



**GETTING FAMILIES BACK TO WORK – ONE YEAR ANNIVERSARY  
STUDY SESSION  
Meeting Minutes – August 27, 2004**

*One day study session dedicated to learning from the economic progress of the past year and a continued focus on job creation in the future.*

Present: Council Members - Campos, Chirco, Chavez, Cortese, Gregory, LeZotte, Reed, Williams, Yeager; Gonzales.

Absent: Council Members - Dando. (Excused)

Staff: City Manager Del Borgsdorf, City Attorney Richard Doyle, Director of Economic Development Paul Krutko, Assistant Director of Economic Development Kim Welsh, Deputy Executive Director Redevelopment Agency John Weis, City Clerk Lee Price, Assistant City Clerk Nancy Alford, and Legislative Secretary Susan Davis.

Documents Filed: Progress Highlights, Economic Development Strategy, dated August 2004.

**Welcome and opening remarks**

Mayor Gonzales called the study session to order at 9:16 a.m. There was a fire alarm at 9:18 a.m. The study session resumed at 9:33 a.m.

Mayor Gonzales provided introductory comments. He remarked that the City of San José needs to be more widely publicized, and mentioned an article that highlights the City of San José in a current issue of California State Automobile Association's magazine.

Mayor Gonzales commented last year there were many San José families in trouble because of the ongoing recession and explained that while the City of San José cannot create jobs, it can have an influence on business development and retention. He reported forty new businesses have been opened since last year and added the opening of the Bioscience Incubator is a good step to launch from. He also noted business licenses and renewals are up and cutting the red tape for business by establishing the "One Start Permit Center" was a major accomplishment

Mayor Gonzales suggested that over the next 5 years, the focus should be on job creation, and building more affordable housing, and increasing convention center annual bookings and adding more international flights at the Airport.

## **II. San José's Economy**

Economic Development Staff presented an in depth overview of the City's Economic Development Strategy and project initiatives.

Questions and comments from the Council Members ensued.

## **III. Panel 1: The View Today – Driving Industries**

Mayor Gonzales introduced members of Panel 1. Each provided brief comments, as follows.

Frank Jesse, BEA, stated he relocated to San José because of the quality of the work force, transit methods, and a strong vision for companies. He congratulated affordable housing, but noted the Lobbyist Ordinance requires refining.

Frances Lee, Synaptics, remarked it was good to see the high level of improvements come to fruition.

Tom Lavelle, Xilinx, remarked that the City deserves high marks for cutting the red tape for business, and added that education needs improvement on a long term basis.

Derek Wise, Global Netoptex, stated that the Office of Economic Development has helped his business, adding that the City investing time and money in businesses makes it easy for them, and asked what can the City do in regard to finding more affordable housing for his employees.

Don Kassing, San José State University, stated it was a breakthrough move to work with the City.

Bob Gillam, IBM, stated the Airport is a great location, and that San José is world class in technology, but education needs to be improved.

Michael Bangs, Sanmina SCI Corp, stated that San José needs a world-class airport, and more international flights, would like to see the City work on fostering relationships with other countries, and expressed concern with the new 911 fee.

John Bruno, Cadence Design Systems, expressed encouragement with the changes in San José.

Chris Stedman, Silicon Valley Bank, stated the international flights are key to his business, and added the Bioscience Incubator is great, and continued development of the downtown area is key.

Lou Monsour, JDS Uniphase Corporation, stated there is a need to create a “Gazelle friendly” habitat.

Carl Guardino, Silicon Valley Manufacturing Group, invited the Council and Staff to join his company for a full day of Annual Projections on September 23, 2004. He added that the regulations concerning the Public Utilities Commission, water, and communication are still a problem.

A short discussion among the Council Members and the first panelists ensued.

#### **IV. Lunch Break**

Mayor Gonzales recessed the Study Session for lunch break at 11:55 a.m., and reconvened the Study Session at 1:07 p.m.

#### **V. Panel 2: The View Today – Business Support/People Serving Industries**

Mayor Gonzales introduced members of Panel 2. Individual remarks followed.

Richard Berg, SOFA District, stated the City should focus on entertainment, police practice and styles.

Michael Biggar, Orchard Properties stated there is a need for continued growth in smaller companies.

Juvenal Chavez, Mi Pueblo Market, stated there is a need for affordable childcare, affordable rents, and better K-12 education.

David Neale, Core Development, suggested specific review on infill sites, outreach to neighborhoods, and affordable housing is needed.

John Petersen, Equity Office Properties, stated the City should create an environment that make companies want to remain in San José.

Joyce Puopolo, Bank of Walnut Creek, suggested more focus on education for the small businesses.

Charlie Shea, Northern California Home Builders Association, stated there is a lack of land and rising costs, and would like to participate in building more affordable housing.

Gary Sunseri, 13<sup>th</sup> Street Association, suggested tracking business to come to 13<sup>th</sup> Street, as it is not a desirable area, and parking is also a problem.

Henri Lee, Lee's Sandwiches, stated he has opened two new stores.

A short discussion among the Council Members and the panelists ensued.

#### **VI. Panel 3: The View Today – Other Economic Stakeholders**

Mayor Gonzales introduced members of Panel 3. Individual remarks followed.

Jim Cunneen, San José-Silicon Valley Chamber of Commerce, stated there is a need to increase coordination in the State and Federal level, and expressed concern regarding the new 911 fee improve. He added this is the community that can attract the sports teams, but it needs civic leadership.

Jack Estill, WIN, reported his company has brought in new jobs and business.

Dan Fenton, San José Convention & Visitors Bureau, stated the coalition that was formed remains strong in favor, as this was an important need, perhaps increase the TOT, and the business community could collaborate with Council.

Ernest Guzman, SNI PAC, stated the City should address crime, the quality of life in San José, and how to work hand in hand with small businesses in the neighborhoods.

Halfdan Hussey, Cinequest, stated it is better for the City to do a good job of funding a few enterprises.

Scott Knies, San José Downtown Association, stated specifically where artists live and create their work, keep the artists here with more affordable housing.

Steve Saperstein, San José Jazz society, stated a City partnership built with the arts, and active leadership would keep the arts vital, and the businesses look to the City to set the direction.

Hermelinda Sapien, CET, stated housing, and childcare is a priority.

Neil Struthers, Santa Clara County and San Benito Counties Building Trades Council, stated San José has done a great job, but should focus on expanding the Convention Center, and not lose sight of leveraging capital money.

Fran Wagstaff, Mid-Peninsula Housing Coalition, stated the City of San José has become the leader of affordable housing.

A brief discussion among the Council Members and the panelists ensued.

## **VII. Mayor, Council, and Administration discussion**

Mayor Gonzales opened the discussion for the Council and Administration.

City Manager Del Borgsdorf noted that the City of San José is doing better with some customers. Redevelopment Agency Interim Executive Director Harry Mavrogenes added San José has made some progress, especially with small businesses.

Council Member Reed noted that numerous projects have been accomplished, but performance measures are still needed.

Council Member Gregory stated the issue of better education for students Kindergarten through 12<sup>th</sup> grade requires more focus.

Council Member Cortese suggested that the start up process for small businesses requires more streamlining, and the issue of City Building Inspectors' lack of efficiency should be addressed.

Council Member Chavez asked for the next steps on marketing the City of San José. City Manager Borgsdorf replied that Assistant Director of Economic Development Welsh is the key person of the marketing group who can explore ideas and bring this issue back to Council.

Council Member Campos stated it was heard over and over again that education is the number one priority, as well as continued development of the downtown areas.

Council Member Chirco added there is still work to accomplish on small businesses, the Arts, and expanding the Convention Center.

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Mayor Gonzales concluded by recommending that the City find a way to more effectively communicate with business owners and stakeholders about the City of San José's educational initiatives.

Mayor Gonzales adjourned the Study Session at 4:44 p.m.

LEE PRICE, CMC, CITY CLERK

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