



**MINUTES OF THE CITY COUNCIL
DEVELOPMENT SERVICES COST RECOVERY ANALYSIS, PROCESS
IMPROVEMENTS, CALCULATION OF UNEARNED REVENUES, AND REFUND
PROCESSING SPECIAL MEETING**

SAN JOSE, CALIFORNIA

MONDAY, DECEMBER 12, 2016

The Council of the City of San José convened a special meeting at 1:34 p.m. in the Council Chambers at City Hall.

Present: Councilmembers - Herrera, Carrasco, Jimenez, Jones, Khamis, M. Nguyen, T. Nguyen, Oliverio, Peralez; Rocha.

Absent: Councilmembers - Liccardo. (Excused)

Staff: City Attorney Richard Doyle; City Manager Norberto Dueñas; Fire Chief Curtis Jacobson; Director, Planning, Building and Code Enforcement Harry Freitas; Senior Business Development Manager Chris Burton; Director of Public Works Barry Ng; City Clerk Toni J. Taber, CMC and Deputy City Clerk Susan Davis.

Documents Filed: (1) Joint memorandum from Director, Planning, Building and Code Enforcement Harry Freitas, Fire Chief Curtis Jacobson and Director of Public Works Barry Ng, dated December 8, 2016, recommending acceptance of the report with direction to the administration, including Management Partners report “Development Services Process Improvement Implementation Action Plan Tool”. (2) Letter from Andrew Belknap, Regional Vice President, NBS Management Partners, dated November 18, 2016, providing the report “Development Services Cost Recovery Analysis, Process Improvements, Calculation of Unearned Revenues, and Refund Processing”. (3) Management Partners report “City of San José Development Services Process Improvements and Cost Recovery Analysis”, dated December 12, 2016. (4) PowerPoint presentation “Construction Taxes”, dated December 12, 2016.

INTRODUCTION

Vice Mayor Rose Herrera presented opening comments.

Director, Planning, Building and Code Enforcement Harry Freitas introduced Andrew S. Belknap, Regional Vice President, NBS Management Partners and Stacey Shell, Manager, NBS Management Partners - Local Government Consultants.

4.1 Discussion of Report Prepared by Management Partners and NBS Consulting entitled: Development Services Cost Recovery Analysis, Process Improvements, Calculation of Unearned Revenues, and Refund Processing Report.

Andrew Belknap and Stacey Shell provided a presentation summarizing the consultant's report and responded to questions.

Director, Planning, Building and Code Enforcement Harry Freitas continued with staffs' recommendations and asked for Council direction to implement the study in accordance with the implementation action plan and indicated that many recommendations in the study have already been implemented. Harry Freitas and Economic Development Assistant Director, Nanci Klein responded to questions from Council.

Vice Mayor Rose Herrera opened the floor for public testimony.

Dennis Randall, representing Insight Realty Company, expressed his support and encouragement to City Staff concerning the process improvements.

4.2 Actions Related to Development Services Cost Recovery Analysis, Process Improvements, Calculation of Unearned Revenues, and Refund Processing Report.

- (a) **Accept the City of San José Development Services Cost Recovery Analysis, Process Improvements, Calculation of Unearned Revenues, and Refund Processing Report.**
- (b) **Direct the administration to bring forward recommendations through the Fiscal Year 17/18 budget process and other subsequent Council actions to implement the recommendations in the Report in conformance with the "Implementation Action Plan".**

Director, Planning, Building and Code Enforcement Harry Freitas introduced members of the panel, and each of the following was provided a five-minute presentation: Josh Burroughs, Barry Swenson Builders; Don Emwalle, Emwalle Properties; Erik Schoennauer, the Schoennauer Company. Each presenter offered insight into the process including taking the necessary steps to hire and retain staff, planners and engineers.

City Manager Norberto Dueñas offered closing remarks and thanked the staff and shareholders for their valuable input.

Motion: Councilmember Raul Peralez moved approval of recommendations as indicated in "Action". The motion was seconded by Councilmember Johnny Khamis.

Action: On a call for the question, the motion carried unanimously, and the City of San José Development Services Cost Recovery Analysis, Process Improvements, Calculation of Unearned Revenues, and Refund Processing Report were accepted, with the Administration directed to bring forward recommendations through the Fiscal Year 2017-2018 budget process and other subsequent Council actions to implement the recommendations in the Report in conformance with the "Implementation Action Plan". (6-0-5. Absent: M. Nguyen, T. Nguyen, Oliverio, Rocha; Liccardo.)

4.3 Briefing on Potential Modifications to City's Construction Taxes.

Senior Business Development Manager Chris Burton provided a presentation.

ADJOURNMENT

Vice Mayor Rose Herrera adjourned the meeting at 5:06 p.m.

Minutes Recorded, Prepared and Respectfully Submitted by,



Toni J. Taber, CMC
City Clerk

smd/rmk12-12-2016MIN