

RESOLUTION NO. 73872

**A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE STOCK PURCHASE AGREEMENTS AND OTHER RELATED DOCUMENTS WITHOUT CONFIDENTIAL OR FINANCIAL INFORMATION OTHER THAN THE INFORMATION PROVIDED TO CITY BY PACIFIC COMMUNITY MANAGEMENT, INC FOR THE ECONOMIC DEVELOPMENT CATALYST PROGRAM**

**WHEREAS**, the City desires to enhance the economic impact for San Jose's small business community by establishing an Economic Development Catalyst Fund Program ("Program") to provide financial services, technical assistance, and information targeted to job-generating companies with high growth potential; and

**WHEREAS**, on January 25, 2007 the City entered into an agreement with Pacific Community Management, Inc ("Advisor") to act as investment advisor to the City for the Program pursuant to an Investment Management Agreement; and

**WHEREAS**, Advisor has informed the City that portfolio companies which would qualify to receive funding from the Program have expressed concern about providing confidential financial, strategic, or operational company data to the City because of the possible public disclosure requirements of the City; and

**WHEREAS**, City administration recommends that the City Council authorize the City Manager to execute Stock Purchase Agreements and related agreements that do not require the delivery or disclosure of confidential financial, strategic, or operational company data to the City other than the information provided by the Advisor under the Investment Management Agreement; and

**WHEREAS**, the City Council has determined that 1) the City's ability to advance the goals of the Program and participate in the economic development in the City will be limited if the City cannot protect the confidential financial, strategic, or operational company data; 2) that public disclosure of the sensitive data of such companies could have a detrimental effect on the company and the City's investment; 3) that the data can be reviewed by the Advisor and the Advisor can provide all appropriate information to the City for the Program under the Investment Management Agreement; and 4) that the City administration will report semi-annually to the Economic Development Committee, or its successor committee, regarding the Program investments.

**NOW, THEREFORE**, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSE THAT:

1. The City Manager is hereby authorized to execute Stock Purchase Agreements and related agreements that do not require the delivery or disclosure of confidential financial, strategic, or operational company data to the City other than the information provided by the Advisor under the Investment Management Agreement.

ADOPTED this 19<sup>th</sup> day of June, 2007, by the following vote:

AYES:	CAMPOS, CHIRCO, CHU, CONSTANT, NGUYEN, OLIVERIO, PYLE, WILLIAMS; REED
NOES:	CORTESE, LICCARDO
ABSENT:	NONE
DISQUALIFIED:	NONE

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CHUCK REED  
Mayor

ATTEST:

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LEE PRICE, MMC  
City Clerk