SPECIAL MEETING OF THE MILPITAS CITY COUNCIL

AGENDA

TUESDAY, JANUARY 31, 2023
BARBARA LEE SENIOR CENTER, 40 N MILPITAS BOULEVARD, ROOM 140/141, MILPITAS, CA
5:30 PM

For assistance in the following languages, you may call:
Đối với Việt Nam, gọi 408-586-2400
Para sa Tagalog, tumawag sa 408-586-3051
Para español, llame 408-586-3072

The City Council meeting is held in the Barbara Lee Senior Center, 40 N Milpitas Blvd., Room 140/141 Milpitas and via teleconference/Zoom webinar.
You may watch the Council meeting without providing public comment by accessing it via links here.

Meeting shall be livestreamed - Go to:
Facebook: https://www.facebook.com/CityofMilpitas/
YouTube: https://www.milpitas.gov/youtube
Web Streaming: https://www.milpitas.gov/webstreaming

PUBLIC COMMENT INSTRUCTIONS

Oral public comments may be provided live during the City Council meeting in person or by registering for the zoom meeting in advance. To register you will need to provide an email address (not disclosed) and a name. To minimize technical difficulties, please make sure that you have the latest version of the Zoom Application. Below is the link to register for this meeting only:

https://ci-milpitas-ca-gov.zoom.us/webinar/register/WN_4mdxfyTiRdCBgHs1uGifmA

After you register a link will be sent to you to join the City Council meeting in order to give your comments. All Zoom meeting attendees who wish to speak must click on the “raise hand” icon when the Mayor calls for public comments. If participating via phone, dial *9 to use the “raise hand” feature, and when called to speak, dial *6 to unmute your phone. Your phone number will be displayed in the live meeting. The Mayor will call speakers by name to address the City Council.

All comments provided shall be limited to three minutes or less as determined by the Mayor. All members of the public will be limited to one comment per agenda item, and one comment for non-agenda items.

NOTE: If a member of the public wishes to share any presentation materials for Council consideration, they must be submitted to the Clerk’s Office by email to CityClerk@milpitas.gov by 12:00 p.m. on the day of the meeting. No presentations will be accepted in person in the Council Chambers.

MILPITAS CITY COUNCIL CODE OF CONDUCT

- Be respectful and courteous (words, tone, and body language).
- Model civility.
- Avoid surprises.
- Praise publicly and criticize privately.
- Focus on the issue, not the person.
- Refrain from using electronic devices while on the Council dais.
- Disclose conflicts of interest and affiliations related to agenda items.
- Separate governing from campaigning.
- The Council speaks with one voice after making policy on issues.
- Respect the line between policy and administration.
- Council will hold one another accountable to comply with this Code of Conduct.

CALL MEETING TO ORDER by Mayor and ROLL CALL by City Clerk (5:30 PM)

PLEDGE OF ALLEGIANCE (Mayor Montano)

PUBLIC FORUM (5:35 PM)
Members of the public are invited to speak on any item that does not appear on today's agenda. Comments will be limited to three minutes or less at the Mayor's discretion. When called to speak, you are encouraged to state your name for the record. As an item not listed on the agenda, no action can be taken, however the City Council may instruct the City Manager to place the item on a future meeting agenda.

ANNOUNCEMENT OF CONFLICT OF INTEREST AND CAMPAIGN CONTRIBUTIONS

READING OF THE CITY COUNCIL CODE OF CONDUCT (Mayor Montano)

APPROVAL OF AGENDA

AGENDA ITEMS (5:40 PM)

1. **Receive a Staff Presentation on the Preliminary FY 2024-33 Ten-Year General Fund Financial Forecast and Request Feedback on Prioritization of Council Referrals and Desired Service Levels to Inform the FY 2023-24 Budget Development (Staff Contact: Lauren Lai, Finance Director, 408-586-3111)**

Recommendation: Receive a staff presentation on the Preliminary FY 2024-33 Ten-Year General Fund Financial Forecast and provide feedback on prioritization of Council referrals and desired service levels to inform the FY 2023-24 Budget development.

ANNOUNCEMENTS

ADJOURNMENT

KNOW YOUR RIGHTS UNDER THE OPEN GOVERNMENT ORDINANCE
Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions and other City agencies exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and City operations are open to the people's review. For more information on your rights under the Open Government Ordinance or to report a violation, contact the City Attorney's office at Milpitas City Hall, 455 E. Calaveras Blvd., Milpitas, CA 95035
e-mail:mmutalipassi@milpitas.gov / Phone: 408-586-3040

The Open Government Ordinance is codified in the Milpitas Municipal Code as Title I Chapter 310 and is available online at the City's website www.milpitas.gov by selecting the Milpitas Municipal Code link.

Materials related to an item on this agenda submitted to the City Council after initial distribution of the agenda packet are available for public inspection at the City Clerk's office at Milpitas City Hall, 3rd floor 455 E. Calaveras Blvd., Milpitas and on City website. City Council agendas and related materials can be viewed online: www.milpitas.gov/government/council/agenda_minutes.asp (select meeting date)

APPLY TO SERVE ON A CITY COMMISSION
Commission application forms are available online at www.milpitas.gov or at Milpitas City Hall. Contact the City Clerk's Office at 408-586-3001 for more information.

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CITY OF MILPITAS
AGENDA REPORT
(AR)

Item Title:	**Receive a Staff Presentation on the Preliminary FY 2024-33 Ten-Year General Fund Financial Forecast and Request Feedback on Prioritization of Council Referrals and Desired Service Levels to Inform the FY 2023-24 Budget Development (Staff Contact: Lauren Lai, Finance Director, 408-586-3111)**
Category:	Leadership and Support Services
Meeting Date:	1/31/2023
	Recommendation: Receive a staff presentation on the Preliminary FY 2024-33 Ten-Year General Fund Financial Forecast and provide feedback on prioritization of Council referrals and desired service levels to inform the FY 2023-24 Budget development.

Background:

In January, the Council kicks-off the annual budget process with the preliminary budget study session. At the study session, staff presents the preliminary ten-year General Fund Financial Forecast, the budget community engagement plan, reports on accomplishments and workplans, and requests prioritization of Council referrals.

Analysis:

Consistent with past years, staff will set the stage of the Preliminary FY 2023-24 Budget Study Session with the Preliminary FY 2024-33 Ten-Year General Fund Financial Forecast (see attached). Based on new revenue information, labor contracts, and various funding and expenditure strategies, Staff does not foresee a reduction in the current service levels. Staff projects a balanced budget for FY 2023-24 and thereafter until the anticipated Measure F sunset. After the presentation of the Forecast, staff will summarize budget strategies pursued thus far and currently contemplated to provide funding options to restore and/or enhance services.

Staff will also present Council with topline results from the 2023 community survey conducted by Fairbank, Maslin, Maullin, Metz and Associates (FM3) and seek feedback from the Council on desired service levels. This will inform the development of a proposed balanced budget for FY2023-24. The Study Session is not intended to discuss specific budget proposals or position reductions but is in fact a key first step in the budget process to allow staff to better understand priorities from the Council and community and to develop a balanced budget that is responsive to these needs.

Council requests, which require funding and/or resources, and were either prioritized during the May 3, 2022 and September 6, 2022, Council prioritization meetings, or at other prior Council meetings, will also be presented for any additional Council input. Staff will consider information from the community surveys and community and employee meetings, feedback from the Council on priorities, and resource and funding needs from departments, to develop the Proposed FY 2023-24 Budget. The Proposed Budget will be released in late April and discussed with the Council at the Budget Study Session in May.

Fiscal Impact:

Feedback from the Council on priorities and service levels will be used to develop the Proposed FY 2023-24 Budget, however, there is no direct fiscal impact in receiving the staff presentation.

California Environmental Quality Act:

This item is not a Project under CEQA in accordance with CEQA Guidelines Section 15061(b)(3) (Common Sense Exemption) as it can be seen with certainty that a general discussion of funding priorities by the City Council will not have a significant effect on the environment. Further, the item is also not a Project pursuant to CEQA Guidelines Section 15378(b)(2) as an administrative activity which is defined in the CEQA Guidelines to include the purchase of supplies and personnel related actions. It is further exempt under CEQA Guideline 15378(b)(4) as it is a government fiscal activity that does not involve a commitment to any specific project which may result in a potentially significant physical impact on the environment. Although the use of funding will be discussed for various potential projects, future environmental analysis will be conducted, as required by CEQA, for the various potential projects prior to the City making any commitment or approval of any project, or it is covered by the CEQA Guideline 15061(b)(3) and/or 15378(b)(2).

Recommendations:

Receive a staff presentation on the Preliminary FY 2024-33 Ten-Year General Fund Financial Forecast and provide feedback on prioritization of Council referrals and desired service levels to inform the FY 2023-24 Budget development.

Attachments:

1. Preliminary FY 2024-33 Ten-Year General Fund Financial Forecast
2. Community Survey Top Line Summary
3. List of Council Referrals

PRELIMINARY - 10-Year FY 2024 to 2033 General Fund Financial Forecast

	Amended Budget (1/20/23)	Prelim Base Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	FY22-23	**FY 23-24**	**FY 24-25**	**FY 25-26**	**FY 26-27**	**FY 27-28**	**FY 28-29**	**FY 29-30**	**FY 30-31**	**FY 31-32**	**FY 32-33**
Revenues											
Property Taxes	$ 42,636,192	$ 45,693,740	$ 47,484,349	$ 49,905,746	$ 51,778,336	$ 53,721,563	$ 55,738,103	$ 57,830,733	$ 60,002,336	$ 62,255,906	$ 64,594,547
Sales & Use Tax	$ 27,418,416	$ 27,994,176	$ 28,970,123	$ 29,613,326	$ 30,240,021	$ 30,848,523	$ 31,619,736	$ 32,410,230	$ 33,220,486	$ 34,050,998	$ 34,902,273
Sales Tax - Measure F	$ 6,409,019	$ 6,613,923	$ 6,793,389	$ 6,942,844	$ 7,088,643	$ 7,230,416	$ 5,558,382	$ -	$ -	$ -	$ -
Transient Occupancy Tax	$ 8,329,238	$ 11,811,235	$ 13,668,999	$ 14,352,449	$ 14,783,023	$ 15,226,513	$ 15,683,309	$ 16,153,808	$ 16,638,422	$ 17,137,575	$ 17,651,702
Licenses, Permits & Fines	$ 11,484,759	$ 9,662,020	$ 10,914,873	$ 11,868,028	$ 12,276,983	$ 12,736,238	$ 13,212,872	$ 13,681,649	$ 14,167,233	$ 14,670,229	$ 15,191,262
Charges for Services	$ 5,899,452	$ 7,208,428	$ 6,597,260	$ 6,799,447	$ 6,992,505	$ 7,201,755	$ 7,417,341	$ 7,636,453	$ 7,863,173	$ 8,094,829	$ 8,332,221
Franchise Fees	$ 5,448,428	$ 5,611,867	$ 5,778,068	$ 5,950,790	$ 6,130,272	$ 6,316,760	$ 6,510,511	$ 6,711,792	$ 6,920,883	$ 7,138,073	$ 7,363,664
Use of Money and Property	$ 414,000	$ 414,000	$ 422,280	$ 430,726	$ 439,340	$ 452,520	$ 466,096	$ 480,079	$ 494,481	$ 509,316	$ 524,595
Other Taxes	$ 1,067,453	$ 1,095,911	$ 1,117,636	$ 1,139,970	$ 1,162,929	$ 1,186,531	$ 1,210,794	$ 1,235,736	$ 1,261,377	$ 1,287,735	$ 1,314,832
Intergovernmental	$ 1,255,963	$ 1,958,217	$ 363,489	$ 363,489	$ 363,489	$ 363,489	$ 363,489	$ 363,489	$ 363,489	$ 363,489	$ 363,489
Other Revenues	$ 349,657	$ 389,425	$ 385,529	$ 396,324	$ 407,421	$ 418,829	$ 430,556	$ 442,611	$ 455,004	$ 467,745	$ 480,841
Operating Transfers In	$ 7,168,628	$ 7,590,274	$ 8,443,471	$ 9,521,982	$ 10,081,191	$ 10,705,164	$ 11,348,585	$ 12,001,510	$ 12,686,162	$ 10,727,767	$ 10,941,484
Use of Reserves	$ -										
Total Sources	**$ 117,881,205**	**$ 126,043,216**	**$ 130,939,466**	**$ 137,285,121**	**$ 141,744,152**	**$ 146,408,301**	**$ 149,559,775**	**$ 148,948,090**	**$ 154,073,046**	**$ 156,703,662**	**$ 161,660,910**
EXPENDITURES											
Salaries	$ 57,780,916	$ 60,058,338	$ 62,463,064	$ 64,366,344	$ 66,326,035	$ 68,343,816	$ 70,421,417	$ 72,560,616	$ 74,763,248	$ 77,031,201	$ 79,366,418
Benefits	$ 35,756,153	$ 38,127,230	$ 40,120,304	$ 41,911,407	$ 44,369,907	$ 46,647,711	$ 50,235,630	$ 52,663,903	$ 54,867,683	$ 56,108,615	$ 58,333,789
Services & Supplies	$ 24,054,867	$ 24,255,303	$ 24,257,810	$ 25,497,660	$ 26,876,104	$ 28,408,507	$ 30,135,556	$ 32,084,169	$ 34,258,373	$ 36,718,146	$ 39,529,149
Debt Services	$ 1,196,800	$ 1,228,000	$ 1,196,800	$ 1,228,000	$ 1,257,200	$ 1,289,400	$ 1,374,400	$ 1,440,000	$ 1,446,800	$ 1,442,000	$ 1,441,000
Capital Outlay	$ 421,471	$ 449,762	$ 306,787	$ 315,377	$ 324,207	$ 333,285	$ 342,617	$ 352,210	$ 362,072	$ 372,210	$ 382,632
Operating Transfers Out	$ 341,866	$ 843,817	$ 844,693	$ 845,587	$ 846,499	$ 847,429	$ 848,378	$ 849,345	$ 850,332	$ 851,339	$ 852,365
Total Uses	**$ 119,552,073**	**$ 124,962,450**	**$ 129,189,458**	**$ 134,164,375**	**$ 139,999,952**	**$ 145,870,148**	**$ 153,357,998**	**$ 159,950,243**	**$ 166,548,508**	**$ 172,523,511**	**$ 179,905,353**
Annual Surplus/(Deficit)	**($1,670,868)**	**$1,080,766**	**$1,750,008**	**$3,120,746**	**$1,744,201**	**$538,153**	**($3,798,223)**	**($11,002,153)**	**($12,475,462)**	**($15,819,849)**	**($18,244,443)**
	FY22-23 includes encumbrance / appropriation expenditure carryforwards										

Survey Specifications

Dates	November 28-December 21, 2022
Survey Type	Dual-mode Resident Survey
Research Population	Milpitas Residents Ages 18+ (Residential addresses provided by the City and matched to commercial and public databases for contact information. US Census data for residents age 18+ was used to establish quotas.)
Total Interviews	600
Margin of Sampling Error	±4.0% at the 95% Confidence Level
Contact Methods	Telephone Calls; Email Invitations; Postcard Invitations; Text Invitations
Data Collection Modes	Telephone Interviews; Online Interviews
Languages	English, Spanish, Vietnamese, Chinese

Top Line Survey Results

89% See Milpitas as a “good place to live, play and work”

88% Are satisfied with the overall quality of life in Milpitas

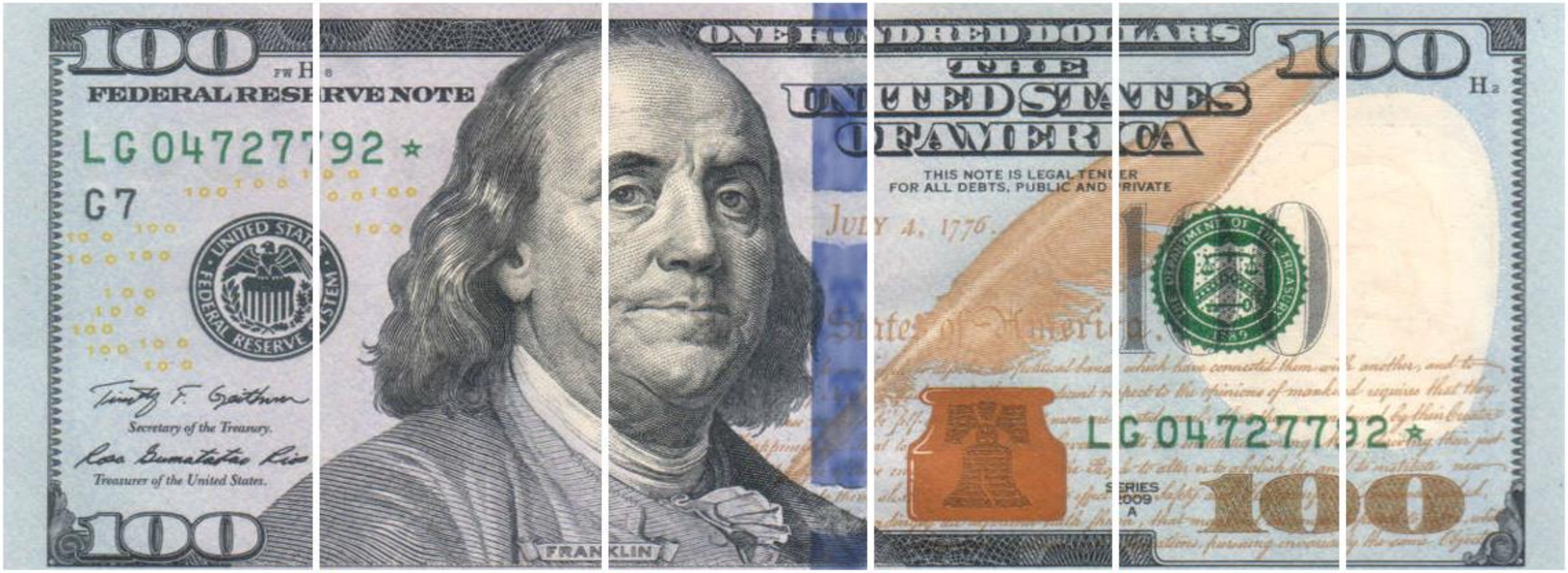
80% Approve of City government overall

90% Are “proud to live in Milpitas”

Given a hypothetical $100 budget, residents would prioritize public safety with the largest share of their funds.

Milpitas

I am going to ask you to imagine you are in charge of Milpitas' City budget. The City is currently facing a fiscal crisis due to the pandemic. With significantly reduced revenue, the City needs to prioritize funding various services. For this exercise, assume you have $100 to spend on 6 priority areas. Please tell me how many dollars <u>out of 100</u> you would spend on each one, keeping in mind that <u>the total must add up to $100</u>.



Public safety	Neighborhoods and housing	Economic development	Community wellness and open space	Environment	Transportation and transit
$20.17	$18.47	$16.85	$15.66	$14.45	$14.40

Attachment 3 – List of Council Referrals

Workplan items prioritized through quarterly Council prioritization process				
No.	**Item Name**	**Date Approved for 4 or more hours of staff time**	**Additional Funding/Resources Needed**	**Potential Funding Sources**
1.	Consider placing City Hall address on the building facade	5/3/2022	$50,000	General Fund
2.	Develop a plan for future solar panels at City facilities	5/3/2022	$125,000; does not include costs for solar panels	General Fund, Grants
3.	Establish a fund for real estate acquisitions	9/6/2022	TBD	General Fund Surplus
4.	Explore a lease for the vacant land adjacent to the Library for City use	9/6/2022	TBD, contingent on negotiations with property owner	General Fund
5.	Memorial plaque for a youth skateboarder who passed away	9/6/2022	$4,000; total cost is $10,000	General Fund
6.	Prepare Vision Zero Action Plan	9/6/2022	$500,000 one-time, $250,000 ongoing; does not include costs for project implementation	General Fund, Grants
7.	Saturday Senior Center hours	1/11/2022 – approved as a pilot	$24,000 ongoing	General Fund
Workplan items discussed at prior Council meetings				
8.	Establish a funding source to fund urgent items identified through the prioritization process	1/10/2023	TBD, contingent on Council direction	General Fund
9.	Crossing Guards Program	4/5/2022 – request made for a specific location	Varies based on Program Option and Number of Locations	General Fund

Items 1-6: Additional information about each item is attached

Item 7: Item was implemented as a pilot and may be continued as an ongoing program

Item 8: Item has not yet been fully discussed by the Council, was part of Council direction related to the adoption of the Policy for Council Prioritization of Additional Workplan Items on January 10, 2023

Item 9: An Informational Memorandum was sent to Council on January 27, 2023

City Council Referral

(requires more than 4 hours of staff time)

Item No. 1

Category and Topic No.	Topic:	Requested by:
MISCELLANEOUS	Consider placing City Hall address on the building façade	Vice Mayor Montano Prioritized by City Council on 5/3/2022
Lead Department/Office	**Supporting Department(s)/Office(s)**	
Public Works	Fire Prevention, Building Safety & Housing	
Council Priority Areas	**Estimated Completion Date**	**Estimated Cost**
Neighborhoods and Housing	Depending on staff resources in FY 2022-23	$50,000 total costs, about $9,000 for staff time; $41,000 for signage fabrication and installation
		Funding Needed
		$41,000

Description of Required Work Effort

Construction of City Hall was completed in 2002. The City Hall façade at Calaveras Boulevard features the words “Milpitas City Hall” in dark bronze aluminum letters. Each letter is ½” thick, mounted flush to stone powder coat finish. The numbers “455,” referencing the street number of the facility is currently located at the base of the flagpole facing Calaveras Boulevard.

If the Council desires to add the building number to the wall of City Hall, on the building façade, staff would need to determine a design plan to match the existing specialized lettering and mounting. A design plan would recommend criteria and design options for the placement of the address. Research regarding any relevant codes or requirements would also inform the design plan. Estimated staff time is around 30 hours or $4,000.

The current codes and local amendments adopted by the City of Milpitas – the 2019 California Building Code and 2019 California Fire Code – have provisions requiring building address and premises identification. New and existing buildings shall be provided with approved address identification. The address identification shall be legible and placed in a position that is visible from the street or road fronting the property. The codes detail the requirements for address identification characters and numbers to aid visibility from the street. Address identification characters shall contrast with their background. Address numbers shall be Arabic numbers or alphabetical letters. Numbers shall not be spelled out. All required address numbers shall be provided with illumination.

Once a design plan is approved, staff would develop a scope of work to bid and award a contract for this work which is estimated at 40 hours or $5,000. Funding for the cost and installation of the lettering will be determined once bids are received, however, at this time staff is estimating about $40,000 for the fabrication and installation of the signage.

City Council Referral

(requires more than 4 hours of staff time)

Status Update as of January 2023
Work has not begun as staff was to seek Council direction during the development of the Proposed FY 2023-24 Budget process.
Council Clarification/Further Direction Requested
Other Considerations

City Council Referral

(requires more than 4 hours of staff time)

Item No. 2

Category and Topic No.	Topic:	Requested by:
PROJECTS AND PROGRAMS	Develop a plan for future solar panels at City facilities	Vice Mayor Montano Prioritized by City Council on 5/3/2022
Lead Department/Office	**Supporting Department(s)/Office(s)**	
Public Works	Engineering	
Council Priority Areas	**Estimated Completion Date**	**Estimated Cost**
Governance & Administration, and Environment	TBD	$147,000
		Funding Needed
		$125,000

Description of Required Work Effort

On October 6, 2020, the City Council received the findings of an Investment Grade Audit (IGA) for the Energy and Water Savings Program for the City and approved the installation of solar and backup battery systems at the Senior Center and Community Center as part of the Program. The IGA also evaluated and included an optional bundle for solar and battery backup systems at City Hall, Public Works/Police Building, and the Sports Center (Bundle C.2). The total estimated construction costs for the implementation of solar at these facilities is approximately $6.6M, and implementation of solar at these facilities would save the City an estimated $1.3 million over 30-year lifetime of the system including debt repayment.

Bundle C.2 was not recommended for implementation at the October 6, 2020, City Council meeting since the project under Bundle C.2 did not qualify for enough grants and incentives to offset costs to the City. If Council provides direction to consider incorporating this referral in the budget, staff would work with the Engie to break down construction costs by location, update construction cost estimates to capture current market conditions, pursue available financial incentives/grants to offset costs to the City, and conduct a financial review to determine options for project funding. Once this work is completed the results will be presented to Council for Council consideration.

The number of hours for this referral is estimated at 250 at a cost of approximately $22,000. Consultant service costs for this referral is estimated at $125,000, which includes costs for design, permits, grant applications, and financial review of the project proformas.

Status Update as of January 2023

Work on future solar systems at City facilities has not begun. The Community Center and Senior Center (Phase 1) projects are anticipated to be commissioned in late January/February.

Council Clarification/Further Direction Requested

Staff has received some preliminary site costing and a potential Investment Tax Credit (ITC) Rebate estimate to inform a location ROI as itemized in the following graphic. The California Public Utilities Commission (CPUC) has approved a change of the rules on net energy metering (NEM) which come into force in April, essentially

City Council Referral

(requires more than 4 hours of staff time)

degrading the financial value of new solar PV systems in CA. Entities can "grandfather" current NEM rates for 20 years, which are favorable to solar, by submitting an interconnection application within 90 days of the CPUC ruling. This means that to lock in the current favorable solar rates for any new potential solar sites (i.e. Phase 2 locations), the city must submit its interconnection applications for solar before Mid-April. ENGIE has been requested to complete these applications ahead of the deadline and there will be no obligation for the city to install additional solar – it will merely secure the rates in case a project does go forward. The city would then have 3 years to build such systems to keep the favorable rates.

Other Considerations

Site	PD/PW	City Hall	Sports Center	Fire Station 1	Total
BESS size (kW)	275	300	400	50	
Battery Capacity at full output (hours)	2	2	2	2	
Solar Size (kW-dc)	434.7	190.6			625
Solar Output (kWh)	614,897	289,209			904,106
Est. Solar Savings ($/yr)	$ 91,611	$ 78,502			$ 170,113
Est. Savings BESS savings ($/yr)	$ 22,557	$ 24,712	$ 46,976	$ 2,357	$ 96,602
Est Total Savings	$ 114,168	$ 103,214	$ 46,976	$ 2,357	$ 266,715
Solar Est. Cost	$ 2,260,440	$ 991,120			$ 3,251,560
BESS Est Cost	$ 822,789	$ 897,588	$ 1,130,814	$281,840	$ 3,133,031
Est. Total Cost (budgetary)	$3,083,229	$ 1,888,708	$ 1,130,814	$281,840	$ 6,384,591
Est. ITC Rebate (30%)	$ 924,969	$ 566,612	$ 339,244	$ 84,552	$ 1,915,377
Est. Net Cost	$ 2,158,260	$ 1,322,096	$ 791,570	$ 197,288	$ 4,469,214
Simple Payback (yrs)	19	13	17	84	17

City Council Referral

(requires more than 4 hours of staff time)

Item No. 3

Category and Topic No.	Topic:	Requested by:
MISCELLANEOUS	**Establish a Strategic Property Acquisition Revenue (SPAR) fund for Real Estate Opportunities**	Vice Mayor Montano Prioritized by City Council on 9/6/2022
Lead Department/Office	**Supporting Department(s)/Office(s)**	
Economic Development	Finance	
Council Priority Areas	**Estimated Completion Date**	**Estimated Cost**
Economic Development & Job Growth and Governance & Administration	TBD	
		Funding Needed
		TBD

Description of Required Work Effort

Per the City Council adopted Economic Development Strategy (May 5, 2020), Strategy 32.1. states to "Identify Funding Options for Strategic Property Acquisition Revenue (SPAR) Fund, Develop, and Adopt SPAR Fund." In addition, the City Council adopted the General Plan 2040 on March 9, 2021, and Action ED-2a affirms staff to "Establish a Strategic Property Acquisition Revenue (SPAR) fund to support land acquisition, development and long-term revenue opportunities."

The SPAR fund would enable the City of Milpitas to leverage ongoing revenues and strategically acquire and assemble land in the Gateway/Main Street Specific Plan and Milpitas Metro Specific Plan areas to achieve the City's economic development goals, investment, and growth opportunities.
The SPAR Fund would be a unique account established by the City to specifically move on available real estate opportunities quickly.

The acquisition of properties in key locations within priority development areas will play a critical role in the early operation of the SPAR Fund for site assembly and public/private partnerships. The cost of acquisition for an acre of land in Milpitas ranges approximately from $4-$5 million. Seed funding for this fund could come from the City's surplus revenues. For example, an annual budget allocation of $500,000 from surplus revenues over a period of 10 years, assuming ongoing appreciation of land values, would be needed to allow the City to purchase an acre of land in the future. Allocating $1 million annually, would fund the SPAR fund within 5 years.

Since the City Council approved this referral on September 6, 2022, staff is bringing the referral back for Council consideration at the FY 2023-24 Preliminary Budget Study Session, as part of the development of the FY 2023-24 budget.

Status Update as of January 2023

As part of the Gateway/Main Street Specific Plan, subconsultant BAE will explore SPAR fund opportunities within this program area. In addition, BAE will evaluate the portfolio of City-owned

City Council Referral

(requires more than 4 hours of staff time)

properties and estimate revenue generation potential, any required initial investment, and timing of potential revenue. Using market data, as well as information from recently commissioned City appraisals, BAE will prepare a matrix that shows each property's highest and best use, permitted uses, AB 1486 Surplus Public Lands Act applicability, property values, potential lease income, and disposition strategy options to generate one-time or ongoing revenue that can flow to the SPAR fund. Cost to operate the SPAR fund will be formulated through conferring with City staff. The result will be BAE preparing a draft and final technical memo with the data, analysis, and findings.

Council Clarification/Further Direction Requested

If Council wishes to proceed with the establishment of a SPAR fund, staff recommends that Council consider setting aside a percentage of surplus funds, if any, on an annual basis. The reserve guidelines in the adopted Fiscal Policies outline the allocation percentages of surplus funds to priority areas including Contingency Reserves, Capital Improvement Program, Storm Infrastructure, Affordable Housing, Transportation and Transit, and Technology. Council may modify these reserve policies as part of the annual budget process, to ensure that the City has sufficient reserve balances to adequately provide for emergencies, economic uncertainties, unforeseen operating or capital needs, economic development opportunities, cash flow requirements and other priorities. In the FY 2023-24 budget, Council could choose to modify the reserve policy to include the SPAR fund as a priority area for surplus fund allocation.

If the Council does not wish to consider the allocation of surplus funds as the mechanism for funding the SPAR fund, staff is seeking direction on any alternative approaches Council would like staff to explore as part of the FY 2023-24 budget development process.

If a SPAR fund is established Council will also need to adopt a policy in the future that prescribes goals, and procedures and uses for those funds.

Other Considerations

Once established, the SPAR fund may be financed on an ongoing basis through General Fund surpluses.

Leasing real property serves several purposes: (1) preserve the value of an asset while having a tenant assume the costs of maintenance, (2) promote economic development, social goals, and other City objectives, and (3) generate revenue to the City through rent and a portion of possessory interest taxes.

One of the downside risks is that return on investment (ROI) may take a while given the estimated amount needed to purchase real property and increasing property values in Milpitas.

City Council Referral

(requires more than 4 hours of staff time)

Item No. 4

Category and Topic No.	Topic:	Requested by:
MISCELLANEOUS	Explore a lease for the vacant land adjacent to the library for City use (230 N. Main Street)	Mayor Tran, prioritized by City Council on 5/3/2022
Lead Department/Office	**Supporting Department(s)/Office(s)**	
City Manager's Office	Planning, Economic Development	
Council Priority Areas	**Estimated Completion Date**	**Estimated Cost**
Government and Administration	TBD	TBD
		Funding Needed
		$600,000 is available in Mid-Town Park Fund
Description of Required Work Effort		
If the property owner is willing to negotiate a lease, staff will work on the lease terms and bring forward for Council direction in both closed and open sessions.		
Status Update as of March 2022		
There have been several attempts to negotiate a sale agreement for this property in 2021 and in 2022 staff suggested a potential lease agreement. The City has not been able to settle on sale or lease with the owner. Past discussions with the owner indicated possible sale to the County or potentially interested developers. No discussions have occurred since Spring 2022.		
Council Clarification/Further Direction Requested		
Lease term for the land and intended use.		
Other Considerations		
The property at 230 N. Main Street was formerly owned by the Successor Agency of the former Redevelopment Agency of the City of Milpitas and was sold to the Milpitas Community Museum in November 2017 for $315,000. The property is zoned Park and Open Space. The 2016 Measure K protects open space and parkland in Milpitas and thus the zoning for this property cannot be changed without voter approval. However, if another governmental agency, such as Santa Clara County, purchases the property, it will not be subject to Measure K.		

City Council Referral

(requires more than 4 hours of staff time)

Item No. 5

Category and Topic No.	Topic:	Requested by:
PROJECTS AND PROGRAMS	**Memorial Plaque in honor of skateboarder that passed away**	Vice Mayor Montano Prioritized by City Council on 9/6/2022
Lead Department/Office	**Supporting Department(s)/Office(s)**	
Recreation & Community Services	Public Works	
Council Priority Areas	**Estimated Completion Date**	**Estimated Cost**
Community Wellness & Open Space	Fall 2023 (plaque Installation) Winter/Spring 2024 (unveiling)	$10,000
		Funding Needed
		$4,000

Description of Required Work Effort

This item was formally named "Memorial Plaque in honor of youth skateboarder that passed away." Staff will need to reach out to the family of the skateboarder and get permission to install a memorial plaque for their son. Once permission is obtained, staff would need to coordinate the best and most safe location for a plaque, size and wording, contract for the pouring of a concrete base, order the plaque, and have it installed. After the installation of a memorial plaque, an unveiling for the family and the public is typically planned. This effort includes further coordination with the family, marketing collateral creation, and outreach to the public. This item would require an estimated 30 hours of staff time estimated at $6,000, and estimated supplies and material costs of $4,000.

Status Update as of January 2023

Staff reached out to the Skatepark community contacts as to the possible identity of the youth skateboarder. Information staff received was that an adult skateboarder passed away in October 2018 (before the park opened) after a skating accident on Old Calaveras Road. The family placed a memorial bench in his honor at the ranch (private property) at the accident site, following his passing. The Milpitas Skatepark opened in October 2020.

Council Clarification/Further Direction Requested

A funding appropriation of $4,000 in the FY24 is needed for the estimated supplies and materials costs related to this request.

Other Considerations

The Skatepark opened in October 2020 and has since held several successful Skate Events at the site. An alternative to the installation of a memorial plaque would be dedicating a future skating event to the resident skateboarder that passed away, where friends and family would work with staff to incorporate elements of the event that would celebrate the loved one.

City Council Referral

(requires more than 4 hours of staff time)

Item No. 6

Category and Topic No.	Topic:	Requested by:
PROJECTS AND PROGRAMS	**Prepare Vision Zero Action Plan**	Mayor Tran Prioritized by City Council on 9/6/2022
Lead Department/Office	**Supporting Department(s)/Office(s)**	
Engineering	Police	
Council Priority Areas	**Estimated Completion Date**	**Estimated Cost**
Transportation & Transit and Public Safety 	FY 2025-26	$550,000 of one-time cost for consultant services and the addition of one FTE Engineering Position estimated at $250,000*
		Funding Needed
		$550,000 of one-time cost for consultant services and the addition of one FTE Engineering Position estimated at $250,000*

Description of Required Work Effort

Vision Zero is a sustained, systematic, and data-driven program with the purpose of eliminating traffic fatalities and serious injuries. Vision Zero is based on the concept of shared responsibility for roadway safety. The Vision Zero program (Program) has 9 key components: political commitment, multi-disciplinary leadership, action plan, equity, cooperation and collaboration, safe system approach, data-driven, and community engagement.

Currently, the City's Engineering and Police Departments provide traffic safety improvement and enforcement of traffic laws which are components of Vision Zero strategy, and this is accomplished with current staffing levels and budget. For example, Engineering is managing two Projects: Citywide Safety Assessment, Project No. 4293, and the Citywide Traffic Modeling Project No. 4297. These Projects identify traffic and congestion patterns as well as safety mitigation strategies. Recommended improvements from these Projects will be programmed into future Capital Improvement Programs (CIP).

The Police Department uses a three-prong approach towards traffic safety. This includes prevention, deterrence, and enforcement of traffic violations. Prevention programs include community education. The Police Community Relations Unit provides traffic safety presentations to schools within the City upon request and has previously provided bicycle helmets to children to reduce critical injuries if an accident does occur. The Milpitas Police Department Traffic Safety Unit also provides education in addition to enforcement. Traffic safety messages are distributed to the community during presentations and through social media. Grant funding from the Office of Traffic Safety (OTS) is used to

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(requires more than 4 hours of staff time)

conduct traffic safety education presentations to youth and adult community members, to conduct seatbelt and child safety seat enforcement, to crosswalk/pedestrian enforcement, to conduct traffic enforcement in areas of increased collisions, to conduct increased enforcement for speeding, red light and stop sign violations. The Milpitas Police Department refers to these measures generally as traffic safety education.

The Police Department deters the public from using unsafe driving practices by having a visible presence in the community and the deployment of radar trailer in areas particularly prone to bad driving habits and accidents.

Patrol Officers and Traffic Safety Officers conduct traffic enforcement as part of their daily duties. The Milpitas Police Department uses data analysis to identify areas with a high frequency of violations and accidents. Traffic Safety Officers are regularly deployed in these areas for directed enforcement. The Police Department also participates in Countywide Multi-Agency Traffic Enforcement events. During these events, Traffic Safety Officers within the region gather in a particular jurisdiction to conduct enforcement.

Vision Zero Plan Development and Implementation

The first step of the Program is to establish a Plan, as requested in this referral. However, staff assumes that the City Council's intent is to also implement the Plan. In order to ensure continuity of developing and implementing the Plan, the Transportation & Traffic Section in Engineering would require the addition of one FTE. This position would establish the Vision Zero Task Force (Task Force), which would be crucial to provide input in the Plan development, and work with a Consultant to develop the Plan with input from internal and external stakeholders.

The Task Force would initially be comprised of several departments (Engineering, Public Works, Police), the Milpitas Unified School District (MUSD); local health providers; major employers, and other Milpitas Community stakeholders that would focus on the program key components and develop solutions inclusive of community needs to eliminate serious traffic injuries and deaths. The actionable solutions could include land use change, alternative mobility options, education, enforcement and regulation, street design and engineering, vehicle design and technology, and post-crash emergency response and care.

After Council approval of the Plan, this position would coordinate and work with the Task Force, lead the citywide implementation of the programs outlined in the Plan working with internal and external stakeholders, and support Plan implementation including the required ongoing collection and evaluation traffic related data as well as ongoing public outreach and education activities. Further, once the Plan is approved by the Council, staffing needs in other departments would have to be evaluated.

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(requires more than 4 hours of staff time)

Vision Zero Program Estimated Costs

The initial Project cost is estimated to be $550,000 for the consultant and City administration as determined through recent discussions with a consultant. Implementation of a Vision Zero Plan also requires funding for ongoing costs and $250,000 for the staff person assigned to guide the development and implementation of the Plan Program. Additionally, once Council approves the Plan, staffing resources in other departments may have to be evaluated.

Since the City Council approved this referral, staff is bringing the referral back for Council consideration at the FY 2023-24 Preliminary Budget Study Session, as part of the development of the FY 2023-24 budget and the 2024-2028 Capital Improvement Program (CIP).

Status Update as of January 2023

Although no work has been done on a Vision Zero Plan given the pending budget discussion, staff has been working on pedestrian and bicycle safety education and outreach, with Measure B grant funding from Valley Transportation Agency. The total amount of grant funding received thus far is $$19,082.32, and additional funding is expected on an annual basis. Staff is also conducting a citywide safety assessment and traffic study. All of these work efforts directly support the intent of the Vision Zero Plan.

Council Clarification/Further Direction Requested

Other Considerations

A successful Vision Zero strategy is a time and resource-intensive program and is not a one-time effort. The program involves the ongoing public engagement and collaboration, active monitoring and evaluation of traffic and accident-related data which would be provided to a new Vision Zero Task Force to develop policies, actions, and improvements supported by the community and implemented by variety of public agencies, private entities, and local communities.

As noted above, staff is already working on related efforts including pedestrian and bicycle safety outreach and a citywide safety assessment and traffic study. Staff believes these efforts are aligned with the intent of a Vision Zero strategy.

Effectiveness of Vision Zero is yet to be determined for Bay Area municipalities that has implemented this program. City of San Francisco began its Vision Zero program in 2014, from 2014 to 2022 severe traffic injuries and fatalities have trended upward since it began. https://www.visionzerosf.org/wp-content/uploads/2023/01/12.2022Fatalities_DecemberSummaryMemo.pdf

Similarly, City of San Jose also recorded an increase of severe traffic injuries and fatalities over its five-year Vision Zero program from 2017 to 2021. https://www.sanjoseca.gov/your-government/departments-offices/transportation/safety/vision-zero/maps-data

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City of Fremont 6-year Vision Zero program generally reduced the number of severe traffic injuries, but traffic fatalities remain at similar level as before the program began.
https://www.fremont.gov/government/departments/transportation-engineering/safety-vision-zero/2021-major-crash-update

Currently, the Engineering Department does not have staffing levels that would permit a person to be committed to the development and implementation of a Vision Zero Plan.

* Does not include costs for infrastructure improvements or staffing needs potentially identified in the Plan