



**MILLBRAE CITY COUNCIL
MILLBRAE REDEVELOPMENT AGENCY
MINUTES
June 14, 2011**

CALL TO ORDER MILLBRAE CITY COUNCIL AND REDEVELOPMENT AGENCY

Mayor Quigg called the meeting to order at 7:02 p.m.

ROLL CALL: Mayor/Agency Chair Daniel F. Quigg, Vice Mayor/Agency Vice Chair Marge Colapietro, Council/Agency Members Gina Papan, Nadia V. Holober, and Paul Seto

PLEDGE OF ALLEGIANCE TO THE U.S. FLAG

1. **CEREMONIAL/PRESENTATION**

- NONE

2. **AGENDA OVERVIEW/STAFF BRIEFING**

- Informational Report Regarding Bills, Claims, and Payroll – RAINES

City Manager Marcia Raines presented an overview of the agenda items and added that a Special Meeting has been called for tonight and will be called to order after the regular meeting has been recessed but before the closed session.

- Report out from Closed Session of May 24, 2011 – CASSMAN

City Attorney Joan Cassman reported that there was no reportable action taken during the closed session of May 24, 2011.

3. **APPROVAL OF MINUTES**

- Regular Meeting of April 12, April 26, May 10, and May 24, 2011 - NELSON

Councilmember Holober requested that the words “Senate Republican” be capitalized on page 4 of the 4/26/11 minutes

Councilmember Seto requested that the word “matters” be included after the word important on page 4 of the 4/26/2011 minutes

Councilmember Holober requested that the word “who” be included after the words “a neighbor and” on page 4 of the 5/24/11 minutes

Upon motion/second by Holober/Seto, the minutes were approved with corrections.

4. **ORAL REPORT FROM CITY COMMITTEE/COMMISSION CHAIRS**

- NONE

CITIZEN COMMUNICATION

- NONE

CONSENT CALENDAR

5. Joint Resolution of the Millbrae City Council and the Millbrae Redevelopment Agency Establishing the Appropriations Limit for Fiscal Year 2011 - 2012 – BROWN
6. Resolution Authorizing Execution of Third Amendment to Animal Control and Shelter Services Agreement with the County of San Mateo – TELFORD
7. Motion to Approve Council Recess for the Month of August 2011 – NELSON

Councilmember Papan requested item 5 be pulled for discussion.

Upon a motion/second by Colapietro/Papan Consent Calendar items 6-7 were unanimously adopted.

Finance Director LaRae Brown gave a presentation giving background information regarding the establishment of the Appropriation Limits.

Councilmember Papan thanked staff adding that she wanted to let the taxpayers understand this item better.

Upon a motion/second by Papan/Colapietro Consent Calendar item 5 was unanimously adopted.

PUBLIC HEARING

8. Adoption of the 2010 Urban Water Management Plan Update and Urban Water Use Targets - POPP

Public Works Director Ron Popp presented information on the City's 2010 Urban Water Management Plan Update that the City is required every 5 years, reviewing the changes since 2005 Plan.

No public comment on this item.

Upon motion/second Colapietro/Holober the 2010 Urban Water Management Plan Update and Urban Water Use Targets we unanimously adopted.

9. Consideration of Clean Energy Project with Siemens Industry, Inc. and Authorization to Execute of Letter of Intent with Siemens for an Energy Audit – POPP

Public Works Director Ron Popp presented information regarding a proposal from Siemens Industry, Inc. to perform a technical energy audit, and after approval by the City install energy savings equipment throughout the city. The energy savings would be used to pay for the financing of the installed equipment. Popp stated that the value of the audit would be approximately \$25,000; however if the Council would prefer that staff issue an RFP (Request for Proposal) it would cost approximately \$30,000 in staff and consultant time. Popp recommended that the Council authorize execution of a Letter of Intent with Siemens.

Council discussion focused on the financing, Siemens audit fee and whether the City would be able to select some but not all of the recommended projects made by Siemens after the audit.

Jessie Thompson of Siemens explained that part of the Siemens guarantee is to recommend cost neutral, reasonable and practical projects to the City. The City would be able to choose which projects they want to proceed with and that the audit fee value would be added to the energy savings and be paid back to Siemens over an agreed upon length of time.

City Attorney Joan Cassman added that some of the concerns raised tonight should be discussed with Siemens and included in the Letter or Intent such as the guarantee of reasonable and practical projects and whether the City could choose to proceed with some but not all of the recommended projects.

Popp stated that an update would be brought before the Council in September.

Open Public Hearing, No public comment on this item

Upon a motion/second by Colapietro/Papan, the Council continuation of the Public Hearing on this item to the September 13, 2011 meeting unanimously passed.

Upon a motion/second by Colapietro/Seto, the Council adoption of the resolution authorizing the City Manager to sign a Letter of Intent (LOI) with Siemens Industry, Inc. unanimously passed.

OLD BUSINESS

10. Update and Direction on the Dolores Lia Project – MORTAZAVI

Housing Project Manager Armando Sanchez presented information on five options that staff would like the Council's recommendation on which option they would like staff to pursue. Sanchez reminded Council that the Redevelopment Agency has an obligation for 21 very low income housing units. He described the financial issues for each of the 5 options. Staff recommended option 5 which is to enter into an agreement with Pacific West Management, an affordable housing property management company. He added that under this option the current loan to BRIDGE Housing would be repaid and then loaned to Pacific West Management.

Kristy Wang of BRIDGE Housing explained how the original project got caught up in the recent housing crash and that BRIDGE is not equipped to manage a project of this size as they normally work with larger projects. Current Below Market Rate for purchase projects are not selling.

Caleb Roope, president, CEO and owner of Pacific West Management gave the council an overview of the company and offered references of completed projects. He explained the different ways he finances projects such as with State tax credit investors, adding that they have also received an allocation of stimulus money that would be used for part of this project.

Council discussion focused on the different options offered by staff along with the specific financial considerations for each option.

Councilmember Seto stated that he would prefer to discuss the project further.

Upon motion/second Papan/Colapietro, Council directed staff to prepare loan and development agreements in the amount of \$5,700,000 with Pacific West Management. Councilmember Seto opposed.

NEW BUSINESS

NONE

9:00 COUNCIL COMMENTS

- Mayor Quigg
 - The Hotel banners on the Millbrae Avenue Overpass have been replaced
 - Today is Flag Day and the first one was in 1771
- Vice Mayor Colapietro
 - On Monday July 11 there will be a presentation on Redistricting held in the Chetcuti Room
 - On Wednesday June 22 the Downtown Process Committee will be holding a planning meeting at the 16 Mile House beginning at 8:30 am
 - Attended the Red Cross Annual Heroes breakfast
 - On Thursday June 16 the State of the City speech will be held in the Chetcuti Room, and remember you need to make reservation
- Councilmember Papan
 - Reminder that the San Mateo County Fair is going on until the June 19.
 - Requested that Council would write a letter of condolence to the San Francisco Fire Department
 - Announced that a Redistricting map was released and discussed on Thursday at Machinists Hall
 - Presentation to C/CAG to let us know what EIR would be for plastic bag ban
 - Attended along with Vice Mayor Colapietro a High Speed Rail meeting with representatives from Spain
 - Attended the C/CAG Legislative Committee meeting
 - Expressed disappointment in the report that was issued regarding the PG&E and SFPUC cultures
 - The Capuchino High school Softball team won the title
 - Tissier will be hosting a driver symposium for older people
 - Announced that Millbrae resident Seren Pendleton-Knoll will be going to Africa to continue her work with adolescent girls.
- Councilmember Holober
 - Attended the Sister City Commission meeting and the chair has requested that the Council fill the vacancy on the commission
 - Attended the Library JPA meeting and noted that they have a \$1 million deficit, and will be eliminating vacant positions
 - Congratulated Dennis O'Halleron as new president of the Millbrae Rotary Club
 - Congratulated Ron Friediani as new president of the Millbrae Lions Club
 - Attended the retirement party for Karen Philip
- Councilmember Seto
 - Congratulated Dennis O'Halleron as the new president of the Millbrae Rotary Club
 - Attended HIP Housing luncheon with Jackie Spier & Bruce Hamilton
 - On Saturday 6/18/11 the new Millbrae Lions Club President will be installed at the Basque Cultural Center
 - Announced that on final count the Japanese Cultural Adhoc committee raised \$17000 dollars for the tsunami and earthquake victims in Japan.

There being no further regular business to discuss the City Council and Redevelopment Agency recessed at 9:45 p.m.

RECONVENE CITY COUNCIL AND REDEVELOPMENT AGENCY

11. **CLOSED SESSION**

- Conference with Legal Counsel – Existing Litigation
Closed Session held pursuant to Government Code §54956.9 (a)
 1. Singson v. Millbrae, case CV 11-1863-SI
 2. Rosenblatt v. Millbrae, case C11-01891-EMC

- Conference with Legal Counsel - Real Property Negotiations
Closed Session held pursuant to Government Code §54956.8
Property: 151 El Camino Real
Agency Negotiator: Executive Director, Community Development Director
Negotiating Parties: Millbrae Paradise LLC and Millbrae Redevelopment Agency
Under Negotiation: Price and terms of payment

ADJOURN CITY COUNCIL AND REDEVELOPMENT AGENCY

There being no further regular business to discuss the City Council and Redevelopment Agency adjourned at 11:00 p.m.

/s/ Fran Nelson
Acting City Clerk

/s/ Daniel F. Quigg
Mayor