

Meeting Date: 4/24/12

AGENDA REPORT

Agenda Item # 5C

City of Santa Clara, California



Date: April 18, 2012

To: Mayor and Council for Action

From: City Manager

Subject: Third Quarter Report for 2011-2013 Council Principles and Priorities, and Schedule the Next Quarter Status Report on the Council's Principles and Priorities for 2011-2013 for the July 17, 2012 Council Meeting

EXECUTIVE SUMMARY:

Council adopted principles and priorities for the year 2011 through 2013 timeframe in addition to reaffirming the major focus statement: "The City Council priority is to focus on successful completion of existing City projects, postpone new City projects and proposals, and operate within Council adopted budget principles and priorities, with the goal of guiding the City successfully to economic recovery." The major focus of Council's Priorities is Economic Development. The goals were then referred to the City Manager to develop an implementation plan for each goal. This is the Third Quarter status report for this fiscal year on specific goals that were identified by the City Council through consensus and prioritization. Attached are detailed status reports on each priority for your review. See "Discussion" for highlights in regards to each of the goals.

ADVANTAGES AND DISADVANTAGES OF ISSUE:

The "Principles and Priorities for 2011-2013" will continue to help guide the City through budget and economic challenges ahead. Through the process of consensus and prioritization, specific goals were identified for the 2011-2013 timeframe.

ECONOMIC/FISCAL IMPACT:

Additional funds will be needed to complete some aspects of this program. Fiscal impacts will be addressed as part of the budget process, or may need to be delayed based on the serious budget challenges the City is facing in the 2011-2012 budget, as well as the Five Year Financial Plan projections of on-going deficits, including the impact to the City's General Fund resulting from State actions to eliminate Redevelopment Agencies.

RECOMMENDATION:

It is recommended that Council accept the Third Quarter Status Report for Council Principles and Priorities for 2011-2013; and schedule the next quarterly status report for Council Principles and Priorities for 2011-2013 for July 17, 2012 City Council meeting.



 Jennifer Sparacino
 City Manager

Documents Related to this Report: Reports on the Council Goals Summary Analysis

DISCUSSION:

- Water Utility staff are beginning construction of a new 12-inch recycled water main for the Industrial 3B-Space Park Drive Extension project which connects to the recycled water main at Comstock Street and extends to Space Park Drive.
- Construction activities are completed and the following non-City facility retrofits are anticipated to start using recycled water next quarter: Santa Clara University Admissions Center Building, Mission College IS Building, and the Mission College Hospitality Building.
- Oracle has started using recycled water in the cooling tower at their Network Circle campus.
- Draft Feasibility Study for Master Plan to expand creek trails in progress to incorporate other agencies' critical biological issues and permitting requirements. Coordinated with the City of Cupertino staff to identify inter-jurisdictional trail feasibilities in conjunction with the Apple development.
- Lodi Energy Center (LEC) is currently under construction. At the end of February 2012, construction was 91.5% complete and commissioning was 86.5% complete. Commercial operation is expected by end of July, 2012.
- Silicon Valley Power's Neighborhood Solar Program supports renewable energy at the facilities of local non-profits. Seven finalists for recipients were announced and voting selection is underway.
- Jenny Strand adjunct solar test and demonstration project will work with a local solar R&D company to install approximately 1000 PV panels on a City-owned parcel. This is expected to result in a 100 Kilowatt solar electric facility in SVP's portfolio.
- Launched the Santa Clara 0 to 6 website for Library (santaclaraca.gov/0to6), initiated a project to review all websites, increased business outreach and support of economic development, and increased the City's and community's participation across multiple channels. Open City Hall continues to be used to gather input for the Council decision making process.
- The Human Resources Department is now accepting online job applications for all positions. Since going live, 25 recruitments have been opened resulting in over 3,000 online applications and saving approximately 100 staff hours.
- Seniors Needs Assessment results were shared with the Senior Advisory Commission.
- The City approved the Fourth Amendment to the Theme Park Ground Lease with Cedar Fair; SBL sales for club seats began in early January 2012; Council approved the Ground Lease between the City and the Stadium Authority for City-owned property to be developed for the Stadium; the Stadium Authority approved the Final Development Budget, Final Financing Plan, and the Stadium Lease. On March 29, 2012 escrow closed, all required documents were recorded, and the Stadium construction loan was funded. Groundbreaking was held April 19, 2012.
- An Economic Development Officer has been appointed by the City Manager to work with the City's Economic Development Team on development projects, asset management and business outreach.
- Projects Progress/Accomplishments during the past quarter leading to visible results include:
- Several development projects are underway including
 - 5401 Great America Parkway - Irvine Company campus Phase I for a three 5-story buildings
 - 90 North Winchester - Summerhill Homes for construction of 110 new single family homes + 1-acre park
 - 900 Kiely - Prometheus preparing construction drawings for apartment phase of former Kaiser site; construction anticipated before close of 2012

Third Quarter Report for 2011-2013 Council Principles and Priorities, and Schedule the Next Quarter Status Report on the Council's Principles and Priorities for 2011-2013 for the July 17, 2012 Council Meeting
April 18, 2012

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- 5403 Stevens Creek Boulevard – Application complete, EIR prepared for upto 375,000 square foot office complex of two 6-story office buildings
- 2121 Laurelwood Road – Application filed for 300,000 square foot 8-story office building, east of Biltmore Hotel
- #1 Great America Parkway – Architectural Committee approved final design of roller coaster to be constructed for 2013 park season
- 3520 Homestead Road – Marchese Properties leased former Rite-Aid space to Grocery Outlet.
- Contact was made with parties interested in exploring partnership in downtown development. The Consultant prepared revised assessment of existing conditions and possible parking solutions to address phased development of 7-acre site.
- Finance Department Staff is actively pursuing funding from other local, regional, state, and federal grant sources. In the past 18 months, the City has received approximately \$4 million in Transportation Funds from various sources. Police, Fire and Parks & Recreation Department have also received funding for various City programs.
- On February 1, 2012, the Redevelopment Agency of the City of Santa Clara was dissolved in accordance with the terms of AB x126 which was upheld to be largely constitutional by the California Supreme Court.
- The City chose to serve as the Successor Agency of the Redevelopment Agency of the City of Santa Clara. The Mayor and Director of Finance were appointed to serve as the City's representative on the seven-member Oversight Board which was required by law to be formed to oversee the actions of the Successor Agency.
- 2012-2013 Budget Principles were adopted by the City Council. The Budget Principles guide the development of the 2012-2013 Budget and the multi-year approach to bring revenues and expenditures into balance.
- The City received the Excellence in Capital Budgeting Award for the fiscal year 2011-2012 Capital Improvement Project Budget from the California Society of Municipal Finance Officers. They City also received the Excellence in Operational Budget Award for the fiscal year 2011-2012 Annual Budget from the CSMFO. These awards are the highest form of recognition in governmental budgeting.
- The 2011-2012 Mid-Year Revenue Report projects a surplus at year-end with the majority due to one-time restricted development fees associated with the Stadium Project. Based on these projections, it appears that the City will be able to make a contribution into the Working Capital (Emergency) Reserve fort the second straight year.
- The lowest combined electric, water and sewer rates in the nine Bay Area counties have been maintained even with rate increases across the utilities.
- The Fitch Rating agency announced on March 28, 2012 an upgrade of SVP's rating on its revenue bonds to "A+". This may provide the utility with potential debt cost savings.
- The complete rebuild of the Walsh Substation was completed this quarter and the station was released for operation on March 19, 2012.

*Council Principles & Priorities
Demonstrate Environmental Leadership
Implementation Plan & Timeline
April 24, 2012*

State Council Priority: Proactively extend recycle water project using economic stimulus grants and other resources.

City's Value: Professional; Fiscally Responsible

Project Manager Responsible for Implementing the Council Priority: Acting Director of Water & Sewer

Quarterly Reporting of Highlights of Progress/Accomplishments:

In the last quarter, the Water & Sewer Utilities continued to use South Bay Water Recycling Program funding for onsite retrofit projects and installation of new recycled water services to developments adjacent to the recently completed ARRA funded recycled water mains, such as the 3333 Scott Boulevard project. Water utility staff upgraded various backflow devices to City facilities which recently received new recycled water services. In addition, Water utility staff are beginning construction of a new 12-inch recycled water main for the Industrial 3B – Space Park Drive Extension project which connects to the recycled water main at Comstock Street and extends to Space Park Drive.

Oracle has started using recycled water in the cooling tower at their Network Circle campus.

Next Quarter:

In the next quarter, construction activities will continue for the Industrial 3B – Space Park Drive Extension project. Construction is projected to be completed no later than the contractual deadline of December 31, 2012.

Construction activities are completed and the following non-City facility retrofits are anticipated to start using recycled water next quarter: Santa Clara University Admissions Center Building, Mission College IS Building, and the Mission College Hospitality Building.

Recycled water main extensions are underway for the 49er Stadium project. Recycled water service locations were relocated for the Youth Soccer Park and the 49er Training Facility.

The private development at 900 Kiely has begun construction activity which will extend the recycled water system south on Kiely Boulevard starting at the ARRA funded recycled water main recently installed near Millikin Elementary School, west on Kaiser Drive, and south on Pepper Tree Lane.

Staff continues to work with development projects to encourage the use of recycled water. Some of these projects include the new Northside Branch Library, a retrofit project on 4888 Patrick Henry, and the Santa Clara Gateway Project on Great America Parkway.

*Council Principles & Priorities
Demonstrate Environmental Leadership
Implementation Plan & Timeline
April 24, 2012*

State Council Priority: Develop Master Plan to expand creek trails in City

City's Value: Service-Oriented

Project Manager Responsible for Implementing the Council Priority: Director of Public Works

Quarterly Reporting of Highlights of Progress/Accomplishments:

Draft Feasibility Study in progress to incorporate other agencies' critical biological issues and permitting requirements. Coordinated with the City of Cupertino staff to identify inter-jurisdictional trail feasibilities in conjunction with the Apple development.

Next Quarter:

Schedule has been revised from the last report due to changes in priorities, Consultant's prolonged illness, reduction of staff time through furlough days, and grant deadlines for existing projects.

Receive Draft Feasibility ReportMay 2012

Finalize Feasibility StudyJuly 2012

Master Plan Timeline:

Develop Scope and Issue RFPSeptember 2012

Review Proposals and Consultant Contract.....November 2012

Draft Master PlanMarch 2013

Final Master PlanJuly 2013

City Council ApprovalSeptember 2013

*Council Principles & Priorities
Demonstrate Environmental Leadership
Implementation Plan & Timeline
April 24, 2012*

State Council Priority: Study pedestrian/bicycle access to Central Park

City's Value: Service-oriented

Project Manager Responsible for Implementing the Council Priority: Director of Public Works

Quarterly Reporting of Highlights of Progress/Accomplishments:

The contract with RBF, Inc. has been awarded. Notice to proceed was sent on March 7, 2012 with a 12 month schedule for the consultant to deliver the final study by March 8, 2013.

Next Quarter:

Commence study.....March 2012
Final study.....March 2013

*Council Principles & Priorities
Demonstrate Environmental Leadership
Implementation Plan & Timeline
April 24, 2012*

State Council Priority: Pursue new electric generation including Lodi Energy Center and solar projects

City's Value: Progressive; Collaborative

Project Manager Responsible for Implementing the Council Priority: Director of Electric Utility

Quarterly Reporting of Highlights of Progress/Accomplishments:

PURSUE NEW ELECTRIC GENERATION

- Lodi Energy Center (LEC) is currently under construction. At the end of February 2012, construction was 91.5% complete and commissioning was 86.5% complete.
 - Active SVP participation on the LEC Project Participant Committee through meetings held at least monthly. Weekly telephone conferences are attended with occasional in-person events.
 - Current commercial operation date now expected to be the end of July 2012.
- Renewable Projects
 - SVP negotiated a Power Purchase Agreement with Manzana Wind LLC which was approved on February 14. The project will produce approximately 130,000 MWh per year of renewable energy and come on-line in December 2012.

NEW ELECTRIC GENERATION & SOLAR PROJECTS

Silicon Valley Power (SVP), the City's municipal electric utility, is a recognized national leader in the development of sustainable renewable energy. SVP's energy portfolio currently contains approximately 25% eligible renewable energy (geothermal, small hydroelectric, solar and wind) after sales of renewable energy credits, far exceeding the current state goal of 20%. SVP continues to work to meet the City Council adopted target of 33% renewable energy by 2020.

This Council Priority is met through a combination of customer partnerships, community programs, local clean generation projects, and larger-scale solar projects.

Customer Partnerships

- Solar Electric Rebates continue to be offered to customers who have installed solar photovoltaic (PV) systems at their facilities or homes. These cash rebates make PV more affordable for our customers.
- Four customer PV projects of 900 kW (0.9 MW) or larger have been completed with two more applications moving forward in the City. These are all mainly carport installations. SVP is working closely with these customers to insure no interconnection issues.

Community Programs

- Santa Clara Green Power Program (SCGP) allows the City electric utility customers to purchase up to 100% renewable energy certificates (RECs) from solar and wind power facilities by paying a 1.5 cent per kilowatt premium on their electric bill. Large commercial and industrial customers can purchase green power in 1,000 kilowatt blocks at the price of \$15 per block. Cumulative total GWh enrolled continues to increase and now is just under 75 GWh.
 - Enrollment is currently at 7.1% of customers; a drop from a peak of over 8% a year ago. Customer turn over (move-outs) in the past couple of years has negatively impacted the participation rate, but large purchases by corporate customers have offset the total amount of green power purchased.

- SVP's Neighborhood Solar Program supports renewable energy at the facilities of local non-profits. The program collects small monthly donations from residential customers and larger one time donations from local corporations and then matches those donations to provide grants toward installation of solar PV systems. This provides long term financial assistance to these organizations by helping to reduce their monthly utility costs.
 - Seven finalists for recipients were announced and voting selection is underway.

Local Clean Generation

- Jenny Strand adjunct solar test and demonstration project will work with a local solar R&D company to install approximately 1000 PV panels on a parcel owned by the City. This is expected to result in a 100 Kilowatt solar electric facility in SVP's portfolio.
 - The panels have been delivered to the site.
 - Design is complete and the construction public work package was issued for bidding in March 2012
 - Work continues on developing on-going R&D monitoring, maintenance and operation plans.

- The 15 kW PV project on a Parks & Recreation building at Henry Schmidt Park went out for bid and a contract was awarded in March 2012. This project is being funded by the Department of Energy's Energy Efficiency and Conservation block Grant (EECBG) funds.

Next Quarter:

Lodi Energy Center: On-going participation in the LEC Project Participant Committee and receipt of regular construction milestone briefings will continue until the power plant comes into commercial operation during 2012, and on-going participation in the Committee for the life of the facility or as long as SVP has ownership/operation interest in the facility.

New Electric Generation & Solar Projects:

On-going implementation will continue for the Solar Rebates, Santa Clara Green Power Program, and Neighborhood Solar Program.

- As many as three non-profit organizations will be selected and announced from nominations for the Neighborhood Solar Program in April. Voting by donors to the program is in process.
- Construction on the Henry Schmidt Park PV project will be completed.
- Jenny Strand PV project will be under construction with substantial completion in the third quarter.

*Council Principles & Priorities
Exceptional Services & Fiscal Responsibility
Implementation Plan & Timeline
April 24, 2012*

State Council Priority: Actively pursue economic recovery stimulus grants to maintain & improve City's infrastructure & provide Capital Improvement funding opportunities

City's Value: Professional; Fiscally Responsible

Project Manager Responsible for Implementing the Council Priority: Director of Public Works

Quarterly Reporting of Highlights of Progress/Accomplishments:

Staff continues to actively pursue funding from other local, regional, state, and federal grant sources. As an example, in the past 18 months, the City has received approximately \$ 4 million in Transportation Funds from various sources. Police and Fire Departments have received approximately \$1.0 million from Homeland Security and other such sources and continue to pursue more. Parks and Streets Departments have also received about \$220 thousand in regional and state funds for various City programs.

Next Quarter:

Continue to pursue grants as they become available.

*Council Principles & Priorities
Exceptional Services & Fiscal Responsibility
Implementation Plan & Timeline
April 24, 2012*

State Council Priority: Continue to focus on fiscal responsibility & balanced budget, and replenish City's General Fund Emergency Reserves

City's Value: Fiscally responsible; Ethical

Project Manager Responsible for Implementing the Council Priority: Director of Finance

Quarterly Reporting of Highlights of Progress/Accomplishments:

Focus On Fiscal Responsibility & Balanced Budget

Even with the decisive actions taken to close the General Fund's structural budget deficit over the past two budget cycles (e.g., eliminating funding for more than 100 full-time equivalent positions; reducing funding for as-needed staffing and overtime as well as materials, services, and supplies budgets; raising fees to move closer to full cost recovery; refinancing the Police administration building debt; and selling the Altamont Pass property to the Electric Utility and scheduling the sale of other smaller properties to the Housing Authority for future affordable housing projects), the Five-Year Financial Plan continues to show that the deficit is expected to return once unpaid furloughs end during 2013-14. Therefore, it is critical that the City continue to exercise expenditure constraint while fostering economic development to boost future revenues.

During the past quarter:

- On February 1, 2012, the Redevelopment Agency of the City of Santa Clara (the "Redevelopment Agency") was dissolved in accordance with the terms of AB x1 26 (the "Dissolution Act") which was upheld to be largely constitutional by the California Supreme Court on December 29, 2011.
- The City chose to serve as the Successor Agency of the Redevelopment Agency of the City of Santa Clara on January 10, 2012 and the Mayor and the Director of Finance were appointed to serve as the City's two representatives on the seven member Oversight Board on February 14, 2012. The Oversight Board was required by law to be formed to oversee the actions of the Successor Agency.
- The Mayor and staff have met with local legislators and staff from the State Department of Finance and the State Controller's Office to explain the complexities of the former Redevelopment Agency and request support for legislation that would be beneficial to the City.
- On March 27, 2012 the Successor Agency approved the initial Recognized Obligation Payment Schedule (ROPS) for the six month period from January 1, 2012 to June 30, 2012.

- The ROPS was reviewed by an outside audit firm hired by the County of Santa Clara and several items on the ROPS were deemed by the County to not be enforceable obligations and therefore removed. The Oversight Board voted to put one item back on and will next meet on April 20, 2012 to consider putting additional items back on the ROPS. The State Department of Finance can overturn the decisions of the Oversight Board.
- The City Manager and staff continued meeting with representatives of the San Francisco 49ers to negotiate the terms of the Ground Lease, Stadium Lease, and other related documents for the new professional football stadium approved by Santa Clara voters on June 8, 2010. On March 15, 2012, the Stadium Authority approved the Final Financing Plan and the Final Development Budget and entered into various agreements including a Parking Rights Agreement, Non-Relocation Agreement, and Stadium Management Agreement. The stadium is expected to foster economic development and yield additional revenue for the City's General Fund.
- Final 2010-11 year-end accounting and financial statement preparation was completed along with review by the City's outside auditors for compliance with Generally Accepted Accounting Principles (GAAP). An unqualified opinion was received for the Comprehensive Annual Financial Report, as well for the Redevelopment Agency and Silicon Valley Power financial statements as reported in the prior report.
- The City received the Excellence in Capital Budgeting Award for the fiscal year 2011-12 Capital Improvement Project Budget from the California Society of Municipal Finance Officers (CSMFO). The City also received the Excellence in Operational Budgeting Award for the fiscal year 2011-12 Annual Budget from the CSMFO. These awards are the highest form of recognition in governmental budgeting.
- 2012-13 Budget Principles were adopted by the City Council on March 27, 2012. The Budget Principles guide the development of the 2012-13 Budget and the multi-year approach to bring revenues and expenditures into balance.
- The 2011-12 Mid-Year Revenue Report was presented to the City Council on March 27, 2012. Mid-year revenue performance has exceeded budget expectations in some areas and lagged behind budget expectations in others. The economy has been growing, but more slowly during this recovery than during a typical recovery. Based on performance through the first half of the year, the General Fund is expected to have a surplus of \$8.9 million at year end. However, about \$6.1 million of this surplus is due to one-time restricted Stadium Project development fees which, if not spent during this fiscal year, will be transferred to the Building Inspection Reserve in accordance with applicable laws and Council policy.

The following are summaries of additional actions that staff have taken which demonstrate fiscal responsibility and efforts to balance the City's structural budget deficit:

- Staff continue to charge personnel and overhead costs to CIP projects where outside funding allows. This practice has resulted in General Fund budget savings.

- Staff continue to monitor the State of California's 2009-11 \$2.05 billion takeaway from redevelopment agencies throughout the state. The impact on the City of Santa Clara's redevelopment agency was an \$11.8 million takeaway (\$9.8 million in 2009-10 and \$2.0 million in 2010-11). The California Redevelopment Association's (CRA's) lawsuit against the State was decided on May 4, 2010 in favor of the State. The CRA has appealed and the City has preserved its right to a refund of the 2009-10 and 2010-11 payments should the appeal be successful. If the appeal is successful, it is unclear where the money would be refunded to given the dissolution of the Redevelopment Agency. Staff will keep the Council informed on the status of the appeal.

Replenish City's General Fund Emergency Reserves

On November 15, 2011, Council approved the transfer of \$3.0 million from the General Fund to the General Contingency Fund Working Capital (Emergency) Reserve and \$3.9 million from the General Fund to the General Contingency Fund Capital Projects Reserve based on a surplus of revenues over expenditures during fiscal year 2010-11. This action brought the audited fiscal year-end balances in these critical reserves up to \$4.1 million and \$6.4 million respectively. This was the first year in the last three years that the General Fund was able to make a contribution to these reserves.

After the approval of fiscal year 2011-12 transfers out of \$23 thousand to the Enterprise Funds, the balance in the Working Capital (Emergency) Reserve stood at \$4.1 million. This amount represents only 2.96% of the fiscal year 2011-12 adopted General Fund appropriations of \$140.0 million (vs. a policy of 25% - to cover 90 days of operations). Low reserve levels leave the City vulnerable to another downturn.

After the transfer back of funds to the Capital Projects Reserve from closed/reduced projects and the funding of projects appropriated in the 2011-12 CIP Budget, the balance in the Reserve stands at \$6.4 million. The City has a backlog of \$136.5 million of capital project funding needs per the Five-Year Financial Plan 2012-13 through 2016-17.

As previously mentioned, the 2011-12 Mid-Year Revenue Report projects a surplus at year-end with the majority due to one-time restricted development fees associated with the Stadium Project. Based on these projections, it appears that the City will be able to make a contribution into the Working Capital (Emergency) Reserve for the second straight year.

Next Quarter:

Staff will continue to monitor State of California actions and will keep Council informed of any impacts on the City of Santa Clara.

Staff will continue work on the proposed 2012-13 Budget which is scheduled to come before the Council in May 2012.

The Executive Management Budget Committee and Reorganization Subcommittee will resume meeting during 2011-12 to further refine ideas to bring ongoing revenues and expenditures into balance (e.g., explore new and innovative service delivery methods).

*Council Principles & Priorities
Exceptional Services & Fiscal Responsibility
Implementation Plan & Timeline
April 24, 2012*

State Council Priority: Maintain lowest combined electric, water & sewer rates in the nine Bay Area counties with emphasis on reliability and excellent customer services

City's Value: Fiscally responsible; Service-oriented

Project Manager Responsible for Implementing the Council Priority: Director of Electric Utility, Acting Director of Water & Sewer Utilities, and Acting Director of Street

Quarterly Reporting of Highlights of Progress/Accomplishments:

- *The lowest combined electric, water and sewer rates in the nine counties have been maintained even with rate increases across the utilities.*

ELECTRIC:

- SVP has submitted a draft budget for Fiscal Year 2012-2013 which indicates no rate increase for 2013.
- The Fitch Rating agency announced on March 28, 2012 an upgrade of SVP's rating on its revenue bonds to "A+". This may provide the utility with potential debt cost savings.
- SVP continued to sell excess renewable energy credits. The revenue will fund projects to meet SVP's renewable portfolio standard goal of 33% of load served by 2020.

WATER:

- The Santa Clara Valley Water District staff is recommending an increase of 9.3% in the Groundwater Production Charge and a 7.9% increase in the Treated Water charge in FY 2012-13. Staff is anticipating an increase in San Francisco Public Utility Commission wholesale water rates of 11.4%.

SEWER:

- The sewer service fees for all customers increased by 10% on January 1, 2012, in accordance with resolutions approved by Council on May 24, 2011.
- Water and Sewer Utilities did not seek debt financing for Capital projects in the third quarter of FY 2011-12. Based on the current estimated capital project schedule, the Water and Sewer Utilities now anticipates seeking debt financing in the FY 13/14 as the Public Works Department does not anticipate completing the design for the project until that time. Seeking the debt financing shortly before the commencement of the capital project minimizes the borrowing cost and to reduces the potential rate impacts of the debt service payments.

➤ *Maintain reliability.*

- The complete rebuild of the Walsh Substation was completed this quarter and the station was released for operation on March 19, 2012.
- Work has begun on the Mission substation.

Next Quarter:

- ❖ Review of refinancing opportunities for SVP in light of the upgrade in bond rating.
- ❖ On May 22, 2012, the Water and Sewer Utilities will be recommending an increase in the water rates at a public hearing. Staff is currently projecting that a 6% increase will be necessary.
- ❖ The sewer service fees for all customers will increase by 19% on July 1, 2012, in accordance with the resolutions approved by Council on May 24, 2011.

Council Principles & Priorities
Connect with Community
Implementation Plan & Timeline
April 24, 2012

State Council Priority: Review options for Internet outreach for community input to Council decision making; and review options for enhanced communication with residents

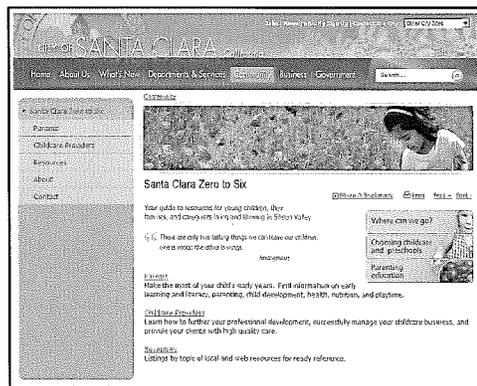
City's Value: Communicative; Progressive

Project Manager Responsible for Implementing the Council Priority: Assistant City Manager, Director of Information Technology, City Librarian, Electric Utility Division Manager

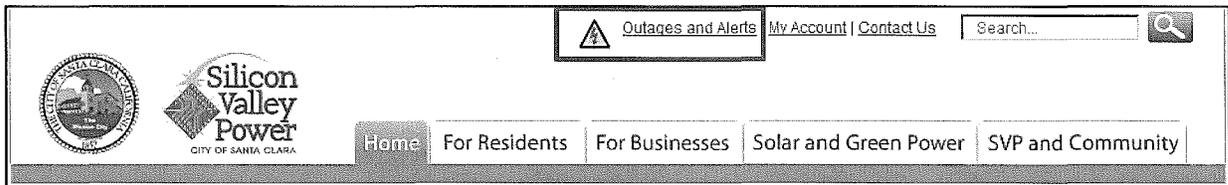
Quarterly Reporting of Highlights of Progress/Accomplishments:

City websites review and update

- Launched the Santa Clara 0 to 6 website (<http://santaclaraca.gov/0to6>). The site contains helpful information for both parents and child care providers, and was made possible with an Early Learning with Families LSTA (Library Services and Technology Act) grant from the California State Library.
- Initiated a project to review all City websites. This includes:
 - Thorough review of all the City's public facing web properties to identify areas improvement in presentation, content, navigation, usability and online transactions.
 - Development of a plan for implementation of the review's recommendations.
- Initiated a project to upgrade the content management system (CMS) software used for the websites to the latest release. The upgrade will include improved features and usability for both website visitors and staff including:
 - Implementation of the govTrack Citizen Request Management (CRM) tool that will allow residents to submit service requests online, track requests and receive timely updates. The current process is managed by general email boxes that have no tracking tools and other inefficiencies. Implementing the CRM will increase customer satisfaction and reduce administration time for staff.
 - Redesign and migration of the Silicon Valley Animal Control Authority Website into the CMS.
 - Evaluate the City's use of customer facing forms and migrate a number of the highly visible forms to the CMS forms tool.



- Migration of MoveToSantaClara.com and SantaClaraFreeWifi.com sites into the CMS.



- The new Outages and Alerts feature on the Silicon Valley Power (SVP) website has been used effectively to notify customers when outages occur. Customers are also updated through social media and the SVP mobile website.
- The Human Resources department is now accepting online job applications for all positions. Since going live, 25 recruitments have been opened resulting in over 3,000 online applications and saving approximately 100 staff hours.

Increase the City's and community's participation across multiple channels

- Open City Hall continues to be used to gather input for the Council decision making process. A second topic asks the question: What principles and priorities should the City Council and staff consider in the upcoming General Fund budget cycle? At the time of the report the question has been read by 74 people and 13 people wrote or supported statements. Additional questions are being developed for posting.
- The upgrade of the SIRE Agenda Management System and Council meeting video streaming is in progress and will be launched in June 2012. New features will include a downloadable complete agenda packet, enhanced compatibility with major web browsers, improved search, RSS feeds and podcasts and enhanced staff administration.
- Communications with residents and businesses of Santa Clara has continued using eNotify, the City's opt-in email service, and social media.
 - The number of eNotify subscribers has reached 6,600, an increase of 100% in the last 6 months
 - The library program to increase subscription to its eNotify announcements has resulted in an increase of over 1,300 subscribers. Of the 1,000 new library cards issued each month, 40% have signed up for eNotify.
 - The Senior Center's distribution of its monthly newsletter using eNotify has increased by 13% during the past 3 months. The notification is now being sent to 2,985 subscribers.
 - The City's twitter accounts, [@santaclaracity](#), [@santaclarajobs](#), [@santaclaralib](#) and [@santaclarapower](#) have sent a combined average of 100 tweets per month to a total of 4,000 followers.
- The library is offering Google Chromebooks for in-library checkout. The Chromebook is a simplified computer and allows users to access the web via the library's WiFi network.

- Library staff collaborated with local history museums, historians, and historical organizations in Santa Clara County to develop an online calendar of local history events. The information is available at <http://californiapioneers.com>.

Increase business outreach and support economic development

- Business license renewals: Added contractors (in-city), commercial, professional home occupations and rental units/rental units non-profit business types to the list of business types eligible for online business license renewals. Approximately 50% of active businesses are now able to renew their business certificates online.

Next Quarter/Future Quarters:

City websites review and update

- Continue to research and evaluate ways to improve the City websites that include critical review with action items and the development of a web program strategic plan.

Increase the City's and community's participation across multiple channels

- Finalize and publish a Social Media policy.
- The library is planning to implement Boopsie, a robust, multi-platform mobile library application that mobilizes catalog and non-catalog services. Their system integrates with Santa Clara's library system database, and makes it easy for patrons access their account and other library information. The application will allow patrons to privately and securely check out items from anywhere within the library using their smart phone.
- Launch of the Discover & Go program through the library website. This program provides library card holders access to free or discounted access to many local museums and cultural institutions.

*Council Principles & Priorities
Connect with Community
Implementation Plan & Timeline
April 24, 2012*

State Council Priority: Complete senior needs assessment follow up with Senior Advisory Commission & non-profit agencies

City's Value: Service-oriented; Communicative

Project Manager Responsible for Implementing the Council Priority: Director of Parks and Recreation

Quarterly Reporting of Highlights of Progress/Accomplishments:

- Senior Needs Assessment results shared with Senior Advisory Commission

Next Quarter:

- Receive comments from Senior Advisory Commission
- Present draft report to City Manager
- Provide final report to City Council

*Council Principles & Priorities
Pro-active Economic Development & Entertainment
Implementation Plan & Timeline
April 24, 2012*

State Council Priority: Complete Santa Clara Stadium project

City's Value: Progressive; Organized

Project Manager Responsible for Implementing the Council Priority: City Manager

Quarterly Reporting of Highlights of Progress/Accomplishments:

- On January 10, 2012, the City approved Fourth Amendment to the Theme Park Ground Lease with Cedar Fair, granted an easement for the use of parking for the Stadium, and approved a Parking Agreement with Cedar Fair.
- SBL sales for Club seats began in early January 2012.
- Make-Ready (site preparation) Work began in late January 2012.
- On February 14, 2012 the Stadium Authority approved the Design-Build Agreement with Turner Devcon Joint Venture and Forty Niners Stadium, LLC for construction of the Stadium, and approved the Construction Agency Agreement with Forty Niners Stadium, LLC for administration and management of Stadium construction.
- On February 28, 2012, Council and the Stadium Authority Board approved a Ground Lease between the City and the Stadium Authority for City-owned property to be developed for the Stadium. At this same meeting, the Final Map was approved for the project was approved.
- On March 13 2012, the Stadium Authority approved the Final Development Budget, Final Financing Plan, and the Stadium Lease. In addition, staff presented an overview of the proposed Stadium Public Safety Plan.
- On March 15, 2012, the Stadium Authority approved a Credit Agreement and related financing documents necessary to obtain Stadium construction financing. Also on March 15, the Stadium Authority approved a Stadium Management Agreement with StadCo, and the Stadium Authority and the 49ers entered into a Non-Relocation Agreement requiring the 49ers to play their home games at the Stadium during the term of the lease.
- On March 29, 2012, escrow closed, all required documents were recorded, and the Stadium construction loan was funded.
- The Stadium groundbreaking ceremony was held April 19, 2012 at 5 p.m.

Next Quarter:

- Stadium construction is expected to begin by May 1, 2012.
- SBL sales for Reserved seating will begin in June 2012.

*Council Principles & Priorities
Pro-active Economic Development & Entertainment
Implementation Plan & Timeline
April 24, 2012*

State Council Priority: Refocus City's Economic Development Committee with policy discussion on development & asset management

City's Value: Fiscally Responsible; Professional; Progressive

Project Manager Responsible for Implementing the Council Priority: Economic Development Team; Lead Director of Planning & Inspection

Quarterly Reporting of Highlights of Progress/Accomplishments:

- Completed recruitment process and hired an Economic Development Officer to work with Executive Management Team on economic development, asset management and proposed development projects. Ruth Shikada joins the team on April 16, 2012.
- Montana Group representatives initiated contact and met with staff on preliminary steps to make a proposal on the sites at Centennial Boulevard and Tasman Drive. They understand the need to work with City and 49ers to determine availability of the sites. If possible, they would like to make a proposal and secure entitlements by the close of 2012. Process elements include an Exclusive Negotiating Agreement (ENA), a Disposition & Development Agreement (DDA), environmental (CEQA) clearance and rezoning of the properties.
- Projects Progress/Accomplishments during the past quarter leading to visible results include:
 - 5401 GAP - Irvine Company campus Ph I construction underway for three 5-story buildings totaling 430,000 square feet
 - 90 North Winchester – SummerHill Homes began site work/construction for 110 new single family homes + 1-acre park
 - 900 Kiely - Prometheus preparing construction drawings for apartment phase of former Kaiser site; construction anticipated before close of 2012
 - 5403 SCB – Application complete, EIR prepared for circulation for up to 375,000 square foot office complex of two 6-story office buildings
 - 2121 Laurelwood Road - Application filed for 300,000 square foot 8-story office building, plus 4,000 square foot freestanding retail building, east of the Biltmore Hotel
 - 3000 Bowers Avenue – Application filed by Sobrato Co. for two 5-story office buildings totaling 300,000 square feet (S/W corner of Bowers/Central)
 - #1 GAP – Architectural Committee approved final design of roller coaster to be constructed for 2013 park season
 - 3520 Homestead Road - Marchese Properties leased former Rite-Aid space to Grocery Outlet, abutting the former Albertson's space (S/E corner Homestead/Lawrence Expwy).

Next Quarter:

- Address County Oversight Board determinations regarding City assets affected by State's dissolution of RDAs.

- Prepare Disposition & Development Agreement with senior housing developer for 5.9-acre Senior Housing Parcel purchased from the State at 90 North Winchester Boulevard.
- Prepare General Plan Annual Report (delayed) to define possible amendments, including to enhance business friendly development policies in new General Plan
- Prepare evaluation of development related procedures that could be improved
- Anticipated design review by Architectural Committee of Phase I of Main Street Santa Clara project (former Mervyns site) involving facelift work on west side of center to remain.

Council Principles & Priorities
Pro-active Economic Development & Entertainment
Implementation Plan & Timeline
April 24, 2012

State Council Priority: Develop formal Economic Development Plan to encourage and support business community

City's Value: Progressive; Collaborative; Professional

Project Manager Responsible for Implementing the Council Priority: Economic Development Team; Lead Director of Planning & Inspection; Director of Electric Utility & Assistant City Manager

Quarterly Reporting of Highlights of Progress/Accomplishments:

- Preliminary assessment of City's Finance business license database was initiated, but on hold pending energies directed toward addressing Redevelopment Agency dissolution affecting Downtown and Bayshore North Project Areas; and

Next Quarter:

- Evaluate array of business characteristics in City Finance database to define useful business profiles; and
- Prepare draft of measures and alternatives that the City could implement to support existing business and promote the City of Santa Clara as a good place for new business.
- Set meeting with Economic Development Committee

*Council Principles & Priorities
Pro-active Economic Development & Entertainment
Implementation Plan & Timeline
April 24, 2012*

State Council Priority: Reinitiate implementation of Downtown Revitalization project

City's Value: Progressive

Project Manager Responsible for Implementing the Council Priority: Assistant City Manager, and Director of Planning and Inspection

Quarterly Reporting of Highlights of Progress/Accomplishments:

- Proposal to advance environmental assessment of Downtown Plan put on hold pending outcomes of County Oversight Board determinations related to RDA dissolution.
- Contact made with parties interested in exploring partnership in downtown development.
- Consultant prepared revised assessment of existing conditions and possible parking solutions to address phased development of the 7-acre site.

Next Quarter:

- Explore viability of adopted concept plan and other land use alternatives in light of current economic and development climate.
- Seek other sources of funds, other development interests, or other phasing schemes to facilitate action in light of risk of loss of RDA tax increment funds