously. I need to go back to consent Which is 11.1. I skipped that. Move for approval.

>> second.

>> any discussion on the Consent calendar? All in favor? Opposed? That motion carries unanimously. That takes care of the easy Stuff. We will take up 5.2 the approval Of the san jose municipal rose Garden. And right now there are some Cards coming up on that i have Requests to speak if you wish to Speak submit a card.

>> did you wish to have a staff Presentation on that or are you Satisfied with the material you Have?

>> staff has made Recommendations in response to This but i don't know if we need A presentation on it. See how many cards we have. A lot of cards. Councilmember.

>> before i would like the Community to speak first and i'd Like to speak after.

>> i have about at least 20 Cards here. I will call out names 3 our 4 at A time. When i call you please come Forward so we can keep it Moving. Due to the length of the meeting Speakers are allowed one minute. Jesse cruise. Devon morgan. If i massacre your name let me Know when you get up here.

>> mr. Cruise.

>> good evening councilmembers. And mr. Mayor. Have we become such a wretch ed Society we only think of Ourselves? And do not include the whole of Our community? We need to eradicate these ideas Of exclusion and exploitation. As a member of government we Should be inclusive when looking For solutions. Ladies and gentlemen Privatization is another word For exploitation of workers. I am a public worker. And i would need more than a Minute to tell you the journey i Have travelled just to reach This stature in life. Ladies and gentlemen, along with Privatization come Discrimination, inequality and Injustice. The solution to include all our Community with solutions to our Problems we are --

>> your time is up.

>> thank you, sir.

>> thank you.

>> devon morgan.

>> good evening, mr. Mayor and Councilmembers. I'm devon morgan and i've been Working for the toxic summer in The city. I'm against the privatization of Rose garden upkeep. I was under the impression the Jobs of parks and rec was to Handle situations like these. And i'm wondering if it's okay To privatize this what's next? Where do you draw the line as to Other city services that can be Privatized? And such. Thank you.

>> thank you. Mary lee shelton.

>> good evening council people And mr. Mayor. I'm president of the rose garden Neighborhood preservation Association. There are 6 points that i have Been recommending to correct the Rose garden. They have been implemented now We have been working hard at This we will see 2 full time City works in the park by may 20th. The only recommendation of 6 That i have made that hasn't Been incorporate side having our Council person work with our Other council representatives to Take a look at increasing the Amount of allocations for Maintenance of all city parks. I brought friends along on Thursday night and i have 225 Postcards addressed to you that Basically indicate that the city Should not privatize the rose Garden park.

>> thank you.

>> thank you very much.

>> hand those to the clerk.

>> i will do that, thank you.

>> thank you.

>> alfea reese. Robert sakonge.

>> good afternoon i would like To say that i graduated at the Rose garden park and this year i Helped the neighborhood Association organize the annual Easter egg hunt and i frequency It with my family. I would like to point out that Public parks should not have Private contracts and city Worker's jobs should not be sold Out. That's it. Thank you. [applause]. Robert and elizabeth cruise. Colleen.

>> my name is robert [inaudible] i'm with green grass Property and manage am. Talking about the park and Making it more about traction For the people of the city of San jose. We do have subcontract ors. I personally have taken plenty Of commercial properties and Took them from where they are at And pretty much taken them to a Place where it's the main Attraction for the property to Give you an example the meadows Is a retirement home and the Rose garden, which i personally Take care of now is the main Attraction for the retirement Home. We can do the same thing with The municipal garden, get it Back to where it needs to be. Technology the use of the Correct methods of work. Doing the correct irrigation. And --

>> your time is up.

>> elizabeth cruise approximate Colleen campisy.

>> hi. I'm here to say i'm against the Actions related to the san jose Moonl rose garden. I got married in the rose garden And i feel eshg motionally Atached to this place. I'm against this to [inaudible] [inaudible] they should be a Long [inaudible] increasing the Amount of permanent city Employees to maintain the Garden. There shall not be left to trial And error. It's a beautiful garden that Should be treated as a Historical landmark. It's an attractive garden brings [inaudible]. Each year. Do the best you can do for Keeping the rose garden as well As you can.

>> thank you.

>> good evening mayor and city Councilmembers. My name is colleen campisy and a Rose garden resident since 1970. From my house i have had a Bird's eye view of the Historical park and the first Hand experience of watching the Park staff and the poor quality Of service they provide to Maintain the rose garden. I have called park management Many times to address such basic Issues as lack of dead heading And weeding. Broken sprinkler heads lack of Hedging and improper no mowing Of the lawn and the dirty Remodeled bathroom the. More importantly the rose bushes Were not pruned this year. The city's response to the Maintenance concerns has been, Due to budget cuts and lack of Staff. Clearly part of the problem Stems from staff rarely Supervised and not motivated to Do a good job. I'm sorry your time is up.

>> thank you.

>> good evening councilmembers And mayor reed. My name is daniel coxum with the Santa clara department of Probation and local 5087. When i Came to this job my mother Worked for the county and my Sister worked for the city. They said that the benefits and Also the job security. I would hate to see public Service employees become a Burden to the budget and cut. I don't think that should Happen. Thank you very much. Tom farly.

>> are you fred?

>> fred, go ahead.

>> i'm fred slickting a rose Garden resident for 60 years and My children grew up across the Street from the park. People talk about privatization As a permanent and cement thing. I'm here to speak the action That council man oliveriois Taking that is a pilot program. Let us try a one year pilot Program

because things have not been done. This is the third time people say, get the job done. This is a signature park. A landscape of memory. People here have graduated from that place. Let's keep it an outstanding place let's give it a one year pilot project I hope you vote in support of that. I was told no city employee will lose their job over this.

>> tom farly. Wane miller. John miller.

>> hi. My name is wane i've lived instead rose garden for 20 years. I support the pilot program for the outsourcing and maintenance of the rose garden care. For too long the park has been forgotten about the city. It's the fiscal possibility that the city should try. We need new means of financing in order to provide the garden with superior care it should have. Thank you for listening to me. John miller.

>> my name is joen miller a residence denits of the rose garden for 25 years i'm urging you to support this proposal. A few years ago time and money was put into the upgrading of this facility much the garden fell in to a pattern of deferred may not nans and on probation to be recognized as the 130 credited rose gardens in the country. We have been told that budget constraints is the problem. The citizens of san jose heard how the city budget contrants affect the quality of life in your city. I'm we're are of hearing this again and again and tired of the stats quo. It's time to go to other options. The outsourcing proposal for the rode garden is an option. We are asking we try this as a pilot program for a year to see if it's cost effective. Union workers. Your time is up.

>> honorable mayor, my name's Daniel fin i'm a citizen of san Jose and a city worker, people have talked about the park it's a premiere park it needs attention. It had wonderful attention for many years. We cut back in areas around the city and lost the ability to take care of parks like these we had in the past. If we can bring back the city staff you will see that this park, once again will be maintained in a way that all of the members of the rose garden committees will be in great appreciation of. I feel contracting out work will create more problems in order to obtain the money to take care of this and bring in a contractor how many city jobs will be lost to cover that cost? Thank you very much. [applause]. Kerry riley. Eric larson. Beverly rose hopper.

>> good evening. 2 years ago the governing board of the public rose gardens due to echlgzs which showed poor conditions and continued decline put the historic rose garden on formal probation. I know of no corrective actions to remove this garden from formal probation. In a couple of weeks the park's department will receive another letter placing it on probation for a third year in the row. Only after councilmember's Oliverios policy writing did probation begin to act. It was the possibility of competition that moved them. Why didn't they come up with the staff plan in front of you to get san hose'sy historic landmark out of the probation. This is about accountability. Let's try something new. The pilot program is worth a try. Please, support it.

>> eric larson. Beverly rose hopper.

>> i'm eric larson president of Ask me local 101. Neighborhood action gets results in terms of accountability with city government. And you know, getting making sure we are accountable. City workers staff is.. There is a process we can move through to ensure that rose garden is brought back to a quality that the neighbors want. And support albert's memo option 3 option 4 are you know, good possibilities to look at. And i think this partnership public/private partnership is something we should look at. Competition policy should be dusted off and looked at and studies. There are a lot of options in terms of what can we put forward to make sure that rose garden is again a quality maintained park.

>> your time is up.

>> i don't support the pilot project.

>> time is up. Beverly rose hopper. Followed by helen chapman.

>> i'm glad the weeds were not pull indeed march because they would be back in april. That's no way

to run a park. Only 20 percent pruned using Round up on roses. This is no way to run a park. People are embarrassed. If history repeated itself the Workers will be diverted out When there a crisis in another Garden in another part of the City:you have an opportunity to Try a 1 year pilot program i Think is a great idea and i Think it will work have well. If it works great you are Heroes. If not you can say to the new Guy, i told you so. But i think you tryd and i think It's worthwhile trying.

>> good evening mayor reed, i'm Helen chapman with the parks and Rec commission. The commission preeshths the Issue that you are giving to Park's maintenance this the Highest priorities during the Budget process. Last year you achieved an Pleasurement with your approval Of the pio's and associated Changes this helps with building New parks but challenged with How to operate and existing and New parks. In response to the situation the Parks and planning situation Formed a subcommittee last year With the goal of identifying a Sustainable and reliable source Firefighter parks funding for The future. We have made significant Progress and will address the Recommendations before your Budget hearings in june. We appreciate the efforts of the Council members while the --

>> your time is up.

>> look forward to discussing It.

>> bill pope.

>> good evening mayor and Councilmembers. My name is bill pope i'm the Business agent. The issue at the rose garden is Part of a bigger city wide issue Of a shortage of park Maintenance resources. Budget cuts eliminated parks Workers. I know that the parks and rec Commission, city staff, Neighborhoods and park advocates Have been working to find Long-term solutions for all of The san jose parks. It's my understanding that Councilmember oliveriodid not Seek permission from the rose Garden leaders on how to address The maintenance. I believe this is the wrong Approach. Any viable solution to the Chfrmg's facing city parks will Require input and ideas from Neighborhoods, community groups, Maintenance works and in Addition to the ideas from Councilmember oliverio.

>> your time is up. Linda didas. And peggy.

>> i'm linda didas and i'm a Rose garden resident and a past President of the neighborhood Association i'm aware of all the Issues that surround the rose Garden. One. Issues when i was president And on the board was safety and I'm concerned about safety Issues in the park. City workers we knew them by Their names i'm not sure if we Contracted them out if we would Know their names. The other thing we were Concerned about were things Being violated in the park that The city works would pay Attention to. We were told if they couldn't Pay attention we would find a Park ranker. On the wblgd we can't find a Ranger much the other people we Can call is the police. I see a lot of concerns that Came out during the neighborhood Meetings will not be addressed Things like using round up.

>> time is up.

>> i'm against this, thank you.

>> devon burke and peggy Killdove.

>> good evening. I'm devon i'm a rose garden Resident much the park was in Excellent condition 3 years ago When 2 million was respondent on Upgrades. City works failed to maintain That condition it was not an Issue of lack of staff. Staff was there. The jobs didn't get done. Let's do something and try Something different. I support the pilot program, Thank you. [applause]. Tom riley and randy.

>> i simile concur i support The pilot program and i live in The rose garden and candidly, it Looshging terrible. Thank you.

>>

>> as city employees we take an Oath. Private contractors are for Profit. We work around the clock to

do City serves. Instead of acknowledging the Rose garden maintenance the Councilmember supports the parks Maintenance is insufficient. This is not the case this is the Case that there are not enough People taking care of the parks. We disagree with this and as a City worker, thank you.

>> thank you much randy winman. I don't have a park in my Neighborhood. I don't work for the city i have No dog in this race. With that said, i love pilot Projects but pilot projects are What you look at when you Dealing with a systemic problem. You say you will make this a Sustainable model. My concern with this project now Is it doesn't have Sustainability. It's not incorporating long Range goals and plans. Cleaning up the park is one Thing. Being able to maintain it is Another with private/public Partnerships we could do a Better job.

>> good evening i'm fay. I'm here to talk about how the City is running. It encourages us to take Invasion and encouraging city Employees in being partners and Make the city better. May be nobody told people that There is a meeting next month With let's look at Public/private parks tell people There are something on the table That addresses these issues. We need long-term solutions for Long-term problems. Let's be about a spirit of Inoization and working together And deliver better parks not Newspaper articles. [applause]

>> josh howard is our last Speaker.

>> good evening i'm josh howard With san jose silicon valley Chamber of commerce. We commend the bold proposal That's before you tonight. As a District 6 resident i tell you There are few things more Frustrating than my trash not Getting picked up our my park Not looking great. This pilot program will test if The city serves are sufficient, Reliable and cost effective. We are hopeful the city will Examine the results after a year To see if competition for city Services allow for greater Innovation and other Sufficiencies for the city. San jose residents invested a Lot of money in their parks and Sources of pride and expect them To be maintaind and protected. In a time of deficits and city Services demanding more. You're time is up.

>> bold new approaches much

>> that's the last of the Public testimony on this item. I will go back to councilmember Oliverio.

>> thank you, mayor reed. We have before us is an Opportunity. An opportunity to save the city Money and make city services More ash countable. Out sourcing is bigger than the Rose garden. First and foremost i want to Thank all the residents Specially colleen camppeezy. I have been working with many Residents regarding this issue. Most of them have lived in the Rose garden area for 30-25 Years. They are neighborhood leaders. They might not be on a Commission but they are Neighborhood leaders in their Own right and dealing with the Park over various council people That have been here. I believe they speak for the Majority in that neighborhood And that community. Out sourcing is not new. In fact, we currently out source Street paving and save money and Receive good service. My pilot Proposal is not a true Privatization model it will out Source parks using the current Bidding system the city already Uses for out sourcingistry Paving. It's not asking to lay off Employees. I chose the rose garden park as A pilot for a year. With that said, i believe out Sourcing could provide benefit To more parks in san jose. In addition to tree trimming et Cetera. It was not long ago i was a Candidate for this office from Day one i spoke about out Sourcing specifically park may Not nans i came in 60 percent of The vote in the run off and it's All i talked about in the public Forum. Now i'm taking my campaign Promise and trying to deliver Neighborhood services Efficiently and effectively. I will take the line item which Is currently spent at 146 Thousand dollars it does not Include the weekly lawn mowing Nor the weekend restrooms or Services but take that money and Put it out to bid. Private companies including Union shops could compete for The project much the lowest Bidder would get the job. I see 2 options if my proposal Pass. One is a private company could Be the lowest bidder by bidding The 46 thousand

dollars price. The city gains a contractor Who's accountable without Costing the city money. The other option could result in A private company bidding lower Than the bid amount. A company could bid 136 thousand Dollar saving the city 10,000 And be accountable for the park. The 2 gardeners be deployed to Other parks. Yes, the city continue to pay Their salaries and they would be Employed i'm not advocating Layoffs the budget proposal for Parks and rec is asking the to Hire more staff. Why would the city hire more Gardeners when they could save Money by out sourcing. Another idea although not one of My proposals talked about in District 2 allowing developers To manage new parks so that Existing city staff maintain Existing parks in the city. I'm also advocating that the City reinvest in the aadopt a Park program and organize Volunteer efforts for all of the Parks in san jose. With that said, volunteerism Should not be mandatory the city Needs to be held accountable Without using volunteerism as a Way out of the responsibility. The residents i have been Working with are fed up. They are fed up with the lack of Accountable. And fed up with the excuses why Park maintenance can't be done Because of budget cuts. Especially since we can use out Sourcing. In early april i did a walk Through with city staff and 18 Residents of the rose garden it Was in disarray the weeds are as Tall as i am. The city staff explained the Budget short falls the neighbors Understood the short falls were There their concern was the Workers were not performing up To par. Budget short falls are not the Only problem. Many residents say they call Park staff and get no response We have an accountability Problem and it needs to change. I went back and saw no improve Ament i concurred that the lack Of accountability. I decided to follow through with The campaign promise which was Investigating out sourcing park Maintenance i felt the rose Garden would be a good pilot. It's a regional park. Graduated there and had weddings There. It's more than a neighborhood Park it's regional. In addition after that walk Through i held a press Conference. Over 30 residents showed up in Support then they held a meeting Where over 40 people attended. Everyone was in favor except for The 3 people they are a member Of the public service employee Union. Since my memo within to the Parks department the park has Been cleaned up. More resources have been spent On it only have i wrote my memo So budget cutting are not the Problems. Friendly competition makes People work harder. Mary lee shelton who's president Of the association held a press Conference last week. It was Attends by many of the residents Supporting my idea and upset With mary lee because they Thought she was not supporting Them. When i want to the property to See the author of the press Release i was surprised to see That bob brownstein the policy And research director was the Author of mary lee's press Release. Bob works with the executive Officer of the south bay Afl-cio. As i suspected the unions are Against my proposal a pilot Program for a year and working With mary lee under her title to Make this a neighborhood issue When it's not when it's a union Issue. This is disingenious. As my councilmembers remember Park staffers hired the 11 Workers with the reserve fund. I Don't understand why we would Take that money and hire full Time when we could spend that Not laying anyone off but spend That on out sourcing to get Efficient services much when it Come to the memo on the options Provided. Option one is administration for Maintaining activities using Inhouse staff. We heard from people who lived Notoriety park that it's not Working. There is no Accountability we are00 Probation for the third year. There are other options where we Pull today into the Public/private initiatives. I don't want this to get lost in That process much there are Other options where we report Indeed october to see the Maintenance levels. I want to be polite as possible. I don't think any resident has To wait until october for the Status report. I would like the status today This is indicative of parks Across our city. What we are asking for is a Pilot program to see if we can Do it differently. We have Accountability programs with Park maintenance and won't Change until the city assures Accountability. This is not trying to be like Private sector it's about public Government owning up to our Responsibility to the people. I'm confident given the Opportunity,

would be Successful. And, i just, you know. There will be discussion but i Would like to make a motion that We take this initiative and Project and go through the Process. Go through the meet and confer Process. I'm asking for the opportunity To meet and confer. Rick doyle, would you be able to Explain the meet and confer Process?

>> i it tell you that under the Agreements that we have with our Various bargaining groups to the Extent there are impacts on Current levels of service or Jobs that there is an obligation Under the agreements to meet and Confer. Alice is more directly involved In those day to day and he may Want to add something in terms Of the day to day discussions.

>> good evening alex cur. Mr. Doyle describe it the Process is when there is work Being done by a bargaining unit If there is an idea to have Someone else whether that be a Different union or contracted Out to a nonunion if it doesn't Result in layoffs there is a Process we have to go through, Which is meet and confer to sit Down with the union and discuss The idea.

>> for the public, what's the Length of time it usually takes With meet and confer?

>> it can vary it's hard to Give a time frame. Once we receive direction from The council we can contact the Union immediately. Then it's matter of whether or Not we can work out an Agreement. It could be a slow process to a Lengthier it depends on the Amount of disagreement that may Exist over the issue. In terms of commencing the Process we can do that when we See direction.

>> from range of time a week to Several months?

>> potentially.

>> that's my proposal and the Staff and council can put Forward.

>> is there a second?

>> i'll second the motion. Motion is to send to the meet And confer process. Discussion on the motion? Councilmember pyle.

>> thank you, mayor. I'm offended by this approach. The city should not look at one Anything and give special Attention to it. Our park maintenance issues are City wide issues and should be Addressed city wide. All of our city suffers from a Lack of many, many things. One is sport's fields. Last year i offered the sport's Field fees ability study because A lack of sport's field is city Wide not just in district 10 Much the same for park Maintenance. Y understand your problem and Attempt to be creative but it's Important we respect the budget Process and other processes in Place to address city policies Such as the park and recreation Commission or neighborhood Services and education Committee. We must also respect our Employees. Out sourcing these jobs is not The solution. The solution would be on add Additional funding for park Maintenance city wide during the Budget process which is what our City manager as proposed. I strongly believe that the city Could do a better job at Public/private partnerships and The use of volunteers the soccer League is going to aid the city Staffers in our parks and i Support that. Out sourcing these jobs sends The wrong message to our Employees and residents we are Giving up. 2-3 years of cuts have taken Their toll. Our employees are working Extremely hard. Many taking up the slack for 2-3 Employees. And every time someone wears a City badge they are an Ambassador to the city in General. If we are to remove these people From our workforce i feel Residentes would not feel Comfortable approaching a Private company to ask go a Service. I'm very, very opposed To this motion and i think Enough said on my prt. Thank you.

>> councilmember nguyen.

>> thank you, mayor. Let me preface my questions with A few comments. First of all, i think it's Critical to separate the 2 Issues we before us tonight much The first is the proposal by Councilmember oliverioand the Second is our responsibility to The people that commit Themselves to public service and The rest that we serve. I have questions about the Proposal and a couple about the Staff memo. Or we

can take that up after we Voted on councilmembers Oliverio's memo. I understand the parks and rec Raised concerns were they Consulted when this proposal was Created up until today?

>> i met many on the parks Commission and brought it up. We had a meeting in my office Speaking about out sourceings They were surprised anyoned Propose it. That they were actually, wow for The first time someone would Talk about this. This was a notion this was an Opportunity to exmroer. The other potential is to do a Parcel tax and raise that to Maintain parks city wide.

>> their input was put into our Proposal?

>> i told them this was a Proposal. We want to as all the council Colleagues know we don't have Enough people doing gang Intervention or enough people on The community centers like Councilmember pyle and campose Said. We are looking for a way to be Creative if we can save money And i can hire more union Members to staff other city Positions i continuing's worth Exploring.

>> thanks. Staff, how can we better define The budget process so when these Ideas are raised they can be Evaluated as the over all Continual planning for the city? I think if they are raised i Want to say one thing. The one thing that i mentioned To councilmember olivierio would Have been appropriate to talk to Us about it a little more before Reading about it in the Newspaper. I mentioned that directly to You. I had a concern about that and Had a concern while this is an Individual project that's a good Idea it needs to be discussed in The context of the Public/private partnerships Because it raises questions About competition policies we Have. Prevailing wage policies. Living wage policies and those Are all healthy discussions to Have. Because as a practical matter When you have a workforce that Over the last 5 years has been Reduced 450 positions and park Maintenance staff reduced to 30 percent you do need to look At other models and Public/private partnerships Offer that and offer it without Impacting the current employees. I think it's also worth having The discussion because you need To talk about where you are Going to apply public/private Partnerships. You are not going to apply them A lot in the public safety areas But there are other service Areas they might apply. I look at this and think the Appropriate context for it is in The budget discussions and Taking it in the context of the Over all been and asking the Council, asking of itself, how Does this fit policies that have Been adopted by the council and Are those policies of the Council then wants to change. Certainly, councilmember oliver O prompted that discussion and Prefer we do actions after the Probable/private discussion Which will be 30 days away from Today because we want to bring a Report back in june particularly Since we have talked about that Subject a lot and haven't done Much about it. I have been in this business a Long time. I lived in the rose garden for 10 years i saw the park close up During that period of time. I complained about issues in the Park when i lived there. Generally it was kept up very Well during the time that we Took budgetut cans in the Niept's. It probably has slipped. And i would not say though That -- i wouldn't want to fault The employees for lack of Accountability when there have Been substantial budget Reductions. It's a reality we have taken Heavy hits in key areas and park Maintenance has been one of Those. When i look at the pictures and I told the parks and rec Neighborhood services director It shouldn't have gotten where It was because we have Inmates and volunteers and other Ways of addressing those issues. We could have done better than We did. It would be behind of us to not Acknowledge that the cuts we had Have created dilemmas for us. In that context i say as we move Into june and have a discussion About the public/private Partnership policies that that Would be the time to consider Then an action on the pilot Project.

>> thank you, i want to follow Up on the comment briefly that The city has been developing new Development strategies. I encourage that we try to go Out and do our job to the Community and include stake Holder. My last concern is the liability Cost. I have concerns when work is Privatized. The pri[inaudible] who has the Liability?

>> that's something you insure And require the contactor for Assurance. That's what we look to.

>> great.

>> thank you. I wanted to make comments Regarding the motion. I think the city should examine Other ways to address the parks Before we look to a pilot Program. Finding ways to fix a park is Not a challenge to the city. This plan does not address the Problems the parks face and Approximate that's funds. We have an obligation to reach To the neighborhood leaders and The parks and recs and we try to Address the parks. No single person or group should Be allowed to exclude others From the city wide discussion And that's why i can't support The motion. Thank you. [applause]

>> i will comment on why i Think this is an appropriate Thing to send to meet and Confer. I'd like to know what's going on In the parks the people who know It best is employees. We have a line item of 146 Thousand dollars. I talked to the city employees And told we had les than a Half-time person working if in The rose garden. That's a different thing. Meet And confer process is a way to Get to the bottom of what the Issues are. We have a competition policy it May be if we turn our employees Lose they can do a better job Than any private sector with a Level playing field. That issue needs to be resolved. I think in a meet and confer Situation we will get the Straight scoop from the Employees about what needs to be Done. We cut the budget year after Year. Less money and les people eshg Specially in parks that's one of The places they have taken the Most hits. I think we need this Conversation and have to talk About prift/public partnerships. We got to consider everything. So i think it's appropriate for This to go to meet and confer. It's also appropriate for it to Go to the budget committees that We set up as a result of the March budget message that will Take issues up we are referring To that group of people and the Manager's getting ready to Engage in those conversations. There is no harm in sending it To meet and confer and that's Why i seconded the motion. Councilmember constant.

>> thank you, mayor. I want to thank everyone who Came and spoke tonight. It will be a late meeting i'm Glad i gave everyone the Opportunity to discuss this. I want to respectfully disagree With the statement that the Budget cuts are not the issue. I think they are the issue. The fact that the park cleaned Up after the press conference is More of a squeaky wheel. In my nashth getting traffic Enforcement out is an issue Until we get citizen requests. We have park maintenance issues In my district it was a benefit In the easter egg hunt because It was harder to find the eggs. Some are worth discussing Because there are cases where Out sourcing is appropriate and Cases where insourcing is Appropriate. We have a policy That the council passed in 98 The competition policy. I think we need to put this Through that if we are going to Do. I have a lot of confidence in Our public employees i was one For a number of years i know Getting them motivated to do Things works. I'm concerned whether there will Be a savings. We talked about the line item The 146,000 but i haven't heard Anything whether it can be done For that amount. I wish this Would have went through the Budget process and seeing an Analysis of the potentials of What we could do with it. I think that through the budget Process we will see new parks Workers. We have the june discussion on The private/public partnerships. I think we need to go through Those steps. I don't think the maintenance at That park can be done near that Price given the constraints we Are dealing with. I do think one of the problems i Have it's hard to blame an Employee for not doing a job With they are doing it with 20 Percent or 10 percent of the Resources they had 5 years ago. We hold them responsible for Hawe fund not for what we cut. I don't know if i can support This tonight. Can't support it tonight because We have to go through the other Processes to make sure we do it Right. If we are going to save money i Want to make sure we will save Money and aply city wide. I hope we find a solution as Good for the parks in my District as for the parks in Everyone else's districts and Good for the employees, too. Thank you.

>> councilmember williams.

>> thank you, mr. Mayor. I agree that councilmember Oliverio raised the issue of the Need for improved maintenance at Our parks. In terms of achieving that it Will require additional Resources. I know the discussion said 146,000 and perhaps less but I Don't see factors that after This year what will the cost be And what will the cost be over Time? And the other thing is what if It doesn't work? We have to go back to our Employees again. And ask them to pick up the load And be happy and do the job they Were not allowed to do under Privatization. Our employees are important they Do more than our expectations. We have cut resources and cut Resources and cut resources but, Yet and still they deliver a Level of service that's very Good in this city. I think it's not the employee's Problem it's the decisions we, As a council made in terms of The availability of resources That we had. So, if there are any issues you Should be pounding on us for Those decisions. You have said that there's a Problem. We are willing to look and Approximate take it to heart. I believe that since we are Going through the budget process That the budget process is Appropriate vehicle on which to Analyze and make a determination About how to establish a level Of service for that particular Park. If you agree that by going to The newspaper or putting it out That you are going to get staff To clean up the park. I will one in my district ask And clean up my district. That's not the way we want to do It. We want to try to have equity Throughout the city and our Employees are committed and I Support them. I see the things they do if they Were not willing to do go above And beyond their Responsibilities the city of san Jose would not have the quality Of life that we have today. I believe that they will do the Job. We have to find a way. I encourage the council memo to Let us go through the budget Process. Establish what is an adequate Level of service and put that Money in the budget and have it Distributed throughout the city Not just for a particular park. We had the issues in my district Where the community wanted a Higher level of service in the Park. What we work with the people who Are in the area in the community That wanted to they were willing To provide the additional level Of service. That the city provides a base Level of service which keeps the Employees working in the park. We look for the additional level Of service that the community Would like to see. They were willing, through Private/public relationship they Were able to take it to the next Level. That public/private relationship Allows us to have the level of Park maintenance is upkeep that The community wanted. I think if we work we can work Those relationships out. Keep our employees, their Dedication, get the budget put In place to take care of it we Will be secured. I encourage us to look at the Budget process so we can make Sure we cover the needs of the Entire city rather than just a Particular park. Thank you, mr. Mayor. [applause]

>> vice mayor cortese.

>> thank you, a question and Comment how does the managed Policy relate to contracting out Of landscape services in general Not necessarily with regard to The specific motion I understand It's a pilot. If you asked the question, does The managed competition policy Apply to an effort to privatize Or contract landscape service What's the answer.

>> we believe it does apply When you have a situation where The work is currently being done By city employees. And then there's consideration For putting it out to bid. One thing it calls for is a Competitive assessment to allow The employees to achieve Efficiencies that can be done Immediately. That may avoid the need for the Competition much in terms of the Meet and confer, both of those Things they are not exclusive. If you are looking at using the Managed competition policy there May be and would be meet and Confer implications that would Have to go on simultaneously With the managed competition Process.

>> with the managed competition Policy it's not an automatic That the city personnel or their Unions are going to be happy About engaging in the policy. It can be applicable to this Situation is what you are saying Is this

>> yes.

>> i just want to make a couple Of quick comments. First of all, i'm not really Taken aback by this. I think this say common option For people to look at in Government. I've seen it over the years here And it happens in other cities. If you are trying to draw Attention to a problem first and Foremost councilmember Oliverio you have succeeded. With the conditions of the parks Some have not been built because Of o and m concerns we have been Haunted with. It's a big issue and you know Raising the attention level is Haneeds to be done. Process is working to get it to This point. I'm not, this goes To my private sector experience. I always question whether i Should let my personal Experiences come into my Decisionmaking here. I had a business for all the Years i was running my own Business to try not to contract Things out particularly Landscape services because i Inherited a family owned Property where the landscape Service had been contracted out Because of sis satisfaction with Employees it lead to the loss of 2 acres of landscaping it was Gorgeous not as gorgeous as the Rose garden. First of you will it was not Cheaper than in house because Every broken sprinkler on a Sunday or emergency call on Saturday was change order. That's the way the contracts Read i doubt you could get any Firm to not put that language In. It's to the damage we had a Couple of things happen. One of them was we had drought Or dry conditions and in the Winter we had very cold Consciences much the combination Of those 2 things made it such By february everything was gone And not coming back. People probably have that Experience in their yards. When we went back to the Contractor to hold them Accountable and talk about breach Of contract they had every Reason in the sun why it died None having to do with a causal Relationship to their Maintenance duties. It was disapointing. We knew we had our own people Out there 7 days a week that Never would have happened or we Could have mitigated a lot of it Was an expensive experiment. I have that in my mind through The rest of my life it's not Good practice to contract Landscape service unless you are Lacking in house expertise if You are you should find it. I suppose somewhere along the Line there are areas where the City doesn't have exertes when We move to the area of Technology. You brought up software Applications i'm not sure we Could train people and bring People up to speed that probably Need to be done by contractor. This issue i can't support i Appreciate your effort in Bringing your attention to it. I hope the rose garden is Brought back to it's full glory. Thank you.

>> councilmember liccardo.

>> echo vice mayors comments i Am not offended by this in any Way. We are facing a deficit. 1 billion unfunded set of Obligations we have to employees And their retirement. We don't have the luxury of Refusing to consider options. And i think councilmember Oliverio's made a commendable Effort to put an option on the Table. I like councilmember constant Believes this come down to an Issue of budget. The rhodes garren is a factor of The result of cutting parks and Rec they lost 50 percent of Their positions over that time. On the other hand i do not Believe that contracting out on A single project or park will Have an impact on our work Force. We are adding park acreage by The year and adding the needar Park maintenance. I would like to see a proposal That ensures we protect our city Works. That was councilmember Oliverio's intent. I would like to follow the path I think our staff embarked upon With this partnership framework Anticipated to come before Council in a few weeks. I ask staff to focus on an Effort to identify a single park For a pilot project somewhere in The city where a community group Aadopted the park. One particularly a group that Might have 501 c 3 status. In my district in guadalupe park In river gardens. I say that we should be working Through those groups because we Can ensure the projectance for Workers in accord with city Policy and ensure the Contracting with a neighborhood Group invested in the park. It leads to empowerment in Neighborhoods. There is an opportunity to Leverage resources particularly The volunteer efforts of the

Neighbors as well as private and Foundation money available to a 501 c 3 and reduce monitoring Costs for the city if we have a Neighborhood group out there Making sure the work will be Done. I encourage our staff to look at Those options where we have Active groups. I cannot support the certainty Motion and would consider the Staff's proposal instead. Councilmember chirco.

>> in all fairness one of the First things i would like to do Is thank peirre it takes courage To bring forward privatization And takes courage to come before The council. It takes courage to persevere And resources to do the job are Not there. I believe this is a premature Proposal to move forward with The recommendation. Our city employees are dedicated And committed but have been Handicapped. The more proper procedure would Be to bring such a proposal ford Through the budget process in The context with public/private Partnership and working with the Parks and rec peirre and his Staff laid out in the 07-08 Budget. I thank you, peirre it's not an Easy thing to do. I look at the audience and say To each and everyone of you and Most especially our park Maintenance workers. I know it's hard to talk and It's especially to talk to Power. I cannot support the motion i Encourage to continue the Dialogue so the proposal can be More inclusive. I can't support this one but Let's consider the conversation.

>> councilmember campose.

>> thank you, mayor. I think this is probably for Albert i wanted to ask you a Question regarding the staffing Level. I know that the staff that Manipulate tain the parks want To be able to dot best job they Possibly can. I know there have been comments Made if they don't have the Resources they can't do the best Job they want to do. In looking at the pictures i see The before and now i see the After pictures. As you move forward what plan do You have in place so that we can Be able to deliver those tools And resources to our staff so They can maintain. I know there is a bigger problem With our parks. Today we are talking about the Rose garden. Request you address that for me, Please?

>> councilmember campose Director of parks and rec and Neighborhood services. There is a couple of ways we are Moving forward. First of all part of what lead To the problem the vacanciy in The staffing that compounded the Problem. During the critical months of The winter when pruning was Necessary for the rose bushes as Well as the rose beds. We have completed the process of Hiring a new person that person Will be on board next week. We will continue with utilizing Other workforce opportunities With the alternative work Program as well as the general Assistance programs which brings Other -- personnel to help out. We would like to work in garner More support in volunteerism to Help with the rose beds and Season and on going that we Could ensure that these great Amenities are maintained in the Future. It's a combination of things we Would continue to do. We are also proposing in the This year's or year's budget we Institute weekly mowing that was A proposal we brought forward. Part of the problem is many of The parks utilize the parks as The unmanicured lawn or turf Areas and the edging. We want to do that regularly and That will significantly improve The appearance of our parks much There are several things we are Moving across the city.

>> another thing having the Opportunity to be educated on Maintaining a garden of roses. That's actually different than Maintaining a park that's just Lawn. How many park in the city do we Have that need special attention At that level? There are 2 parks that have the Significant rose bushes that's The rose garden of south of the Guadalupe park we have a rose Garden there as well. In that instance we utilize an Army of volunteers for the Guadalupe river park.

>> it's a special skill on Pruning roses?

>> it requires skill. You need to be trained on how to Properly prune them and maintain Them throughout the year.

>> in house staffing has the Expertise to be able to do that?

>> yes.

>> and i think that's Important. As we move forward not all Parks are maintained at the Same level from what i learned. You can mow a lawn but pruning Is a skill not everyone can do. As you bring a proposal forward You need to include everything When we talk about who's Maintaining our parks and what Skills we need to have. I know the current workforce There are skills you need to Have for maintaining certain Parks. I look forward to what you will Bring forward in our dialogue as We move forward.

>> this one it get away from Us. I mentioned that to albert. We had staffing reductions this Is a high visibility park and i Think that it reminds us we need To be inspecting more when we Have these issues we can at Least provide some maintenance Level through the use of inmates And the use of volunteers. And so it was a wake up call in Some respects. And i think we can do i better Job and must do a better job. It does remind us that we will Need to look at public/private Partnerships because you will Not restore 30 percent cuts over Night. You are not. It will take a few years if you Ever get it back to where it Was. So, it's not only a wake up call But it's a, you know, a slap in The face to say, yes, you gotta Look at other alternatives. That's the reality that we live In now. The budget reality.

>> councilmember oliverio.

>> i wanted to close with, i'm Respectful of my colleagues when We agree and don't agree. And where you are coming from. I know that all you care about The consistents we chose to Differ on things and that's Fine. I'm sorry this will not go Forward. I'm appreciative of the Residents and the people that Live in the area that chairman To speak about this proposal. I hope it's contained in the Public/private partnerships you Will put forward. Vice mayor cortese you are Correct it's at the forefront in What we deliver in city services If that dpets us a higher budget Priority to service all Districts that's good. If you each want your own pilot Park you are welcome to have Them 50 percent of the e mails i Get are not from my district They are from alameda and other Areas. This is not going to happen Tonight but look forward to the Initiatives working if the Future. Councilmember williams i believe These can be done for these Prices even provaling wage.

>> i would like to add that the Opportunities to store the cuts Are slim. We have a budget short fall of 100 million a year we are not Dealing with this year and That's for unfunded liabilities And backlog on maintenance and Trying to keep things from Getting worse. We will money because there is No money. Don't be optimistic on having Money to spend things on. Albert may be efficient and get The employees to do something Different but we are not likely To restore the cuts we are more Likely to be cutting again than Restoring. Not pleasant but that's the Reality. I have no requests to speak There is a motion on the floor. All in favor? 2 in favor. Everybody else? That fails on a 2-8 vote. Is there an alternate motion Someone would like to make?

>> if i can make the motion to Make sure this is contakened in The private/public partnership Dialogue in june that's good for Me. That's my motion.

>> a second to that motion. Discussion on that motion? Councilmember nguyen.

>> yes, thank you. Regarding the staff, i have a Couple of questions. Or actually recommendations you Can bring back. I want to learn more about what Other cities are doing to out Sourcing park maintenance. I understand pallo alto brought It back in the mid-90'ses. If you can include information And a cost benefit analysis as Well as giving us more Information about our city's Contracting in committee and Include what has been contracted In and out. I would appreciate we bring that Back. Thank you.

>> vice mayor cortese.

>> i wanted to clarify the Motion. When you say you want the Proposal to come back in that Public/private report you want The issue to come back?

>> i like the issue to be Examined.

>> i'm supporting keeping the Issue alive and bringing it Back. The maintenance of the rose Garden itself and what will it Take to get it up to par without Interjecting we want to relook At the part we voted on.

>> keeping the idea of a pilot Project or managing a park in This way. Let it allow to be in the Discussions in the over all Public/private discussions and Bring it back as the over all View saying after we spent a Month discussing it here are the Options going to council.

>> i guess i can support Bringing an analysis back it's a Request for information. I don't think it changes my Position on the fundamental Analysis i spoke to.

>> councilmember pyle.

>> thank you, mayor. I wanted to know if there was a Way to include possibilities for Making money in the parks, for Example, i know there are a lot Of graduations that occur in the Rose garden. Are there other activities that People might pay to go to an Event there. Do we charge for weddings? I don't know what the structure Is already and i don't know if There are other possibilities to Keep the park looking great.

>> many of the items are in the Fees and charges. Weddings we charge, special Events we do. Specific parks we do rentals for The picnic areas. There are a variety of things.

>> that would be great. I wanted to clarify. I was not offended of the idea i Was offended of the approach. Thank you.

>> councilmember chirco.

>> yes , i wanted to ask the Maker of the motion was that a Motion to accept staff's Recommendations which talks About and contracting out of Maintenance and services Concurrently with development of Guidelines with public/private Partnerships. Is that an element of it?

>> that's fine i think it's Option 4?

>> yes.

>> that's fine for out sourcing Being a discussion.

>> that was a staff's memo. I wanted clairifyification.

>> councilmember williams much This question is for staff. I know we charge for park usage And many of the parks. Is this a cost recovery fee? Does it meet the management's Requirement for the maintenance Requirement for the parks?

>> yes, councilmember williams, At the rose garden we generate 20 thousand dollars annually. Through our fees as albert Described and our maintenance Costs are 146,000 it's not cost Recovery to a great extent..

>> have we looked at that i Know we looked at fees. I think we need to take a look At that the cost of maintaining The parks and have them as much As possible toward the fee Recovery we do that for garbage And sewers and that type of Thing. I think we should take a look at That. May be over time adjustments Could help take care the Maintenance of the facilities.

>> for some of the fees you saw In the fees and charges document Yesterday afternoon we have an Approach. It's not going to be on a 1 or 2 Year basis there is a 4 or 5 Year plan to get those to where They should be.

>> thank you.

>> that was the last of the Council comment on the motion. If i -- it appears to be the Case. Another motion on the floor. All in favor? Opposed?

>> that carries unanimously. Thank you. That completed 5.2. [applause] we have a lot of Ahead of us this evening.

>> this is the various actions Related to the evergreen east Hills vision strategy. We have a staff presentation and Over 30 requests to speak to This item. Over 30. The night is young it's only 9:15. Let's start with the staff Presentation. Laurel prevetty. This evening i want to give a Quick recap of where we have Been and the decisions before You this evening. In 2003 we Started the evergreen east hill It is strategy focusing on 4 Cites including one arcadia South of the eastward shopping Center. A second known as the pleasant Hills golf court, third the Campus industrial and a small Portion of the evergreen valley College much the goal was to Update the evergreen policy Which controls traffic levels of Service in this area. The goal also was to balance new Growth with transportation Investments and community Amenities recognizing growth Brings challenges and to secure A voluntary funding mechanism For the transportation Investment and amenities much This will be referred to as a Funding agreement as we go Forward. The purpose was to improve the Quality of life in the every Green east hills area. We had a study session in late April. Staff brought forward 6 policy Options what the task force Considered. Various proposals as it relates To industrial land retention and Other options in terms how we Might want to handle the policy Update. At that study session staff Brought forward a primary staff Recommendation which was to not To change the evergreen Development policy at this time And refer the matter to our General plan update. We recognize the council might Be interested to continuing to Explore the traffic today Update. If we didn't want to Take that approach we should Look at industrial land Retention. We got specific council Direction, thank you. The direction includes several Items including the retention of 105 achers of the campus Industrial land and the approval Of the package associated with The traffic policy. Since the study session, staff Has been working with the Property owners of the 2 Opportunity sites to articulate The issues that came forward. There were issues around Affordable housing and schools And the property owners worked Hard to try to meet all of those Riefrments of however, they Found they could not meet all of Them. For that reason staph has Concerns about the working draft Funding agreement. This is just a sample of some of Our concerns much it was clear That the owners are only Interested in providing a set Fee for the improvements, which Is understandable. A cap of 160 million dollars. However, looking at the phasing For the dollars they would Essentially come on line after Approval of a thousand housing Units. The timing might not Coincide with the housing. The cap on the funding is Understandable. The implications that concern The staff is that if there are Transportation mitigation over Runs the city is liable for Paying. And we are liable for the Requirements under the Environmental impact report. Geven the cap of the funding This also reduces certainty. There have been discussions with The property owners but we have Not seen letters of commitment Towards the school needs. There was a request that a 2 Acre portion of land be Dedicated for the library that's Not possibly. We have a diagram and the Council has this in a single Sheet hand out in addition to Our slides. Throughout our process with the Community we have been Describing this as a 3 legged Stool. We are trying to balance an Equation of housing and Transportation and amenities. We are looking at 4,000 housing Units. With transportation improvements Costing 112 million dollars and The amenities in the council Memo including the over crossing Adding up to 31 million. If we get the state bond money That brings in an extra 30 Million. Request with the cap of the 167 We are operating at a deficit With no cost over runses we Would be unable to meet all the Community amenities much the Questions before the council This evening, this could help You with your decisionmaking Much the first question you may Want to consider is how much Industrial land is of interest To be retained. If it's 0 it might point the Council m one direction. If you are interested in all of It might point you in Another. The second question is the Council interest in updating the Evergreen policy at this time Much if you are that points you In one direction. If you are not this points us to The third question and that's if The evergreen policies and Issues be referred to the General plan update. We

have additional staff in the Audience if you are interested In particular areas and welcome Your comments much

>> i will talk about the order Of how we should do things. I have over 30 cards from the Public who wish to speak. 8 or 10 different individual Amendments to consider in Various forms. The key request is whether the Land should be converted to Housing. That's the city wide policy Issue it's the linchpin of the Whole plan. I think that's something that Council should take up first and Then discuss what else to do After that. What i would propose is we take The public comments. And then council after the Public had a chance to speak on All of the items any and all of Them then we will have the Council discussion and deal with The line conversion which is 3 Of the amendments and go to the Others.

>> fill out a yellow card to Speak is and we will limit each Speaker to one minute. As i call your name come to the Front so we can speedup the Process. Franklin west. Followed by robert tedro.

>> and mark. And on down we will keep it Rolling.

>> m mayor, good evening. My name is franklin west and Have been an evergreen resident. I respectfully urge the Councilmembers and vote with Mayor reed and move it to the Zrnl plan process. I understand the stake holders And land ownerships are Interested in moving their Investment to fruition. The impact to the city is so Great it should be handle Instead general plan process in Context of the city's strategy Planning. Thank you.

>> mayor reed, members of the Could you think. I have been a resident of Evergreen for 45 years. My wife has lived in evergreen On the same property since 1946. We are one of the small property Owners candidate for the infill Cites. We have been excluded from Development because of rezoning And because of lack of entitle Ams for over 18 years. We ask that you approve the Evergreen development policy and Make the allocations to the Small property owners now. We have waited a long time and We are running out of time. It's fair you give us the Opportunity now. If we have to wait longer we may Not be around to appreciate it. Thank you.

>> mark millyoety.

>> mayor reed, vice mayor and Councilmembers. My name is mark milliaty, i'm Native to san jose for 12 years. Transform the way you guide our City and make the individual Communities in it unique. You don't achief adding more Houses. Luckily the evergreen school Districts allows them to play Sports on their fields. Why do other cities have better Results with playing fields. The task force is not perfect But provides an opportunity to Give something back to the Community. Allows for a max number of Houses in a minimum in playing Fields and parks.

>> hi. My name is sherry gillmorand of The ebp task force. I hfrd from member was community During the open forum sections Of the meetings. Repeatedly i hear the neighbors State concerns about this Development. One concern is the traffic. Our commutes will be longer, More congestion and accidents And our quality of life will Suffer. I heard and learned from city Departments and exerts in The field. My opinion is these lapds should Not be rezoned. If you turn down this deal you, The city council will allow the Lands to be rezones piece by Piece if that happens our Community suffer more. I urge you to reject the Development and do not allow the City's land to be done Piecemeal. Thank you for your time and Consideration.

>> michelle beezly.

>> my name is michelle beezly And represent green belt Alliance. A general plan update must Happen before [inaudible]. Evergreen is housing heavy and Has no viable infrastructure. Traffic is awful for the Residents approximate adding Thousands of home on land slated For development makes no sense And result if a traffic Nightmare. The possibility of jobs in Evergreen should not be ruled Out. Green belt ands it to be tied to Smart land use decisions near Transity and lands for job . (captioning paused)

(captioning Resumed) this being the last Land of substance left in Evergreen, i suggest that the Decision should be deferred and Considered in a general plan Update. Thank you.

>> bonnie mace.

>> thank you, mayor and city Council. Goal should be a mutual Benefit for the city and the Community. There are 4 principles that Should be followed. Piecemeal is unacceptable. If it's deferred for the general Plan the others should be Amended as a package. Traffic mitigations should be Done district wide. Second, the council, there Should be amendments [inaudible] Creating development triggers [inaudible] as in the coyote Valley. Third the eeh guiding principles Should be incorporate indeed a Planning process and fourth the Idea of improving [inaudible] Land is important and [inaudible] general plan update. If you use these in any package It will be based on sound Planning practices.

>>

>> good evening, gordon lund. I would like to say ditto, i Can't talk that fast. I support staff's proposal. I support the mayor in terms of Deferring to the industrial Property. I support the vice mayor's Proposal not to allow Development until we have the General plan in place and know More and have jobs in place. I don't agree the need to fill Up the job site before we have Developed homes i think that can Be done in concert.

>> mr. Mayor and councilmembers I'm pastor gary water from mount Christian center. We are desiring to develop our Property. We are growing Congregation we need to grow and Develop. We want to move forward with our Project. We are a church in the Community with problems on the East side with drug programs and We have food programs but we've Got a facility that's very small And need to expand so i'm Requesting to you move this Thing. Thank you.

>> i believe that the city's Council should look and examin in District 8 policy up front. If industrial land should be Used for housing and parks [inaudible] a pair days of parks And trails and the center at What cost? There is a problem it hinges on Developing land. The mayor and the city council Can look at the big picture and Get it back in focus. Decide up front whether the land Is important to the city. Long range view is important to All narngds without the right Balance of zobs and housing There may not be enough tax Revenue down the road to priet Operate the parks and community Centers. These decisions may not be in The best interest of the city in The long run. As far as a joint use...

>> time is up.

>> good evening my name is ely Glass. It's a quiet neighborhood with a Cabana, club, pool and swim team Our quality of well is at risk. 29 years ago i first spoke to The city council in regards to Developing the golf course which At that time was owned by my Grandfather and before him his Grandfather. It's been a long fight. I ask you to please not approve The tentative general plan Amendment request to change the Land use from private recreation To medium residential that's 10.2. Our lives are in your hands. Our quality of life is at risk. I'm asking you to please Preserve the open space. Thank you.

>> ja net newmen.

>> good evening councilmembers And mayor reed my name is janet Newman ip president of the Cabana club can approximate Attending the evergreen meetings For 3 year. In that time no one from the Private sector ever spoke in Favor of the project. No one in our association in all The meetings we had have spoken In favor of the rezoning of the Golf course. There is a reason they don't Want their quality of life to Change and they want their open Space, please, listen to the Residents. Thank you.

>> good evening my name is Shawna sanders from the cabana Club i'm speaking to you go the Pleasant hills golf course. This would be a mistake it is Zeened private recreation which Means it's different from the Other opportunity cites. Neighborhood infrastructure Cannot support this development. There is more work to be done Before zoning changes and General plan ma'ams much

let's Update the general plan. Thank you very much.

>>

>> mayor and city council joe Head president of summer hill Homes much the proposal on the Golf course is a viable and Reasonable proposal that Deserves a hearing before you so We may demonstrate that Proposition to you with staff Analysis for you. The special fees offered by Summer hill would build out the Entire local street and Intersection propositions Contained in the approved eir And the evergreen policy area. The entire would be covered. Thank you.

>> drew keznic.

>> mayor and members drew Keznic. We are prepared to move forward As part of the whole or a Portion of that the council Deems appropriate. I would like you to move Forward. We believe there are many Benefits that flow to the Community from the project Asking including an 11 acre School. 2.1 million in fees to the east Side high school district in Excess of normal fees. 9 acres of a spirit's park. 1.2 achers dedicated to the fire Station. A total of 35-40 achers of open Space on the site. In addition to that as mentioned By joe head we will provide a Cash contribution of 35 million Dollars.

>> time is up.

>> good evening i'm edwadelight We are here to save our stores. We are asking you for that same Thoughtfulness tonight. We are Providing you recommendations What need it is to be included In an assessment of the grocery Store issue. We've hope that the today would Be like an eir. It should be done by qualified Independent retail market Experts that use ouz liezed Standard modeling areses. That study should estimate the Net loss to the impacted Neighborhoods based on different Potential housing senarios.

>> thank you. Number 3 is contaken an Independent opinion concerning The neighbors stores impacted by A new market at the site. How much leakage a full grocery Store would capture. What is a reasonable bench mark. I have been involved with the Evergreen's village center from The planning, construction and On going management. I'm here with the owner of the Cosentinno center to say i Support these recommendations And thank you for your time and All your efforts.

>> very quickly i support the Quest evergreen initiate and can Give my time to jose. I'm not going to talk.

>> good evening mayor and Councilmembers. Actually i'd like to it address The mayor's memo to the city Council. After reading your memo, mr. Mayor i'm disappointed. I didn't want to hear those Words we appreciate your efforts Because you don't. None of you Have been to the meetings, we Believe the task force has done A great job for 4 years and the Volunteers should be respected. And this should not be an issue. How did you let this issue up Last it long? Don't tell us the city is facing A budget deficit due to housing And unemployment. We read the mercury news, too. [inaudible]. The development and capital Improvements must share blame. Your deficit will grow larger And larger and larger. Your time is up.

>>. Thank you.

>>

>> good evening my name is Mayria lopez i belong in the Evergreen area for 7 years. I'm very concerned neighbor About the plan. Also for the public part the [inaudible] community center and The school project. The school that will sweep the Green area. I'm not against interest school Project i'm against the park Being taken away. Our park was with the support of The 3 neighborhoods. Please for the sake of the kid And my neighborhood do not take Green areas anymore. I'm against also to the Development it's against our Ideal. Rentals for only for the benefit Of development not for our Benefit of our community much

>> mayor, city council much i Represent the residents of the West evergreen strong Neighborhood

initiative. We have been involved with the Planning process since the Beginning. We continued with the process Through the east hills visioning Strategy. Our number one priority from These planning processes is to Build a community center to Serve the area residents. We practice being responsible Citizens working to build a Community center for the area. To build a school for our Children. Affordable housing for our Residents and improve our Neighborhood for the future. We expect results from our Participation. Our input into the process --

>> time is up.

>> mayor reed. I'm mary with the evergreen s And i. I am here today to speak to you About the responsibility of Housing we recognize there are Realities. The need for housing. We welcome them in our Community. We hope that this city council Will not take advantage of our Civic minded responsible Thinking that it will not turn Our neighborhoods to ghettos. It will not use our neighborhood To fulfill it's afford annual Housing quota. Having said that. The proposed 18,075 housing Units in arcadia is too much in Light of the reduction of other Units on other site, a 1500 unit Is a more fair number. We can't speak about fair Without mentions saying we would Like our fair share of Affordable housing.

>> my name is veronica and on Behalf of evergreen community i Would like to say we invited Redevelopment to our community So that the tax increments could Stay in our community much we Took on housing so the west Evergreen residents have people To live and retail soure Residents could shop. We want you to follow and oshg Bay the redevelopment laws we Reinvest redevelopment in tax Revenues back to our community. Over our community center and Sports complex it's important to Preserve our community center. Thank you.

>> my name is julio. The residents of the meadow fair Neighborhoods totalling 1, 500 Housing are in dire need of an Elementary school today much the Development of arcadia affers an Opportunity to build an Elementary but the current plan Does not accommodate for a School of an appropriate size. I would like to put a concept For a development plan here. The highest dwelling unit Density. The goft course with 700 will Have an elementary school. The industrial site having lower Density than arcadia will have a K-8 school. We hope you recognize the Injustice and hope you rectify The situation. Robert sandoval. Carlos disilva.

>> of west evergreen strong Advocates of sport fields for The youths. We are not against it is league We offer 11 ache ares for adult And little leagues. Knowing we have to live with the Litter and noidz and traffic Associatinged with the field. We ask you give us a fair share Of open space. We seek to keem our current Park. We hope you see the inzft and Prevent the wrong by not taking Away our parks. When you look at the proposals At the pleasant hill golf Course.

>> councilmembers before you See the residents while others Have left because of the late Hour. We spent years attending Meetings to improve community. We seek your help so our youths Can play together much we seek Your help in building affordable Senior housing and building a Self sufficient and sustaining Community center we seek your Help. We have done what you have asked Of us and ask you to produce. The last thing we want to see is A piecemeal it needs to go Forward as a whole or stopped as A whole.

>> good evening mayor reed i Want to thank you for making Your proposal to turn this down And thank vice mayor cortese Making sure there is no Piecemeal. As a 20 year reds dent of Evergreen i want you to you to Happened why this is the wrong Way to propose it. Safety and quality of life. Planes will ply over new Residents that it is poor Quality of life. Industrial use would be bert. Evergreen is a trapped community With a population of a hundred Thousand now and adding another 800,000 people will make it the Largest city. Mountain viewal 73,000 people Has well balanced jobs to Housing ratio. Time is up.

>> good evening brian schmidt.

>> we grand jury with the Staff's original recommendation And councilmembers pyle and Chirco supporting deferral. We are in support of vice Mayor's cortese recommendation Today as a way to deal with Piecemeal. Focus the general plan on Industrial lands that's a good Thing. Financial problems is Another reason for deferring This item.

>> david zafrnger. I had both feet entrench indeed This process since 4 years ago. I have been conflicted in a lot Of things, i got piece the other Day when i attended a meeting. The mayor said, we need to look Further ahead. We need to look much further Ahead. I agree with that we need to Look generations ahead. 20 years ahead. I realize we need to preserve That land and i hope you do that Tonight much thank you.

>> good evening mayor reed and Councilmembers. I represent the 2 colleges and The city of evergreen. 93 percent of our students are Residentes of san jose. The reason we have it before Suto help us do a better job of Developing strong job training Programs.

>> we look at the attempts of One time dollars to nngz funding For training programs like Nursing i realize in the city That the job training prospects In our college are on a decline Because we don't have the Resources to fund them. There are few ways for us to get The money and provide strong Training for the city and the Development of lapd is the way To do that. I ask for the flexibility in the Proposal we don't have a Developer and we ask you to let Us have the flexibility so we Can have a better return.

>> good evening i'm speaking on Behalf of the college district. By imposing this is the cleng Site it's forcing the Residentes to act contrary. Like as i understanda Irrelevanta's step sisters you Can't make the slipper fit. We have waited this long and Waiting another year does not Make sense

>> there is a need for the Grocery store on our site. We ask that you let us benefit The citizens of son jose. If you Have to defer the industrial Component, we ask to you Consider the mayor's other Recommendations going forward.

>> hello my name is b bakely i Lived and worked in evergreen For 10 years. Today 4 years later the current Funding proposal doesn't support That if you reserve the parcels Of land for industrial use i Can't support residential Development in the remaining 3 Parcels -- if you convert Industrial in evergreen the Responsible thing to do is stop Piecemeal development as well. We have the worst traffic Conditions and crowded schools In the city. If allow this before the general Plan update without regard for Schools and traffic tell not be Attract to the. Ers who's workers have to fight The crowded streets to get to And from the freeway.

>> good evening. Mayor reed and members of the Council. Allen kofington evergreen Resident. Of the 3 options before you -- Of the many options before you Tonight i support mayor reed's Proposal for this reason. The city must change the classic Development model where people Live in community and a lot are Forced to get into a car to Travel on ever crowded freeways To where the jobs are. The u.s. Experience say this is Leads to roadway demands with The best example is los angeles. Modern public transportation Will provide alternatives to Rely on automobiles not for a Long time because of the Sprawling development and Current systems don't know to Where job holders need to go.

>> time is up.

>> thank you.

>> good evening mayor and Council i'm mark with del Properties my partner and small Property owners have been Beforeow this issue. We appreciate the concern that Several of you expressed in Previous study sessions and Hearing for the small property Owners in evergreen and their Antl to move forward with the Development of their infill Properties. This has not know reflected in Any policy language. Whatever action that council Provides tonight that includes Provisions that allow the small

Property owners to develop this Evergreen to proceed with Applications to obtain Allocations can and entitlements They need without the burden of Process and fees.

>> good evening, mayor and Members of council. I'd like to imagine something That's separate but vital Connection to this project. It will have a tremendous impact On results of the study tonight. Light rail is scheduled to start Construction on capital express Way, the main artery out of Evergreen of the developers have Told us they will need another Intersections along capital. A part of the light rail plan is For the county to turn the Express way to the city. The result will be the loss of 2 Hov lanes to accommodate the Light rail alignment and the Landscaping. I urge you to wait until the General plan is updated and the Factors are considered, thank You.

>> thank you, mayor reed i'm Here on behalf of the river Oak's neighborhood association In north san jose. I want to tell you that we Support the residents of Evergreen. We urge you to retain industrial Land, to address our jobs and Housing imbalance that's causing Our financial difficulties. You should refer the update to The general plan, which is the Right place to do this type of Planning on a city wide basis. So, we also believe that Piecemeal development should not Go forward in the interim but The changes should be handled Once as part of an over all Plan, thank you.

>> beverly brian our last Speaker on this topic.

>> thank you mr. Mayor i'm Beverly bryant i'm the executive Director for the home builders Association in san jose. I want to know and you know you Have excellent and thoughtful Proposals before you this Evening and our organization Hope us will give them a fair Hearing and listen to them. Over the past 4 years they Worked with the neighborhoods And people on the task force. In terms of what they bring to The city, public benefits, Transportation and Infrastructure all which are Good in i valley that's 20 units Short. A proposal for a moratorium for Housing before industrial Construction is to fill this is A very difficult situation i Think we put the city in a Difficult situation. These people have worked hard And putting something like that A damper on construction on Housing would mark san jose in a Negative way. Thanks very much zoo that Completes the public testimony On this item. I will return to council Discussion as i suggested. I think we have take up the Industrial conversion and work On the other items. Councilmember constant.

>> thank you, mayor. I'd like to make my motion and Have an opportunity for comment. Move approval of the memo that Was submitted by the mayor, Councilmembers pyle, chirco and I with a mention that included In the nonindustrial cites wered Letter, a, are the smaller Properties that rely on the pool Allocations and hacome back in 30 days from staff should Include allowances for the Properties to move forward.

>> a motion and a second. Let me make sure i understood The motion. First part of the recommendation To defer consideration of the Industrial campus land Conversions to the general plan Update?

>> yes.

>> also to provide Recommendations and require next Steps for way the nonindustrial Cites might be considered for Development?

>> bring that back?

>> yes.

>> okay. Discussion on the motion. Councilmember liccardo.

>> councilmember constance.

>> thank you.

>> i have met with a lot of People in regards to this Evergreen proposal and i heard Everyone's comments and i Appreciate the comments from the People who own the industrial Lands and especially the Comments made by mr. Burg about The value of the land and Whether it's appropriate or used

Annual for industrial Development. I don't see this memo as a flat Out, no, i see this memo taking A global look at the industrial Lands and it's more of a vote of Not now. Let's look at the industrial Lans in the general plan update And make sure we are balancing Our industrial lands throughout The city and that perhaps during That general plan update there May be some opportunities to Change designations in other Areas so we don't lower the Number of industrial acres or Square footage we have. I feel that this will also help Us maintain the direction that The approved in the framework in Item 4.3 earlier today. I think that while this is a Good compromise, it allows the Residential property owners the Smaller developers to realize The value of their property and Provide funding for some of the Traffic improvements and let Them move forward.

>> councilmember liccardo.

>> i had a question for staff. I joe, i know we heard from are Summer hill and kb homes that They would be committed to the 93 and a half million dollars Whether we were to aprove the Entire plan together all of the Developments or this site. Do we have that commitment from The other 2 cites arcadia and The evergreen college? I'm not aware that agreed to Meet equal obligations.

>> do we have reason to believe If at some point down the future It we were to approve those we Would get les money for Amenities and transportation if We dealt with them separately Rather than jointly?

>> i think the city attorney's Office prepared a very tear Analysis of the risk trying to Deal with them individually you Are really dealing with Individual personalities of why Individual developer is wanting To develop. I think you see that in how the Development teams have Approached the project thus far And why kb and summer stretched Up as publicly traded and Production builders versus Nondevelopers. How they approached wanting to Move forward quickly. I think the not having an over All funding agreement is a real Risk to trying to provide the Total funding package that's Opinion talked about whatever That amount is. The attorney's analysis pointed There are risks significant Risks depending how far to the Entitlement process you let that Rest whether it's at the zrn1 Plan or zoning stage or Subdivision map stage. Once you make the general plan Stage you have made an Irreversible decision in the Case of the industrial lands Once you go to housing it's hard To bring it back to industrial.

>> councilmember pyle.

>> as chair of the economic Development committee. I along with my colleagues have Grown frustrated that we don't Have a sound policy today we Aproved the first step our Imbalance contributed to our Budget deficit. While we all heard this Industrial land is not able to Support business it's mains Unclear to me what the Senariowill look like in 30 Years perhaps tell be needed by Businesses much the memo signed By mayor reed and chirco and Myself put this to the general Plan update for further study. At some point if the land meets The conversion's policy it could Be developed in the future. However, proceeding now would be Premature we cannot retain this For industrial uses if we move Forward today. I would like to thank vice mayor Cortese and campose and nguyen And the staff for their hard Work and 4 years of dedication. That was many hours of effort on Their part has gone into this Plan. I can't proceed of the Conversion of industrial land Until it's studied further. It's Important we move forward with The other developments that have Been proposed because they are Ready. Shown ability to perform and we Need the amenities that have Been performed. The school it is are desperate For help we are desperate for Parks and all of those Amenities. Thank you.

>> vice mayor cortese. Thank you, mayor reed a question On procedural question. It's your memo i wanted to ask You. I would like to ask we Biforcate the motion and take The first part of the Recommendation in your memo that Refers the industrial conversion Question. Deferring the general

plan Amendment on the industrial and Referring it to general plan Process as 1 motion and the Balance of it in a second motion So a have an opportunity to Speak differently on the 2 Issue.

>> that's okay.

>> that's fine with me.

>> thank you. I will focus on industrial now Given what we just did in terms Of the motion. First of all. I want to thank laurel prevetty For everything she's done. For the last several years. I don't know how many of here Daughters concerts she's mised And helping with home work but She's put an awful lot of time In this and city staff and the s And i folks. Several of whom spoke tonight And stayed very late for their Efforts dating back to their First effort which was putting The s and i plans out there That's who s and is. The task force the original and The task force that this city Council constituted in 2005 2 Years ago. I would wish i could offer up More than a thank you at this Time. When i say task force members it Means the property owners that Participated in good faith for 4 Years. There are so many so desperate To undermine what we have been Doing. Some of the things you hear on The street. I rarely give a legal opinion in Public to a mass audience. As far as i'm concerned, Although i'm a public figure and Things said about me will not Holdup as defamation in court. The people who are not public Figures and called negative Things as to the reputation this Process started with the city of San jose. The city staff. Convening a meeting of the Property owners by invitation at The old city hall asking them to Participate in a process that Could not be funded by council Action but by the property Owners if it was going to Proceed. These properties came together One being a college, one a golf Course, one the largest Developer in the state. The other being a home builder Who lives in san jose and held His property that's a subject of This discussion for over 50 Years. These folks come together at the Invitation of the city and they Work together and put up Tremendous efforts up to the Last couple of days. In 05 and the task force was Reconstituted and sent out to do Work the memo that the mayor Gonzales and campose put out Said this. The efforts have been available And the hard work by Councilmember cortese are Appreciated. Today's memo bite mayor says Appreciate the and city staff to Direct over the past 2 years. We don't anticipate the work to Go to waste but enhance the Future work.

>> another thing i wanted to Clarify for the record before i Forget much the memo says that The proposal to do the Industrial land conversion does Not comport with industrial Conversion. If you are talking about the Framework we aadopted at lon This afternoon that's a fair Effort. At the time that memo was Written i asum it was referring To the november 2005 industrial Conversion the council adopted Unanimously at the time. That said the evergreen Industrial area consider uses Through the evergreen smart Growth strategy processes. It doesn't say anything about Bringing in industrial Conversion proposal forward Would be in conflict with the Policy. Quite the contrary. I want to talk briefly on this To give history that's going to Sound it's coming first person. I want to talk about what the Task force all of us in the task Force came up with key Observations. I lived in evergreen all my Life. 50 years. I have seen dramatic change. What's now the municipal water Company was a water system that Had 9 homesos it's 27,000 now. As i member of an orchard Farming family, farming was my Family's soul persistence. I hated to see the piecemeal Destruction of the evergreen Orchards in the 70's and 80's For housing. I couldn't help but see it Happening all around me. In 1982 in response from Residential developers in Bearesa. The city council allowed land to Be converted, residential to Justify that the council chose To convert 300 achers of the Evergreen foot hills. This was a flawed stigz ask and Compounded by poor policy in the 90's. Everybody makes mistakes. I want to talk about why i think That's the case. The 300 acres were east of the 300 achers by the mount hamilton Foot hills.

>> i was invited to the ground Breaking of the first building Development on that site. It was heart

breaking to watch It took place on the site of the Nnl ranch, home of the most Beautiful walnut orchard in the Valley i worked on it as i kid. Walnut trees as big as oak tree With such full canopy you were In the shade all the time. I remember then mayor said as we Served glasses of champagne. Guarantee if you come back a Week from now you will not Recognize this place. a week later i looked and you Would not recognize it. Promised 11,000 jobs as well. That's a guarantee it didn't Happen and hasn't happened for 27 year. Every time a see a glass of Champagne in the little glasses I get the same feeling i got That day. I don't know who else was out There a lot of guys in suits and Ties. By the mid-90's the first Bodying was in foreclosure and Vacant and stayed that way until Last year. That site restricted to 24 hour Low rice manufacturing uses, Which became obsolete years ago. So agriculture or manufacturing Jobs or tax revenue for 27 year. Despite that supposed commitment Despite the rush that caused the Trees to be knocked down in the 80's. On a personal note, in order to Put the storm drainage system in For the industrial that was Going to go up over night the City condemned the imminent Domaine my family's orchard and The 5 water wells and a year Later raising water rates. Which was 10 times the 60 dollar Rate people were paying for Water. A lot of cost and expense there. A lot of decisions being made e. Then an opportunity came along. A task force like the one we had Together and the first evergreen Specific plan. The planned we had 20,000 homes Developed in this area from the 70's thru the 80's. We need limits on residential Growth. What came out was a limit 4700 Hopes to be distributed through An allocation process and the Evergreen policy had that number Impeded bedded in it. There was 1 flaw in the way it Was done. If you look at council at that Time it's amazing they let it Happen. There was no corporations of the Lands to the east. I'm campaigning and my Constituents are telling me we Need to revisit the situation The jobs never came. Would you promise it we elect You that you will revisit this Decision? They didn't say convoter it to Housing or over anything. I made good on that promise but We have been working on it for a Long time nought. The reality is twofold t. This Is one of the things we observed In the task force process. You either stop ask and reverse That mistake now and create Incentives for the development To occur and put the jobs before You allow residential Development and recirculate the Traffic. Or you convert the industrial And you use the 90-100 million Dollars it can provide according To the offers of the owner to Widen highway 101. New interchanges 22 million Dollars of road improvements and Move forward and call it a Different approach and a Mistake. I can live with either One. I didn't go to this process with My miepd made up either way much The other observation i need to Share with you has to do with What we found out that land can Generate. The developers themselves, was Distributed to everybody in Completeness putogether a draft Funding. It needs more work along the Lines that were problematic About it and 3-4 issues that Would not have been resolved That would have to be resolved. Here's what we learned about This. Our council and mayor has said Unfunded liabilities are a huge Issue. I hear people saying in e mails And editorials that don't tell The whole story, it's all for The developers. They offered to write wan 67 Mindz check approximate let the City do hathey want with this. Here's the check, do what you Want. What we in the task force Determined there's 82 million Dollars needed for the 101 Improvments we talked about and The improvements are need the Irrespective whether the Industrial goes forward or not. That's an unfunded liability at This time. You can look at the traffic Models. Traffic systems in our backlog, 10 million dollars. These are department of Prescription rfrt professionals Saying here's your unfunded Capital needs. White root main thorough fair. Money needed to upgrade the road Because it hasn't been widened Properly. All of the thipgs will happen The question is if you want Private money or for it to fall On the tax payer's back. Our tax payers are going to pay 82 million. 7 million 500 for the upgrade. 4 million for new traffic Signals. Sooner or later we have to pay That debt. The sport's fields is the only One noft dez iing thated in the Park green print much it was the Number one priority of the task

Force and a wighted since 1966. So, fast toward to 2001 when i Got on the council and asked why Is the 12 acre park sounded by 4,000 homes not built as Promised to the community. Zoo Haven't got the land dedicated. We went through great lengths to Force that dedication to occur And found out that costs over The prior 10 years there was no Way we could build a park Without more monechl that park Sitting there with unfunded Costs associated with that mast Are plan. Lgs bit questionable whether or Not that has to be built with Tax money. That community is long awaited That facility. 2 pedestrian crossings vta will Not pay for. It's my belief those have to be Funded. We have a fire station that's Planned for the congestive heart Failure course site where we Goat land dedicated if the Industrial conversion does not Go forward. It's unfund liability now as we Sit here today. Southeast branch library it Happened to the last library in The library master plan. Everybody else's library in the Master plan gets built. Most west of the 101 line when It gets time to fund the Southeast we have no money for Land. They want to take 2 achers out Of a park to situate the Library. You will pay for that tax payers Will take into account our with Tax payer money if this doesn't Happen. We need to make the right Decision if it's to preserve the Industrial land i will Respectful 3 live with that. I wanted everyone to have their Ice open what you are giving up. All of these thing i rattled off Didn't be required through the General plan process. By referring it there you are Saying goodbye to the 167 million dollars Or whensoever it might grow. That's -- that is challenge Number one that's what i want Everyone to have their eyes open About. There have been 2 types where i Urged the council not to do Something that would haunt them H. The other was the grand prix Vote. If we defer this to the general Plan, this is not a scare tactic It's a business comment. If we Refer this to the general plan Everyone needs to understand, Okay, when you go out to the Community next week and people Ask what about the 101 Improvements we had the nony on The table approximate didn't Respect it. This is what i have to say about Moergz one if this council Really believes these lands need To be rave said for jobs then Make that decision why refer it To the general plan. Why put it somewhere where Someone has a shot of getting Their conversion for nothing. Why is the guts and say, we are Making that decision and Preserve it for jobs. Believe in the decision the People made in 92 and 93. This is important to me that People don't make decisions on This based on black white Principles about always allowing Industrial conversion or never Allowing industrial conversion. If 10 year from now is becomes Industrial generated tax Revenues it will take 45 Years. 90 million dollars subject to it Further discussion it's a lot of Money this was a holistic Approach it needs to be one way Or the other. This question, industrial Conversion is the question. That will decide which complete Direction we need to go. I urge my colleagues if we will Send anything back to staff for 30 days including a look how the Others will do we ashllow Staff another 30 days and bring It back at the same time they Bring back another analysis. Rather than making a decision on It today without further anlts. Thoot what i would like to see Done i respect the wishes of the Council.

>> councilmember constant.

>> thank you. Thank you, dave for your Comments. While i agree in the areas like The traffic improvements i have A concern about the other Amenities the parks and Community centers is ask and the Libraries when i don't know how We will meet our own obfagzs in The future and how we will Provide searchses city wide and The public needs we have. We are far short than what we Need in police and fire the Members i need to see are huge. How will we provide services ste Wide if we don't take the global Point. How are we going to provide for The health and safety if we Don't meet this housing Imbalance head on.

>> if i request add, mayor, These folks i mentioned. Figure out how much money this Generates. They have it down to 1 percent. Within one percent you know they Are down to adding and subtract. If you ask

staff, how far Revenue is an alternative to This funding agreement how much Will this generate beyond what It generated in the last 27 Years what's the number? You don't know. The city you have to question at Some point when you think about Hai said. 45 years at 2 million a year Worth of tax revenue to catch up With what we have to the table Now. It we are looking at industrial Properties in the right way. There is not one trael project We converted since i've been Here these folks are saying i Will give you a lump sum payment Instead of the revenue. There is a small market Effectively that in evergreen For other reasons, how traffic My balance out you are better Off having jobs even if they Don't [inaudible].

>> that's not a fiscal analysis That's a local quality of life. I'm listening about that. While i agree with the points on The income, what we have to face Is once the housing is there the Services have to be provided Immediately. The on going labor expense Starts that day. I wanted you to be clear what my Concerns are.

>> councilmember williams. Thank you, mr. Mayor. This question is for staff. As i was reading the attorney The assessment terms of the 167.3 million. It said that this is not Adequate to take care of the Improvements yes to provide the Service level transportation. In the city if we accept they Get 67 million. Is that true? Let me clarify the concern with A cap of the dollars if there Are cost over runs associated With the transportation Improvements the city would be Obligated to take care of the Cost over runs these are base Assumptions in the environment Al document. With a cap with respect Elsewhere we get the money with You to reach our own city Dollars.

>> the other piece of that and That's why we dot chart it shows The trpgdz improve ams and we Have the amenities. There is the fort's. We need more money for the Project we dw to the capital Been or have a list of things That are 30 million dollars more That's generated from this. (captioning paused)

>> if the 167 is accepted. What Would occur in the neighborhood In terms of traffic in would That significantly impact the Neighborhood if we did no more Than the 167?

>> if we did the improvement The in the 167 that accommodates The units.

>> uh-huh.

>> that's a part that concerns Me is that it sounds the 167 Million sounds okay but then it Really puts the honor on us if The quality of life would be Required of us they will look For us to that; right ? So -- getting back to the park. Would the dollars -- in 167 Would not allow us to build a Park. To build the thing. The things we will --

>> without convert the Industrial lands and the Revenues the developers offer to The city from building housing On the industrial lands much There is a substantial tens of Millions of dollars difference That come to the city. It's a large number as laurel Has said. You are talking about hundreds Of acres of land that the Difference in land value on Hundreds of awker are the Hundreds of millions of dollars Difference.

>> i'm my head is just every Time i pick up a document there Is a different flavor it we did This we are exposed here. It's frustrate to me in the Sense that i really in terms of A commitment, what to do -- what Do you believe the, the, the, General plan the add if it's Given to the general plan as an Option. What do you believe will be Added? How do you think this will meet The concerns raised by Councilmember cortese in terms Of what he would like to see the Community receive in term of Parks and trails and all the Amenities they would want to see There. We will not have the 167 Million. What your suggestions to how we Get where you want us to be for Our community.

>> 3 questions in there i will Try to --

>> as it relates to the general Plan update i think it a this That as we talked about it Afternoon it's different for one Of the tenants in that stigz we Have to protect jobs and where We convert industrial lands is Looking at what are the Realistic opportunity elsewhere In the city to preserve this

Capacity? And where that is going to Happen then look at what are the Extraordinary benefits from an Economic develop the standpoint That would result from that Conversion. We talked about public benefit To economic incentive funds Things that allow us to be competative, not to be -- those Are things that add to the Operating costs. There was a distinction today. Through the update process we Look at where we would provide Those jobs and look at what's The best place to do that and The best return to the city with Land we do convert. That's part of what the staff Said we think that for this Industrial conversion there's a Better deal to be made for Converting industrial land to Give up the 200 acres of Industrial land there should be A direct return to our bottom Line.

>> what you are telling me is The general plan review does not Preclude conversion? That there is an opportunity you Need to take a harder look at it In terms of what we need in term Jobs and future needs in the City?

>> that's correct.

>> a vote on this item it is Not preclude conversion? Of future conversion decision But put it in a city wide base.

>> looking to see how you would Do the conversion.

>> the second question, the 167 Million or 200 million, that is Part of the discussion that we Had this afternoon was how to go Through and make sure we are Negotiating our reviewing and Considering that when we look at An industrial conversion we look At the best long-term decision For the city. What's coming for the city Result of that decision. Either through investments in Economic development. Grant a lot of things out of oed Having a source of funds would Help us be competitive. That's what we talked about in Industrial cop versions is one Of the things we say that's Worth a million an acre as well As how you fund for doing Residential what are the right Rec that sillities built with That community. What would be ideal for me if You take a look and there is Some way to come back and say This is how we will bring these Amenities on. I think that's the frustration Many times is that it -- after We say, leave it in industry and We wait for 30 years and use it As a basis -- if we can be more Proactive and say let's look at It in the zrn1 lan. We always look how we will Fulfill the need it is in the Community we should have a plan On how we will get there. I think we talk about the need To have a maintenance plan in Place before we build new Facilities and those kinds of Things. There's a cash 22 if you wait . My when the dollars are Available, roicide the amenity. Then, i think the resources are There we should take the Opportunity for the resources And find a way. To find together upon poof they Ever gone.

>> i'm glad we had this Discussion we have not precluded But will look at a larger scale Throughout the city we can make Some decisions and include how To a preef the 167 upon million Will provide if we don't take it Now. Thank you, mr. Mayor.

>> councilmember chirco.

>> it's always hard to tell a Community something they worked So hard on for so long is not Going to be granted to them. You want to be tloufl in how you Proceed. If you look, as i look at dollar Figures as you put on your peat Here it's more compelling of The. Pardon of the traffic Approximate additional house and A real chance they would end up Without the amenities they Agreed would be part of the Trade off. Wop, i think that's a "bait and Switch" on a community. I think the regioned-at the Receive of the community that Deserves that.

>> great that's worse the Community amenities we cant Afford now but might be forced To in an agreement where there Is a short fall of dollars.

>> one a risk or you don't fupd Some projects and have that Discussion with the community That some of these happen it we Are going and how we price and Build things. These dollars are estimated in

2007 dollars. What happens to the cost over Time?

>> the way the funding is set Up it's built in every year the Cost it is go up based on the Cost of construction materials. All of the developers say, this Is swell with us.

>> i heard wop. Developers Would not sign the agreement. More at this point much the Estimates are 06 dollars the Escalation is on item 5 a close A proksination memory it's Former experience with Construction costs. If are Problems with the right to the Not of stee. The developers are agreeing to Pick up any construction cost Index as of january one 2008

>> any money collected after zn One, 08 will be increased by the Construction cost impact. I made the motion to defer until We had the financial analysis. You know, i see some of my Concern being played out that The financial analysis doesn't Cast a shadow to cover. Thank you.

>> councilmember pyle.

>> councilmember liccardo.

>> a question for the vice Mayor. With regard to our comments and Concerns about allowing the Industrial campus parcel to go Back to the general plan. In light of the concerns that Are expressed on page 4 of city Attorney's memo i dated Yesterday. Are you suggesting that if we Want to preserve the industrial Land it best course is to refuse A conversion at this time and Exclude it from the generals plan Going forward.

>> yes, that would be serious And i was speaking for a long Time but i didn't want to go to The set ups for industrial to go There. There is no requirement That the real estate industry Needs to make sure that campus Well industrial goes there to Build houses. Nothing lifrpging the most Lucrative real estate with the One we need done at the most. Since i have been here it's Adding insult to injury how Important it is. Everybody all the same Builderers build in evergreen Are in coyote valley to create More industrial there. We created an industrial Development

>> i appreciate your views on The larger picture. I'm focusing On a narrow question. If the narrow focus was on Preserving the industrial Acreage there the best way to It as you see it to avoid issues That are in the city attorney's Memo is decline the conversion Is special keep it as a zrn1 Plan process?

>> if it's the council's wish To preserve the industrial land I'm saying what you said. It doesn't make sense to refer It to another body you are Saying we want this industrial And jobs and turn around and say We are not that sure so let's Let the general plan update look At it. The community needs an answer. It's time for certainty and Clarity not deferring it for Another group to study it.

>> whether or not that is a Better course?

>> i want to say i don't think It should be the primary course. I'm not abandoning -- if this Were to fail i would resurrect My memo to get us to a point Where we close all the opened Issues and bring back have -- If that's not going to happen i Think you have to exclude the Industrial from the general plan Process and commit to it. It should not be committed for Manufacturing purposes it has to Be for employment lands in no Uncertain terms.

>> koun member nguyen.

>> thank you.

>> i'm sorry to interrupt. I know joe wanted to respond.

>> late in the evening. Councilmember liccardo the staff Would agree with vice mayor Cortese's comments about doing a Better job of trying to market Evergreen it's how we structured Coyote valley. We learned things about Evergreen when we did it the First time around there should Have been triggers out there. On the industrial question, our Recommendation went to the task Force or the study session Meeting was to do -- just say no To the project it was an all or Nothing deal, it was presented To staff we felt strongly about The industrial conversion Question. We have been under such siege For

industrial converz that i Would say is say no to the Industrial. And move on. We have a deal that is an Integrated deal. Trying to pull them apart is Challenging. We wanted to say no to the whole Thing then. Well is merit of looking at the Larger question of the other Properties much it's a fair Question that the vice mayor's Raised about how that gets Looked at in evergreen in Relation to making jobs happen. We have done it for san jose and Coyote and town down why not Evergreen. What are things we could do About it and serious about Making evergreen happen.

>> thank you.

>> in the interest of time it's Getting late we have an early Study session tomorrow i wanted To briefly make my remarks much As one of 3 who serve on the Task force i want to put forward My sincere appreciation for this Process. I want to thank lauren and your Team for the hours you put up With us much the developers and Leaders and members that came to Speak. I want to reiterate my concerns Again, when we have a project of This capacity i'm more concerned About looking at how we use more Land use policy versus the Communities amenities presented Before us. The funding is enticing they are Huge numbers. Whatever we vote on we have to Live with that for many years to Come. There are a lot of Repercussions. That's where i'm looking at. If the mayor's recommendation Gets approve tonight i would like Staff to put considerable effort In creating an opportunity where All developers small and large Have the opportunity to develop Their sight and not having to Wait until big properties and Small properties get developed At a second phase. I ask you consider that request. Thank you.

>> let me say that i for one Would be willing to say deny the Conversion, period. Not give it to the general plan Task force. I think that's the right thing To do. I agree with vice mayor cortese We need to do incentives for the Evergreen as we have in the Other areas whether it's Triggers it's a second part of The discussion. If the first motion passes we Have to talk about what to do Next. Councilmember williams.

>> yes, as i said earlier today When we talked about a Conversion policy that it is Done such that there's no Equivocation at all whether it's Can be or can't be and when it Is it is. We don't have to deal with this Conversion thing anymore. We have to get definitive Position on if we need it need And on the general plan when it Come out we know for sure and we Don't have to debate this issue Again. I'm hoping this will all be Included in that.

>> council campose.

>> thank you, mayor. I want to recognize dave cortese For the 4 years you committed to The requests that the community Asked of you many years ago in 2001. I want the community that was Part of the task force to know That your work and input and Yoir comments and your nights You gave up to be part of this Process was appreciated. I think staff needs to february Out how that information is not Just put to the side and not Part of your decisionmaking. I think a lot of the comments That were made today a lot of Comments i heard as i went Through the process alot were Part of the process 2 years Prior to myself coming on and Councilmember nguyen coming on. In fairness for their time and Commitment and valued input a Lot of people it great comments On what their community should Look and feel like much the Other question i wanted to ask My colleagues and i think the vice Mayor brought up a good point if Industrial land is what we want We should make that decision Tonight. I don't think we need to Accepted it to the general plan. What i heard from the planning Dekt that's something you would Like to have us make a decision To. You state today at the study Session i hear you saying it Again. If that's the direction you want To go we need to move forward so You can plan and see what that Will look like. As we move forward, this is not The motion on the floor now on Figuring out what we do with the Other 3 properties it's no Different than what we want to Do with jobs is and industrial Land. We need to think what we are Building out in other Communities. You heard that the density may Be too

high. That they want more open space. And there's a lot of the same Comments aye heard throughout The year. The one thing i had a struggle With when we went through the Evergreen process was it wasn't Very inclusive. I constantly heard and heard Today community members never Felt their voice had a place in The whole discussion. That's one of the things i'm Feeling comfortable about not Accepting moving forward Completely because it seems like We haven't flushed out Everything that needed to be Flushed out in the process. I'm referring to the other are 3 Sides i'm talking about what the Size of the community center Would be. The other thing that bothers me I said it over and over again is I'm not sure if we are able to Move forward on the fire Station. And what the infrastructure will Look like as far as public Safety. That's a huge concern of mine. I said it before and will reiterate it. As we build the community they Need the amenities they need to Have. Those are some of the concerns i Have as we move forward. What we Have to the floor right now is What we are going to do with the Industrial land. I think that the maker of the Motion, if you could leave it as Is or ask and take a vote but It's also respectful to for us To make a decision on whether we Will move forward with that Or not. That's a direct and Blunt way to move forward in This discussion.

>> thank you much

>> i'm not sure taking the Conversions out of the general Plan update is the most wise Thing to do. I don't think we should take Things off the plate of the General plan update that defeats The purpose and making decisions And contacts law the whole city. It may be that is the ultimate Right decision i'm not Comfortable to do that tonight, Quite frankly.

>> vice mayor cortese. I recommend if you go forward With any version honestly for Your own, i don't know what to Call it in nice words. For your own sake you don't Write off what's going to be 200 Million because the others will Collapse 2. Referred into the general plan Have the recommendation come Back that you had to convert for Anyone. I think you have if you write Off this kind of money you have To be committed and make it Clear to the general plan update Process that we gave up a lot. We don't want anyone changing it For now for free. There is an effort in the Community and there is Extraordinary value with that.

>> i would be willing to Medicare a substitute motion to Deny the industrial land being Converted if anybody wants to Second that.

>> substitute motion on the Floor by councilmember oliverio, Seconded by campose which is to Deny the industrial land Conversion. Discussion on the substitute. I want to hear from staff on That in terms of your over all Goals for the city when you do The review for industrial land Will that impact your ability to Reach the conclusion you need to Reach.

>> we have a lot of questions On the table as it relate to the General plan update. We are scoping all of the Questions. If we hope to get the general Plan update done in a comp Pressed time line as directed at The last study session it would Help to ask if some questions Not to be part of the update. If evergreen needs to be Preserved. We will take that direction we Have other work to keep you go Busy on the update.

>> it's a benefit to you at This time if we desire to do This?

>> if you have those feelings Let me know it will help us. Really. I'm giving you direction i want To know where you are if you Feel it's a benefit to you in Terms of getting the work done You need to get done and coming Back with an answer sooner it's The way to go. I don't want to impact you and i Want you to do the work to reach A conclusion i don't want to be In the position of trying to Make that decision here. Thank you. I'm glad you let me know that.

>> the trade off is if we say These lands are industrial it's Not open for general plan update That takes off the table the Ability to look at the lands for Other uses the council might Want to consider. We have

our employment lands we Need to protect them but we need Sports fields and places of Worship if council is clear it's Employment only we will hold Firm to that recognize what that Might mean with other land use Issues.

>> councilmember pyle.

>> i'm uncomfortable because More questions raised than Answered. What money are we looking at if We turn this to industrial park? I don't know what industrial Park brings forward in reference To revenue. I don't know what they would Generate. I don't know the equation with That and the 200 million. I don't know, also, do we need All how many achers? 800 achers, some of it? Parts of it? I'm suffering from 11:30itis. We are not going to make a wise Decision if we do so without the Facts much too much work ask can Effort and time and money Invested in this at this point. To make a decision under the Conditions we now have. So could you bring the estimates Back to us

>> councilmembers were Attempted to be answered by the Study we discussed at the april 30th session with respect to Revenue, employment land Compared to the conversions. Some of that information was Presented to you. In terms of the total number of Acres we need for employment Land that's a key question we Will look at during the general Plan update. It will be several months before We have that answer for the Council. With respect to the property Owners who have been patient They are looking for a decision This evening with respect to Evergreen.

>> discussion on the motion the Substitute motion to deny the Campus industrial land Conversion. 3 parcels. Further discussion? All in favor? Opposed? Constant, williams and cortese, Pyle oppose a 55. Motion fails on a 5-5 vote much The original motion is on the Floor to defer the industrial Lands conversions into the General plan process. Further discussion on that. All in favor? Opposed? One opposed. Councilmember cortese pass on a One-9 vote. Having done that what else can We do? There are constraints in terms Of environmental review is and The second half of the motion The bifurcated motion. Take up the second half Discussion which was the second Was to require recommendations And ways in which the Nonindustrial cites have staff Bring that in 30 days.

>> the nonindustrial cites Included under letter a are the Smaller properties that rely on The pool allocations and that When staff come back in 30 days It includes allowances for the Properties to move forward and I've made all comments. My support for this is not a Support for peace meal there are A variety of alternatives and Options we need to consider. Vice mayor cortese. I'd like to offer a substitute Motion ask see if there is a Second. I think what we need to Have staff come back with in the Same 30-day period are the Amendments applicable to the Evergreen study area. Allowing possible exemptions for Smaller infill properties Seeking to develop. I put in a memo as 25 units or Less but i'm not putting that in My motion. I don't know what that would be. 2, amendments to the edp that Incorporate the task force Guiding principles adopted by The city council. Planning goals to preserve the Task force's valuable work.

>> amendments to the edp that Incorporate the task force Amenity listace exhibits to Memorize the needs in the study Area determined by the task Force. I'm offering that as a Substitute motion.

>> second for that. I have a question on that. Is this incompatible with the Original motion councilmember Constant put out was to bring Things back in 30 days.

>> other motion clearly says Next steps for development. At least 3 of the 4 words near There. I think that gives staff a Different direction in terms of What the council was looking for They would have to put a lot of Hard work to is there a way to Bring this forward for Development? Clear them with a supplemental Eir and another funding Agreement i can predict after 4 Years i will fall dramatically Short. You have the golf course putting 30 million in cash. I don't know it's up front. Arcadia because they want rental Housing indicated in the Agreement they can't put any Money up front and would have

to Put it at the end of the process And the college for 500 units When the industrial was putting Up 90 million they offered 9 Million. You don't have enough money to Make it go and putting staff to The task of work on that for 30 Days is futile.

>> councilmember llicardo. The substitute motion would Freeze development in evergreen Of parcels more than 25 units Until there is industrial Development is that fair?

>> that's fair.

>> i appreciate the intent. My concern is it freezes the City to residential development At a time we know we have a Significant amount of housing we Have to build in the city. We know that the growth of the City dictates that this includes Arcadia we know is on a light Rail line. The alternative is we build in Place like coyote. I would be supportive of points 2 and 3 in vice mayor's Memorandum but couldn't support The trigger concept. If it were more fine tuned i Would be open to it.

>> i would like to ask staff a Question. How many f intersections are There currently in the study Area? I don't have that number with Me. We did identify a number of e And f's intersections that occur With the development on all the Opportunity cites plus the 500 Extra pool units. We did clearance assuming all of The mitigations.

>> 3600 units in the eir, do we What happens in f we build the Units?

>> we would have degraded Intersections. Under all the Senarios we study we would still Have some degraded Intersections.

>> is there anyone you could to Provide the funds to maintain The level of service.

>> if the goal is level of Service d it's not going to Happen where more residential Development and fewer jobs.

>> i want to, i think if the Commitment of the council is the Jobs need to balance the traffic And you will not mitigate it out We have to have the jobs first And revisit whether or not and How much residential development Can occur. The tod opportunity, Councilmember llicardo is why The main reasons why we wanted To look at the district Comprehensively and not take one Parcel at a time to try to not One. Properties or 2 could Provide leverage to provide the Traffic mitigation to move Forward but all 4 perhaps could. If tell be the same conclusion In 30 days.

>> councilmember chirco.

>> i heard you speak of looking At the strategies used in coyote Valand he incent vising Industrial to come there. I like sam i'm troubled by Number one, not you know, i Understand the burden on the Community but if we look at Using that type of strategy Where we create incentives and Begin to look at triggers, would That be something you consider?

>> i think triggers like Planning staff established in Other industrial areas are Mandatory at this point given The nature of the last vote. If there was a black and white Issue this is it.

>> would you be open to a Friendly amendment to look at The strategies we used in those Areas and tying some of the Development i know there are the Needs but tie them to the Triggers as modeled in other Areas much

>> i don't have a problem with That. I think they should be given all Flexibility in the direction They think is appropriate Triggers. I'm not trying to dictate what They are. Staff, is that feasible. It sounded like that's something You wanted to take into Consideration that would also Open the possibility of adding To the value of the citizens as Well as acknowledging the a bag Expectations what will happen in This area.

>> council woman chirco, the Conversation was helpful for Staff the concern i had the way This was talked about was until All of the industrial happened No residential could happen.

>> having a linkage when a Certain amount of industrial Happened you could build a Certain amount of

housing. So to tab the comment off there Is private money to do the 10 And focus on the needs of the Community is more appropriate. Thank you, dave.

>> any other discussion on the Motion? I will support it.

>> substitute motion on the Floor. Further discussion on the Substitute motion? All in favor? Aye. Opposed? Liccardo. Opposed that motion carries a 9-1 vote. Okay. Taking us to the other Amendments that are in front of Us staff are any of these we can Approve given the status of the Environmental clearance?

>> i don't believe we can. The funding agreement is now Null. We are not prepared with an area Development policy this evening We will need to do environmental Clearance on the motion that Just passed. It won't be ready in 30 days Most likely until the end of the Year we have to run traffic Analysis. We can't assume all of the Traffic information will be Available up front. I believe that's -- we will have To bring back the traffic impact Policy and all of the others and The fees et cetera because they Run the traffic policy.

>> the motion was to come back In 30 days of what the next Steps would be to do the Substitute motion and the Different actions what does the Time schedule look on that and What we sources we would bring To that in working with the Developers and whether or not They will participate or not we Will be back with that.

>> you have something vice Mayor?

>> what i heard is that you can Come back with next steps and Concept in 30 days but no action Until the end of the year?

>> to do the ceqa part we have To do new traffic we have to Pull it apart to match with Council's action.

>> so. I suppose we could take action To deny the items but not to Approve them? Is that the status of the Environmental clearance or no Action at all? There are general plan Amendments and things we can not Take action? Can't approve it we cannot take Action. That mean we can go home? [laughter] everybody head for The doors.

>> some of the applications on The list and planning will tell You the general plan amendments Were applied by the property Owners those would be denied Tonight.

>> we would continue those was My recommendation as we look for Options.

>> staff is entertaining a Motion to continue to the fall General plan it may be in February. The next general plan. Whenever the next general plan. Motion and second to defer the Rest to the next general plan Hearing. Whenever that may be.

>> discussion on that? All in favor? Opposed? None opposed that carries Unanimously. I think we are done with this Evergreen item. Get it right, staff? Done with that one? Then i think the last item is Open forum. No 11.2. Last item the rezoning actions The corner of cotel and pew Poughkeepsie project.

>> staff do have to do anything On 10.3? We will assume they continued it To next week.

>> continuation was --

>> okay.

>> okay. We can take up the lowes Project.

>> the council considered this Item at your meeting on couple Of weeks ago and there were Several questions that came out From that one was the Preparation of resolution that Reflected the discussion and the Testimony on the rezoning itself And eir. Staff prepared a draft Resolution atached to the staff Report top identifies the Discussions in your decision to Move forward with the rezoning. Ideas how to commemorate the Building we included that in the Staff report and funding Historic preservation as it Relates to this project. I suggest that the council take Any testimony that may be from The community

on the resolution. There's a meeting that's being Scheduled with lowes and the Chamber of commerce at the end Of the month. We ask following the public Testimony and discussion from Council things you feel Comfortable so staff can move Forward and bring it forward at The june fifth council meeting. That concludes staff Presentation.

>> i understood that lowe is Willing to have this continued To june fifth.

>> we want council comments on Any of this council wants to Comment on? Correct. We are not proposing to Take action.

>> guidance from council.

>> i will offer my comment what Funding there should be for Historic preservation should Come from the project not the Redevelopment agency. They want to do it or not it's Up to them and they have to work It out we shouldn't put money Into that. Councilmember constant.

>> thank you, mayor, i agree. I was shocked to see the amount Of proposed diversion of tax Income to the city the 1.5 Million dollars when the council Discussion was more somewhere in The neighborhood of 25-50 Thousand dollars. To me that was A huge jump and i can't support That at all.

>> councilmember liccardo.

>> i agree. I think there's going to be any City money i think there's broad Support in this city for doing Good historical preservation in Neighborhoods. I think that support weakens When we talk about commercial And industrial buildings. Setting up an agreement where it Money will identify surveying Industrial buildings it Undermines the strong support of Preservation in the city.

>> other comments from council.

>> not a lot of guidance staff, It's late. That's it on the council Comments. I have no speakers on this item. Unless somebody wants to get in The last minute.

>> lowes wanted comments on the Record.

>> okay. Anybody has questions for them? Or comments you want to offer.

>> good evening, mayor and Council. Thank you we appreciate the Council's support on the may First hearing. And we did want to just briefly Comment on staff's suggestions. The historic contribution while Lowes agreed to contribute under The old approval at 10 thousand Dollars a jump of 300,000 is Quite extreme. We feel we contributed a lot to Historical understanding over The past 4 years so we do wish To contribute to the survey but The amount is excessive at 300,000. We wanted to comment on one of The suggests alternatives for The commemorating building 25. It was i think number 3 where Staff recommended to remove one Of the wings and put it on the Pad. I will have judy david comment On the practicality of it. Intriguing we think there's a Practical aspect to it.

>> good evening i will be very Short i'm judy davidoff, we are Willing to contribute to the Historic efforts we ask in the Context of having the project Move forward so it goes to the Meeting that joe indicated. We don't want to be in another Round of litigation we want to Make that contribution and move Forward with the project. With respect to the building we Had an exert here tonight that Had been hired that was going to Talk to the project cality of Being able to relocate that Building while lowess willing to Contribute the amount of Demolition it would cost 7 times More to try to relocate the Building and wouldn't be able to Relocated if the concrete slab Could not be moved the building Would have to be disassembled in Pieces. A new building would have to be Constructd and the skin stuck Back on. The same considerations with Respect to a wing. From our perspective and the Expert's perspective that Relocation is not practical we Thank you and available near Questions.

>> questions? Motion to continue it to june Fifth? And a second. Motion and second To take this to june fifth. It's not quite mid night. All in favor? Opposed? That motion carries. Now the last thing is the open Forum. Anybody left i had 2 cards Sylvia reese and garry sutton. They have given up. They will be

back. No one else wishes to speak this Meeting is adjourned before mid Night.