



**MILLBRAE CITY COUNCIL  
MINUTES  
SPECIAL COUNCIL MEETING**

**August 5, 2011**

**CALL TO ORDER MILLBRAE CITY COUNCIL**

Mayor Quigg called the special meeting to order at 7:30 a.m.

**ROLL CALL** Mayor Daniel F. Quigg, Vice Mayor Marge Colapietro, Councilmembers Gina Papan, Nadia V. Holober, and Paul Seto

**CITIZEN COMMUNICATION**

NONE

**NEW BUSINESS**

Consideration to Participate in Belamor's Proposal for Homebuyer Incentive Program, under which buyers would receive a \$15,000 rebate upon purchase of a condominium in the Belamor Project during the time period August through November 30, 2011.

City Attorney Joan Cassman reviewed the report on the price incentive program proposed by Belamor. Essentially, the City will be partnering to stimulate sales on the remaining units.

George Corey, attorney for Belamor owner/developer George Lam, indicated that the program is aimed at marketing the City as a partner in order to enhance sales. He indicated the program must end on November 30, 2011. All promotional materials will be cleared through the City before release to the public and any costs the City incurs will be paid by the developer.

Vice Mayor Colapietro had several questions but most importantly asked if the proposal is legal. City Attorney Cassman responded in the affirmative.

Mayor Quigg had many concerns stating that he felt there could not truly be a sunset on indemnity as proposed by the developer. Ms. Cassman responded that language could be crafted to address full indemnity. Mayor Quigg was also concerned that the City would assume risk for construction defects, should any occur and stated that developers typically have 'wrap-up' insurance policies which would not address City liability. He felt there was no sufficient public policy reason to go forward and in his view may be a gift of public funds. He asked why involve the public in a private project.

Mr. Corey spoke to the City's need for funds as addressing the public need.

Councilmember Papan suggested that this could be undertaken as a pilot program and thereby not setting a precedent for future developments. She felt this proposal was creative thinking outside the box in very tough times.

Ms. Cassman indicated the City will become a partner with the developer and needs to craft protections to not become a "co-developer" as suggested by Council comments. She was confident this could be addressed sufficiently. She specifically questioned Mr. Corey in 2 areas:

1. Will costs incurred by the City be covered by the developer? He answered yes.
2. Could the program run for a longer time frame? He answered no.

Vice Mayor Colapietro indicated that in her view the public good was served by bringing people to the downtown and felt this proposal would be a long-term investment in the community.

Councilmember Holober asked for clarification of statements made by Mr. Corey regarding Below Market Rate units. Corey indicated they would receive the same treatment as regular units. Councilmember Holober stated that she felt the public purpose of this proposal would be to bring people into downtown thereby adding to the tax base.

Upon a motion/second by Colapietro/Holober the pilot program proposed by the Belamor developer, including indemnification as outlined by City Attorney Cassman with the developer paying all costs associated with the City's implementation of the program and the City having approval of marketing materials before they are distributed to the public, was approved by a 4-1 vote, Mayor Quigg opposed.

There being no further business to discuss the special meeting of the City Council adjourned at 8:00 a.m.

/s/ Fran Nelson  
Acting City Clerk

/s/ Daniel F. Quigg  
Mayor