

The City Council met in regular session at the hour of 8:30 a.m. in the Council Chamber, City Hall, on the day above written.

Present:	Andreas Borgeas	Councilmember
	Lee Brand	Councilmember
	Mike Dages	Councilmember
	Henry Perea	Councilmember
	Larry Westerlund	Acting Council President
	Blong Xiong	Councilmember
	Cynthia Sterling	Council President

Andy Souza, City Manager
 Bruce Rudd, Assistant City Manager
 Francine Kanne, Assistant City Attorney
 Becky Klisch, City Clerk
 Yolanda Salazar, Assistant City Clerk

Father Jim Pappas of St. George Greek Orthodox Church gave the invocation and President Sterling led the Pledge of Allegiance.

PRESENTATION OF THE SPCA PET OF THE MONTH - COUNCILMEMBER BRAND

The pet of the month available for adoption, a one year old male Spaniel mix named "Jake", was presented.

PROCLAMATION OF "OLDER AMERICANS' MONTH" - CITY COUNCIL

PROCLAMATION OF "STAMP OUT HUNGER DAY " - MAYOR'S OFFICE

PROCLAMATION OF "TEEN PREGNANCY PREVENTION MONTH" - PRESIDENT STERLING AND COUNCILMEMBERS PEREA AND XIONG

PROCLAMATION OF "FRESNO BIKE MONTH" AND "2009 BIKE TO WORK WEEK" - COUNCILMEMBER BRAND

PROCLAMATION OF "NATIONAL VOLUNTEER WEEK" - MAYOR'S OFFICE

ADD-ON: PROCLAMATION OF "DR. STEPHEN RODEMEYER DAY"

The above proclamations were read and presented.

APPROVE MINUTES OF APRIL 30, 2009:

On motion of Acting President Westerlund, seconded by Councilmember Brand, duly carried, RESOLVED, the minutes of April 30, 2009, approved as submitted.

COUNCIL MEMBER REPORTS AND COMMENTS:

Councilmember Borgeas (1) congratulated Mayor Swarengin for putting forward an administrative policy acting on an earlier Council resolution relative to turn-around time for Council requests for information; and (2) spoke to a recent court case regarding the California Redevelopment Association and stated he hoped that when the time is right the City will prepare itself to file an amicus brief as a friend of the court in support of the appeal.

Councilmember Xiong (1) congratulated the Downtown Association and the Central California Hispanic Chamber of Commerce (CCHCC) on their successful Cinco de Mayo celebration events; (2) commended the Chief's Foundation on another successful Epicurean Delights fund raiser; (3) spoke to the United Way's celebration on the EITC and commended all involved; (4) thanked Member Larson for participating with him in the Buddhist Temple ceremony; and (5) thanked Senator Boxer's office for hosting a federal grants workshop at Fresno State.

Councilmember Perea requested the city manager provide a tray memo or email with details of a recent COG vote relative to COG funding the California Partnership by increasing the fees of each member city.

Councilmember Brand advised he attended a meeting yesterday with Clovis council members and Clovis Unified School District officials on common problems as some of his district is part of Clovis' school district and requested the city manager follow up with the Clovis city manager on a joint meeting of a Fresno council sub-committee of two members and Clovis officials for the purpose of coordinating common interests.

(2 - 0) Councilmember Dages (1) thanked Parking Manager Estabrooke and staff for addressing a parking sign problem at the underground garage by trimming some problem trees; and (2) reminded everyone about the charity poker tournament at Club One Casino on May 16th wherein all proceeds go to various charities and encouraged all to participate.

President Sterling (1) advised Mr. Maroot of Jon Jon's was unable to come to City Hall due to health issues and requested the city manager contact Mr. Maroot or pay a visit to him relative to his issues/plans for the city and added he was very frustrated as he had not been getting any response; and (2) advised she was a presenter, attendee and/or speaker at the Teen Pregnancy Recognition Dinner, the Epicurean Delights event hosted by the fire department, the Fulton Mall Cinco de Mayo celebration, Pastor Paul Binion's 32nd Appreciation Service at the West Fresno Church of God, the Feed My Sheep Ministries bike show at the Kearney Palms shopping center, the CCHCC Cinco de Mayo celebration in Clovis, the Consulate of Mexico's Jazz concert at the Woodward Park Amphitheater, the PAL boxing event at Romain Playground, the A.F. Evans event at Bigby Villa, and Senator Boxer's informative federal grants workshop.

APPROVE AGENDA:

(10:00 A.M.) CONTINUED HEARING ON APPEAL FILED BY GARY McDONALD AND FORMER COUNCILMEMBER DUNCAN ON THE TRACT MAP AND CONDITIONAL USE PERMIT (CUP) APPEALING THE PLANNING COMMISSION'S DENIAL OF VESTING TENTATIVE TRACT MAP NO. 5933, CUP NO. C-08-59 (*Continue to July 16, 2009, at 10:00 a.m.*)

Continued as noted.

(9:00 A.M.) PUBLIC COMMENT - SCHEDULED COMMUNICATION:

#2. APPEARANCE BY ERIC AND REBECCA WARDWELL TO DISCUSS A FRESNO BEE ARTICLE RELATING TO THE POLICE DEPARTMENT

Request to appear withdrawn.

(1-F) RESOLUTION - 10TH AMENDMENT TO SALARY RES. 2008-165 TO REPLACE THE VOLUNTARY TIME OFF (VTO) PROGRAM WITH A VOLUNTARY LEAVE TIME (VLT) PROGRAM FOR FY 2010

Removed from the agenda by staff/to be rescheduled.

(9:15 A.M. #2 "A") APPROVE THE FORMATION OF A COUNCIL SUBCOMMITTEE ON WATER - COUNCILMEMBERS BORGEAS, BRAND AND PRESIDENT STERLING

City Clerk Klisch advised there was a Resolution associated with the item and was included in Council's packet but the title was inadvertently left off the agenda. So noted.

On motion of Councilmember Dages, seconded by Councilmember Xiong, duly carried, RESOLVED, the **AGENDA** hereby approved, as amended, by the following vote:

Ayes : Borgeas, Brand, Dages, Perea, Westerlund, Xiong, Sterling
Noes : None
Absent : None

ADOPT CONSENT CALENDAR:

(1-A) APPROVE MONTH-TO-MONTH LEASES, EFFECTIVE AS OF OCTOBER 1, 2008, WITH RICHARD BAIN, ROY KROEKER, AND THE COUNTY OF FRESNO ON BEHALF OF THE FRESNO COUNTY AIR SQUADRON, COVERING SPACES AT THE FRESNO CHANDLER EXECUTIVE AIRPORT, AT MONTHLY RENTS OF THIRTY DOLLARS (\$30.00), THIRTY DOLLARS (\$30.00), AND TWO HUNDRED DOLLARS (\$200.00) RESPECTIVELY, AND WITH A FORMULA FOR ANNUAL RENT ADJUSTMENTS BASED ON COST-OF-LIVING INDICATORS PUBLISHED BY THE US DEPARTMENT OF LABOR

(1-B) APPROVE A FIVE-YEAR LEASE WITH WILLIAM NEWBURN d.b.a. PACIFIC COAST AERO MARINE REPAIR, EFFECTIVE AS OF APRIL 1, 2009, COVERING A COMMERCIAL HANGAR AT CHANDLER AIRPORT, AT AN ANNUAL RENT OF \$18,000 WHICH WILL BE SUBJECT TO ANNUAL ADJUSTMENTS BASED ON CERTAIN COST-OF-LIVING INDICATORS REGULARLY PUBLISHED BY THE US DEPARTMENT OF LABOR

(1-C) APPROVE A PROFESSIONAL CONSULTING SERVICES AGREEMENT WITH HARRIS & ASSOCIATES FOR CONSTRUCTION MANAGEMENT SUPPORT SERVICES RELATED TO TERMINAL AND AIRFIELD PROJECTS AT THE FRESNO YOSEMITE INTERNATIONAL AND CHANDLER EXECUTIVE AIRPORTS, IN THE AMOUNT OF \$259,973, AND AUTHORIZE THE DIRECTOR OF AVIATION TO EXECUTE THE AGREEMENT

(1-D) AWARD A CONTRACT TO ROEBBELEN CONTRACTING, INC., IN THE AMOUNT OF \$2,767,000 FOR THE EXPANSION AND REMODEL OF THE SECURITY CHECKPOINT AT THE FRESNO YOSEMITE INTERNATIONAL AIRPORT

(1-E) APPROVE AMENDMENT NO. 1 TO ALOHA AIRCRAFT SALES, LLC'S LEASE OF A HANGAR AT THE CHANDLER EXECUTIVE AIRPORT TO (1) ADD 6 YEARS TO THE TERM (WHICH WOULD OTHERWISE EXPIRE ON 11/30/11), (2) REQUIRE THE LESSEE TO COMPLETE NOT LESS THAN \$12,000 OF ADDITIONAL IMPROVEMENTS TO THE HANGAR BY NO LATER THAN 11/30/11, (3) EMPOWER THE LESSEE TO TERMINATE THE LEASE ON 11/30/11, OR AT THE END OF ANY MONTH THEREAFTER BY GIVING NOTICE NOT LESS THAN SIX MONTHS IN ADVANCE, AND (4) AUTHORIZE THE LESSEE TO CONDUCT AT THE PREMISES ANY AVIATION-RELATED BUSINESS FOR WHICH THE LESSEE IS QUALIFIED AND LICENSED AND FOR WHICH THE PREMISES ARE ADAPTED, EXCEPT THE SALE OF AVIATION FUELS AND LUBRICANTS, WITH THE AMENDMENT APPROVED AS TO FORM BY THE CITY ATTORNEY

(1-G) RESOLUTION NO. 2009-103 - AUTHORIZING THE SUBMISSION OF A GRANT APPLICATION FOR UP TO \$5,000,000 TO THE DEPARTMENT OF THE INTERIOR (DOI) BUREAU OF RECLAMATION TO LEVERAGE THE COST OF INSTALLING 105,050 RESIDENTIAL WATER METERS THROUGH THE AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) OF 2009 UNDER THE "WATER FOR AMERICA CHALLENGE" GRANT, AND AUTHORIZE THE DIRECTOR OF PUBLIC UTILITIES OR DESIGNEE TO EXECUTE AND SUBMIT ALL NECESSARY DOCUMENTS, SUBJECT TO PRIOR APPROVAL AS TO FORM BY THE CITY ATTORNEY'S OFFICE

(1-H) ADOPT RESOLUTION OF INTENTION NO. 1073-D TO VACATE A PORTION OF W. ALLUVIAL AVENUE WEST OF N. LAFAYETTE AND SETTING THE REQUIRED PUBLIC HEARING FOR JUNE 4, 2009

(1-I) RESOLUTION NO. 2009-104 - ACCEPTING AN IRREVOCABLE OFFER TO DEDICATE A PUBLIC STREET EASEMENT ALONG THE SOUTHWEST CORNER OF HERNDON AVENUE AND GOLDEN STATE BOULEVARD FROM PROPERTY OWNED BY GEORGE & CYNTHIA BROWN AND CAROLINE HINSHAW

(1-J) APPROVE THE APPOINTMENT OF PATRICK BOYD TO THE HISTORIC PRESERVATION COMMISSION - MAYOR SWEARENGIN

On motion of Councilmember Dages, seconded by Councilmember Borgeas, duly carried, RESOLVED, the above entitled **CONSENT CALENDAR** hereby adopted, by the following vote:

Ayes : Borgeas, Brand, Dages, Perea, Westerlund, Xiong, Sterling
Noes : None
Absent : None

(9:00 A.M.) PUBLIC COMMENT:

(A) SCHEDULED COMMUNICATION:

1. APPEARANCE BY BRIAN CALHOUN TO REQUEST USING THE TWO GRASSY KNOLL AREAS OF CITY HALL TO DEMONSTRATE A “VICTORY GARDEN” AND MODEL LANDSCAPE OF DROUGHT RESISTANT PLANTS

Appearance made along with a PowerPoint presentation, and President Sterling stated she would be in touch with Mr. Calhoun.

(B) UNSCHEDULED COMMUNICATION:

David Allen, 9426 Cottage, noted he spoke before Council three weeks ago about meeting with the city manager on his green pool program which he stated would not cost the city anything and advised nothing has changed, and again requested Council direct the city manager to meet with him. City Manager Souza advised there were some serious legal issues staff was grappling with which Mr. Allen had not raised and stated staff and the city attorney’s office would meet within the next week.

Paul Hurlbut, 4701 W. Swift, spoke to the fire department’s 2025 Public Safety Plan being out of date.

Sherry Smith, 4724 W. Swift, spoke to house fire deaths and to a petition process started to have a fire station built at Gettysburg and Barcus Avenues.

Paula Savino, 7449 N. Mansionette Drive, spoke to animal abuse.

(9:15 A.M. #1) “PRIME TIME FOR BUSINESS’ IN COMMEMORATION OF MAY AS “WATER WISE” MONTH: PRESENTATION BY CLAUDE LAVAL OF THE WATER AND ENERGY TECHNOLOGY (WEST) INCUBATOR AND A FEATURED FRESNO WATER TECHNOLOGY COMPANY - COUNCILMEMBER BORGEAS AND THE D&CR DEPARTMENT

Councilmember Borgeas introduced the item and Claude Laval, and Mr. Laval spoke to the water industry and how it has made the central San Joaquin Valley the Silicon Valley of water technology. Councilmember Borgeas read and presented Mr. Laval with a Council Proclamation. D&CR Director Scharton introduced Matt Angel with Pure Sense, and Mr. Angel gave a PowerPoint presentation entitled “Positioning Fresno as the Leader in Water & Energy Technology” which consisted of Harvesting the Information Age in Agriculture, Company History, Integrated Framework, High Margin Business, Huge Global Market, Sizeable USA Market, Global Market is Even Bigger, Explosive Customer Growth in Hard Economic Times, Last Major Advance in Irrigation Technology, HUGE Upside If We Are Completely Wrong, and High Margin Business with Explosive Growth. Councilmember Borgeas presented a Certificate to Mr. Angel and Pure Sense as a Prime Time for Business honoree.

(9:15 A.M. #2 “A”) APPROVE THE FORMATION OF A COUNCIL SUBCOMMITTEE ON WATER - COUNCILMEMBERS BORGEAS, BRAND AND PRESIDENT STERLING

1. RESOLUTION NO. 2009-105 - ESTABLISHING THE CITY COUNCIL SUBCOMMITTEE ON WATER

Councilmember Borgeas reviewed the issue, all as contained in the memo to Council as submitted, made a motion to adopt the resolution (which was seconded by Councilmember Brand), and along with President Sterling and Councilmember Brand responded to questions and comments of Councilmembers Perea and Xiong relative to staffing (**3 - 0**), need to have some staffing on a professional basis, request that the committee review and update the city's water management plan, how the committee will work with other city teams, if a committee member will sit in on/participate in team meetings, the pro-active and professional work of the Blue/Green Teams, and evolution of this committee and need for it to be proactive and work collaboratively. President Sterling thanked Councilmember Borgeas for his leadership, stated this committee will be proactive, get important information out to the public and be an additional voice to all the other teams out there, and asked council members to submit any requests/suggestions they may have to Analyst Jones.

On motion of Councilmember Borgeas, seconded by Councilmember Brand, duly carried, RESOLVED, the above entitled Resolution No. 2009-105 hereby adopted, by the following vote:

Ayes : Borgeas, Brand, Dages, Perea, Westerlund, Xiong, Sterling
Noes : None
Absent : None

(9:15 A.M. #2 "B") RESOLUTION NO. 2009-106 - ADOPTING A POLICY ALLOWING FRESNO CITY ELECTED OFFICIALS TO VOLUNTARILY RETURN A PORTION OF THEIR ANNUAL SALARY TO THE CITY - COUNCILMEMBERS WESTERLUND AND BORGEAS

Acting President Westerlund elaborated on the economic crisis, significant impacts, and issues cities are facing and will continue to face, acknowledged departments have already made cuts to the tune of \$8.8 million but stated the city was at a point now where it was looking to cut permanent employees and reopen labor contracts to ask that employees not take bargained-for raises so the city can hopefully forego having to let permanent employees go, stated Council needed to lead from the front and take the cut first and suggested members return 3% back to the city coffers for the remainder of this year and the next fiscal year, and emphasized this would be 100% voluntary including the percentage amount and requested Council support this resolution even if some members do not wish to participate and made a motion to adopt the resolution. Councilmember Borgeas seconded the motion, stated all the selling points were mentioned and the motivation behind this in many respects was symbolic and procedural, advised no mechanism existed if an individual wanted to give back some of their salary until now, acknowledged no one wants to do this but he felt it was important to be in this situation together with other city employees and shoulder some of the sacrifices, and reiterated this would be voluntary, stated he felt 3% was an appropriate amount, and concluded stating this was not an issue of grandstanding but one of hard economic times.

Councilmember Brand stated no one was going to get rich being on the city council, for some members this was their sole source of income and he understood sacrifices being made, and he was fortunate to have another income, stated a 3% voluntary payback was a drop in the bucket when looking at the general fund but the symbolism was gigantic, agreed Council needed to lead and empathize with the hardworking city employees who are all facing a possible salary freeze, spoke to the issue of council salaries stating he felt they should not be under the purview of the City Council and another mechanism needed to be looked at to determine compensation levels, and stated he would volunteer a 3% reduction in salary. Councilmember Dages spoke to increased costs/fees that he, along with everyone else, has experienced, to the fees the city just raised with Council approval and which he did not support, and to how increasing fees means less money to be spent in our economy, stated to ask him to voluntarily take a \$165 per month reduction in pay and call it good economics and helping to balance the budget did not make a lot of common sense to him and added the working class in this community were going backwards -- not forward, presented questions relative to how many unions/associations gave up raises this year or last year, if any have agreed to a re-opener, and if any will receive raises next year, and if so, how much (with City Manager Souza responding), and stated he would not participate or support this resolution because on one hand Council raised fees for the customer and on the other hand there is political grandstanding by saying you will voluntarily give money back to the city of Fresno. Councilmember Xiong acknowledged each member has their own sensitivity in terms of this effort and he would be supporting this resolution, and presented questions relative to the process/legalities of "giving back" and/or donating salary and if a resolution/ordinance was needed for members who choose where they want their money to go, with Assistant City Attorney Kanne responding. Councilmember Xiong continued and stated this was not intended to put members in a difficult situation, each member gives back in different ways and elaborated, he was very satisfied in terms of his "giving back" to the city, there were other mechanisms that give council members different avenues to give back, and he would support this resolution for those members who want to give back in this form.

Lengthy discussion continued. Councilmember Perea stated he would also be supportive so each member can decide what he or she wants to do and presented questions relative to whether council approval will be required each time a member wants to donate, the process/the form required/how often the form will have to be filled out, if the percentage donated will be tax deductible, and if there will be tax deductions for those employees whose bargaining units negotiate to not take their raises, with Ms. Kanne and Interim Controller Bradley responding/clarifying issues. Upon responses from staff Councilmember Perea stated this resolution as written was disingenuous as on the face of it it was saying Council will be leaders and take a 3% cut but what the public is not being told is at the end of the year some of the money can be written off taxes to get some back, stated he would support the resolution if language is taken out/changed so members will not be able to deduct this off their taxes, stated since symbolism was being talked about here he felt it would be a smart symbolic move to add language in the resolution stating members will not be taking tax deductions with this give back, added Council should also make public statements that the give back will go right back into the general fund and not be written off taxes, and stated until that issue is satisfied for him he would not support the resolution as written. Acting President Westerlund agreed this was a sensitive issue, concurred all members work hard for their salary and give a lot back to the city, spoke briefly to the city of Clovis' process, stated he understood Councilmember Perea's concern but stated the law was what it was and the money has to be given back as a donation (4 - 0), stated he was open to the city attorney looking at some language and Council amending the resolution later but requested it be moved forward this date, and addressed the grandstanding comment and stated the intent was to have this debate, there were no press releases, and at the end of the day this was about good policy and not politics. Councilmember Xiong spoke to Council's options to give back other than through a salary reduction and to the various bargaining units and the need to be sensitive to how they will be impacted differently. Councilmember Perea thanked Acting President Westerlund for the clarifications and stated he would support the resolution this date but would bring back an agenda item addressing the tax deduction issue, upon his question Acting President Westerlund stated he would not amend his motion on the floor to change language, and Councilmember Perea reiterated he would bring back a separate item next week.

President Sterling spoke to a Fresno Bee article in which a comment was directed towards her and clarified she has not been in the funeral business since 2007, she does not have a lucrative second job and she resented the Fresno Bee for implying that, and the council president receives a \$5,169.50 raise and as council president she elected not to take the raise and instead added it to her operating budget; advised she placed \$4,000 into contingency in March of 2008 and \$5,500 in March of 2009 as her district has many challenges and concessions need to be made to help her constituents; stated all her records were open; spoke to the subject resolution stating as long as it was voluntary she would support it but clarified she had some personal challenges and did not have a spouse or a second job; and invited the media to talk with her or her analyst anytime to get information right.

On motion of Acting President Westerlund, seconded by Councilmember Borgeas, duly carried, RESOLVED, the above entitled Resolution No. 2009-106 hereby adopted, by the following vote:

Ayes : Borgeas, Brand, Perea, Westerlund, Xiong, Sterling
 Noes : Dages
 Absent : None

(9:45 A.M. "A") APPROVE A PROFESSIONAL SERVICES AGREEMENT WITH CAROLLO ENGINEERS PC, IN THE AMOUNT OF \$703,599 FOR CONSULTANT SERVICES FOR DEVELOPMENT OF A RECYCLED WATER MASTER PLAN (RWMP)

Assistant Public Utilities Director Hogg reviewed the issue, all as contained in the staff report as submitted, and upon question of Acting President Westerlund clarified nothing changed from last week and there were no new terms/conditions. A motion and second was made to approve staff's recommendation. Councilmember Borgeas stated the newly established council water task force looked forward to working with staff closely in this process and President Sterling thanked staff for the tour provided and their good work.

On motion of Acting President Westerlund, seconded by Councilmember Xiong, duly carried, RESOLVED, the above entitled Professional Services Agreement with Carollo Engineers PC hereby approved, and the Public Utilities Director or designee authorized to sign the Agreement on behalf of the City, by the following vote:

Ayes : Borgeas, Brand, Dages, Perea, Westerlund, Xiong, Sterling
 Noes : None
 Absent : None

(9:45 A.M. "B") RESOLUTION NO. 2009-107 - DECLARING OFFICIAL INTENT TO REIMBURSE CERTAIN EXPENDITURES FROM PROCEEDS OF INDEBTEDNESS FOR EXPENSES INCURRED RELATED TO WATER ENTERPRISE CAPITAL PROJECTS

Assistant Public Utilities Director Martin reviewed the issue, all as contained in the staff report as submitted, spoke to the spreadsheet submitted to Council with projects and details, and along with City Manager Souza and ACM Rudd responded to questions and a request of Councilmember Perea relative to payment of the bond, the experience with the parks bond and lengthy timeline, if staff could provide assurance that would not happen again, request staff provide periodic updates/emails on this process, and if the project list was not going to change at all. Councilmember Perea stated he was very supportive and particularly with the downtown water tank project stating if downtown is to be truly revitalized water and appropriate infrastructure need to be in place. Acting President Westerlund noted this matter was discussed two weeks ago and incorporated his testimony/concerns herein, and stated he would be supportive, he wanted to *know* things will be different from the parks bond, and also requested updates.

On motion of Councilmember Xiong, seconded by Councilmember Brand, duly carried, RESOLVED, the above entitled Resolution No. 2009-107 hereby adopted, by the following vote:

Ayes : Borgeas, Brand, Dages, Perea, Westerlund, Xiong, Sterling
 Noes : None
 Absent : None

(9:45 A.M. "C") DIRECT STAFF TO PREPARE AN APPLICATION TO THE US DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT FOR A \$2 MILLION SECTION 108 LOAN TO PROVIDE FINANCING TO ROBOTIC BUILT STRUCTURES FOR THE PURCHASE OF EQUIPMENT AND MACHINERY AS PART OF THE DEVELOPMENT OF A MODULAR HOUSING MANUFACTURING FACILITY

Councilmember Borgeas recused himself from proceedings due to a potential conflict of interest and left at 11:18 a.m.

D&CR Director Scharton gave an overview of the issue and a PowerPoint presentation on the HUD Loan Program which consisted of Goal of HUD Section 108 Loan Program, HUD Section 108 Financing Uses, Financing, and Official Review by the Finance Department, and clarified direction to staff was being requested this date and not approval of the loan.

Dan Lonergan, Chief Executive Officer for Robotic Built Structures, stated he was happy to be part of an economic opportunity solution to address the economic downtown being experienced locally and across the country, and expanded further on his company's proposal to bring high tech/high paying jobs to this community.

Speaking in support of and/or further to the project were Tom Richards, investor, and John Hutson, 330 E. Pontiac Way.

Councilmember Dages stated he met with the board of directors and liked what they were proposing and presented questions relative to payroll numbers and the issue of a loan guarantee, with Mr. Lonergan and City Manager Souza responding. Councilmember Dags reiterated he liked the concept, stated Council needed some level of satisfaction that this will not be another Granite Park or The Met, and stated this was definitely an exception as staff assured him this would not come back without a level of satisfaction that this is a good deal for the taxpayer, and stated he felt Council should give Robotic Built and the investors the opportunity to put something together that will come out to Council's satisfaction and made a motion to approve direction to staff, which was seconded by Councilmember Xiong.

(5 - 0) Councilmember Perea stated he loved the concept and everything Robotic was doing but what he really liked was the model of the private sector partnering with organized labor and elaborated, and along with Councilmember Brand presented questions and comments relative to whether staff supported the proposal, if Mr. Scharton was recommending Council move forward on application preparation, if this directional step had to be taken/if staff could have put the application together on its own and presented the finished product to Council, staff needing to conduct further due diligence and why that was not done before bringing this to Council, support for this based on staff's professional recommendation, if this action will not commit the city to a loan, support for this innovative model to use business and labor and provide good paying jobs, need to fully vet this with a detailed and comprehensive business analysis, and security concerns and need to find sufficient collateral, with Mr. Scharton and Assistant City Attorney Kanne responding throughout.

Acting President Westerlund stated personally he wished Robotic all the success but as a council member he had to look at this differently, advised he had a lot of concerns and thanked the principals for meeting with him and discussing issues, spoke to the economic crisis and challenges the city is facing, and stated although he wanted the jobs he felt this was a Silicon Valley kind of capital venture and with the city acting as the bank with no personal guarantees this was as risky as the city could get and he could not support moving forward. Councilmember Xiong stated there was a great partnership here and agreed this would be fully scrutinized and added he will want to see best business practices before moving to the next phase. President Sterling thanked everyone for working together and stated she also had some reservations due to these critical times but agreed difficult questions would be asked and all concerns vetted.

On motion of Councilmember Dages, seconded by Councilmember Xiong, duly carried, RESOLVED, staff directed to start the preparation of an application to the U.S. Department of Housing and Urban Development (HUD) for a \$2 million Section 108 Loan for Robotic Built Structures as outlined above, by the following vote:

Ayes : Brand, Dages, Perea, Xiong, Sterling
Noes : Westerlund
Absent : None
Recused : Borgeas

Councilmember Borgeas returned to the meeting at 11:51 a.m.

A visiting class from Fresno City College was recognized and welcomed.

(10:30 A.M.) PRESENTATION OF THE NEIGHBORHOOD MARKET DRILLDOWN ANALYSIS REPORT BY SOCIAL COMPACT, INC.

Economic Development Analyst Trevino reviewed the issue, all as contained in the staff report as submitted, and John Tamage, President and CEO of Social Compact, gave a PowerPoint presentation entitled Neighborhood Market DrillDown which consisted of Overview of the City of Fresno Neighborhood Market DrillDown, Study Area Overview, Population Overview, Study Area Highlights, Providing Easy Access to Information/The Finder, Uncover Possible Profitable Sites Per Industry, Trade Area Properties and Store Performance, and City DNA. Councilmembers Perea and Xiong left the meeting during the presentation.

Barbara Hunt, 2475 S. Walnut, and Daniel Guerra, Fresno West Coalition for Economic Development, spoke in support.

A motion and second was made to accept the report and President Sterling thanked everyone who participated and added this report had been anticipated.

On motion of Councilmember Dages, seconded by Councilmember Brand, duly carried, RESOLVED, the Neighborhood Market DrillDown Analysis Report by Social Compact, Inc., hereby accepted, by the following vote:

Ayes : Borgeas, Brand, Dages, Westerlund, Sterling
Noes : None
Absent : Perea, Xiong

ADJOURNMENT

There being no further business to bring before the City Council, the hour of 12:11 p.m. having arrived and hearing no objection, President Sterling declared the meeting adjourned.

Approved on the ___14th___ day of ___May___, 2009.

_____/s/_____
ATTEST
_____/s/_____

Cynthia Sterling, Council President

Yolanda Salazar, Assistant City Clerk

153-139

05/07/09