



ECONOMIC DEVELOPMENT & TRADE COMMISSION MEETING MINUTES

DATE: MONDAY, APRIL 8, 2019
LOCATION: MILPITAS CITY HALL, COMMITTEE CONFERENCE ROOM
START TIME: 4:12 PM
END TIME: 6:03 PM

I. FLAG SALUTE, CALL TO ORDER, ROLL CALL

Chair Rice called the meeting to order at 4:12 pm and led the Pledge of Allegiance. Economic Development Coordinator Daniel Degu called the roll.

MEMBERS PRESENT: Chair Rice, Vice Chair Chen, Commissioners' Wettenstein, Nguyen, Reddy, Ablaza, Rice, Norwood, Brahmbhatt (4:29 pm)

MEMBERS ABSENT: Vice Chair Chen (excused), Commissioner Wang (excused), Commissioner Nguyen,

CITY STAFF PRESENT: Economic Development Director Alex Andrade, Economic Development Coordinator Daniel Degu, Economic Development Specialist Noa Kornbluh

II. APPROVAL OF AGENDA

Motion: to approve the Economic Development & Trade Commission meeting agenda for April 8, 2019, as submitted.

Motion/Second: Ablaza/Wettenstein

Motion carried by a vote of:

AYES: 9

NOES: 0

ABSENT: 4 (Chen, Wang, Nguyen, Brahmbhatt)

III. APPROVAL OF MINUTES

Motion: to approve the Economic Development & Trade Commission meeting minutes for March 11, 2019, as submitted.

Motion/Second: Norwood/Redding

Motion carried by a vote of:

AYES: 9

NOES: 0

ABSENT: 4 (Chen, Wang, Nguyen, Brahmbhatt)

ABSTAIN:

IV. PUBLIC FORUM

V. ANNOUNCEMENTS

**A. Council Liaison,
Commissioners, and Great
Mall Update**

Commissioner Wettenstein provided an update on upcoming Chamber of Commerce events. Activities highlighted include the Milpitas Chamber of Commerce Breakfast on April 8 at 7:30 am at the Senior Center, Connection Club on April 17 and May 15, and a Mixer at Larkspur Landing at 5 pm on Thursday, April 11.

Commissioner Norwood shared that there will be a schoolboard meeting on April 9 at 7 pm at the District Office regarding educating homeless children.

Chair Rice gave an update on new stores opening in the Great Mall, which include Ecco Shoes Outlet, New Balance, and Miniso. She also shared that LEGOLAND Discovery Center turned in an application to the city for permits.

Commissioner Brahmhatt shared that there would be an event tonight at ICC Delegation at 6:30 pm. The mayor agreed to attend for a few minutes, and Brahmhatt also extended an invitation to the event to staff.

B. City Staff Report

Mr. Andrade announced that there will be a Commissioner's lunch on Saturday, April 27 at 11:30 am at the Community Center Auditorium.

Mr. Andrade mentioned that Council received 3 proposals for the digital billboard RFP at Barber Court from Clear Channel Outdoor, Foster Interstate, and Outfront/Allvision Media. Staff has yet to see the proposals, but Economic Development will receive them for selection committee review by this week and expect to get to Council with a recommendation of the selected vendor in June. Commissioner Wettenstein asked who was doing the digital billboard on Highway 880. Mr. Degu responded by communicating that Outfront Media operates the billboard by the dealership, while Clear Channel Media operates the billboard on Dixon Landing Road.

Mr. Andrade also let the Commission know that he reached out to Massoud, who spoke at last month's Commission meeting. Mr. Andrade also left an email and voicemail for Kevin O' Donnell, the Assistant for Intergovernmental Affairs for the Consulate General of Japan in San Francisco, who voiced interest in the foreign delegation visiting Milpitas.

Mr. Andrade provided an update regarding the Economic Development and Trade Commission. He reminded the Commission that they are trying to merge the Sister Cities and Economic Development Commission and reduce the number of members to 7 Commissioners and 2 Alternates. On March 27, the Mayor put forth an agenda report expressing his desire to make nominations for 7-8 different commissions, 2 of which included the Economic Development & Trade Commission. On April 2, the Mayor was expected to nominate Victor San Vicente, reappoint Commissioner Norwood, and confirm Michael Tsai as an Alternate, but this item ended up not being heard by Council. They are expecting the Mayor to put this item forward at the City Council meeting on April 16. Mr. Andrade and City Manager, Julie Edmonds-Mares also intend to sit down with the Mayor to discuss how to create a successful merger between the two Commissions.

Ms. Kornbluh gave an update on small business outreach. She provided background information and statistics on small businesses in California and Milpitas. She explained that staff had been conducting a needs assessment survey to gain a better understanding of the needs of the small business community. Staff visited around 100 businesses, of which 39 participated in the survey. Staff was able to conclude that top reasons for locating a small business in Milpitas are: access to customers, access to workforce, and affordable rent and property. The surveys revealed that businesses' top

barriers to growth were difficulty recruiting/retaining employees, expensive rent, and expensive wages and benefits. However, many businesses also felt there were no barriers to growth. Survey results also showed that many businesses were not interested in expansion and desired assistance in mostly marketing/branding/advertising, business planning, and employee hiring.

Mr. Andrade expressed willingness to reach out to organizations such as Silicon Valley Small Business Development Center, SCORE, and others to create different programs and events for small businesses. He was also eager to reach out to companies like Facebook or Google to see if they'd be willing to host an event. Commissioner Norwood asked if they would be obtaining similar data for larger businesses, to which Mr. Andrade responded saying that it will take much longer to obtain data for larger companies but Economic Development can still create infographics depicting good information on small, medium, and large businesses. Ms. Kornbluh also mentioned that only 2% of Milpitas businesses have over 100 employees. Economic Development spends time with larger companies through the corporate visitation program, while these particular surveys were developed to capture the other side of the coin.

Commissioner Brahmhatt, Ablaza, and Wettenstein shared possible resources for small business owners. Some resources mentioned were NOVA, BABC, and the Silicon Valley Manufacturing Association. Mr. Andrade shared that Economic Development would love to hear of more entities that could be resources for small business and expressed that he would like to partner with the Chamber of Commerce to jointly come up with programs.

Commissioner Reddy expressed that one of City's biggest challenges was the dump and was surprised the odor issue was not mentioned in the survey. Mr. Andrade added that he visited the Irvine Company and found that the odor was the number one issue that dissuades companies from coming to Milpitas. Ms. Kornbluh mentioned that the Public Works Department will be launching a pilot program where they will set up mobile and stationary odor sensors all over the city to identify where the odor originates. They will send out a press release in the next couple of months. Commissioner Wettenstein suggested taking a tour at Newby Island to gain a better understanding of where the odor is coming from.

Commissioner Norwood expressed that he'd like to get a better understanding of the School District's role in economic development and in the Commission. He also shared that the School Board recently passed a bond that ensures that those who do construction for the School District solicit Milpitas-based businesses.

VI. NEW BUSINESS

A. Receive Presentation on Staff Recommendations for Residential Short Term Rental Regulations

On Feb 2019, City Council directed staff to explore voluntary collection agreement with Airbnb and amend the zoning code to make residential short-term rentals an allowed or conditionally allowed use. Mr. Degu provided some background information on short-term rentals and a quick recap on the City's current regulations. The City's code currently prohibits short-term rentals from operating in all five residential zoning districts, yet there are still an estimated 341 short-term rentals operating in Milpitas (as of November 2018). Most are family homes with a partial room rental, and the majority of home-owners are living in the home and using short term rentals as supplemental income. Commissioner Norwood asked if the property owners all obtained business licenses, to which Mr. Degu responded saying that records show that they have not complied with the City's code. Commissioner Wettenstein asked if this data

only applied to Airbnb rentals. Mr. Degu clarified that this data encompassed all short-term rentals including Airbnb, VRBO, Flipkey, Homeaway, Craigslist, etc.

Mr. Degu shared staff recommendations for short-term rental regulations that were developed in collaboration with different departments in the City. Commissioners Wettenstein, Norwood, Ablaza, and Brahmbhatt followed by providing suggestions including: using more precise language (i.e. adding “on property” when describing on-site parking; clarifying whether or not the 341 short-term rentals are units or stays), adding a line in the application saying “Proper insurance must be in place for short-term rentals,” creating a model manual with baseline rules that can protect the City from any recourse, and publicly posting all short-term rental operators by street name. Commissioner Wettenstein also suggested including a number for Code Enforcement staff in the manual and providing the public with a 800-number where the community can complain, to which Mr. Degu responded saying that the City is exploring the possibility of working with a third-party vendor who will provide a number and assist with compliance and other concerns.

Motion: To accept staff residential short-term rental regulations and subsequently make a recommendation to the Planning Commission and City Council for their consideration as part of the new residential short-term rental regulations via a pilot program, with comments.

Motion/Second: (Brahmbhatt/Norwood)

Motion carried by a vote of:

AYES: 10

NOES: 0

ABSENT:

VII. ADJOURNMENT

Commissioner Norwood motioned, and seconded by Commissioner Wettenstein to adjourn the meeting at 6:03 PM to the regularly-scheduled commission meeting on Monday, May 13, 2019, at 4:30 PM. The motion carried unanimously