C-1. CC/RD CALL TO ORDER / ROLL CALL - 4:00 PM

Roll Call
Present:
Councilmember Bestolarides
Councilmember Chapman
Councilmember Eggman
Councilmember Lee
Councilmember Nabors
Vice Mayor Martin
Mayor Chavez

C-2. CC/RD ANNOUNCEMENT OF CLOSED SESSION

C-2.1) CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION

Number of Cases: Three

Name of Case: California Sportfishing Protection Alliance v. City of Stockton
(U.S.D.C. No. 2:08-CV-02184-LKK-KJM)

Name of Case: Sierra Club v. City of Stockton, et al. (San Joaquin County
Superior Court No. CV 034405)

Name of Case: San Joaquin Motel and Hotel Property Owners Association, et al.
v. City of Stockton, et al. U. S. District Court, Eastern District of Calif. Court Case
No. CIV.S-02-0898 DFL GGH

NOTE: City Attorney Ren Nosky announced that the San Joaquin Motel and Hotel
Property Owners Association, et al. v. City of Stockton, et al. U. S. District Court,
Eastern District of Calif. Court Case No. CIV.S-02-0898 DFL GGH would not be
considered this evening and be deferred to a subsequent meeting.

This Closed Session is authorized pursuant to Section 54956.9(a) of the
Government Code.

C-2.2) CONFERENCE WITH LEGAL COUNSEL - POTENTIAL LITIGATION

Number of Cases: One

Based on existing facts and circumstances there is significant exposure to litigation
pursuant to Government Code section 54956.9(b).
C-3. CC/RD PUBLIC COMMENT

None.

C-4. CC/RD ADJOURN TO CLOSED SESSION

The Council recessed to Closed Session at 4:02 PM. The Council returned from Closed Session and recessed at 4:35 PM.

1. CC/RD CALL TO ORDER/ROLL CALL 5:30 PM

Roll Call 5:30 PM
Present:
Councilmember Bestolarides
Councilmember Chapman
Councilmember Eggman
Councilmember Lee
Councilmember Nabors
Vice Mayor Martin
Mayor Chavez

NOTE: The Mayor said that the agenda is being adjusted and Item 3, the Invocation and Pledge, would be heard next.

3. INVOCATION/PLEDGE TO FLAG 5:30 PM

Councilmember Lee provided the Invocation. The Pledge of Allegiance was led by Vice Mayor Martin.

2. CC/RD REPORT OF ACTION TAKEN IN CLOSED SESSION 5:31 PM

City Attorney Ren Nosky

Mr. Nosky announced that the the San Joaquin Motel and Hotel Property Owners Association matter was not considered by the City Council this evening and will be heard at a later date.

With regard to the Sierra Club versus City of Stockton matter and item 2.2, potential exposure to litigation, Mr. Nosky announced that this evening the City Council ratified the City Manager's authority to forward the following letter to the Alliance for Responsible Planning. It reads, "As you are aware, on September 9, 2008, the City of Stockton approved a Memorandum of Agreement with the Sierra Club and the California Attorney General's office resolving litigation over the City's 2035 General Plan. The Alliance for Responsible Planning and other interested parties have raised questions about the parties' interpretation of the agreement and the public process that the City plans to follow in carrying out the agreement. To help answer these questions, below we clarify our interpretation of the Agreement and also elaborate on the public process the City will follow in implementing the provisions of the Agreement. We understand that the other
parties to the Agreement concur in these views. Note that many of the statements below reiterate points that were made in the City's Resolution adopted in connection with its approval of the Agreement and in statements made by the parties during the August 26, 2008 and September 9, 2008 City Council meetings about the Agreement.

"1. The parties understand and acknowledge the importance of public involvement in the process of developing the General Plan, and encourage the continued significant involvement of the public in the development of greenhouse gas reduction policies. The City intends to provide for public involvement in the development of the programs, policies, General Plan amendments and ordinances proposed by the Agreement. The City will also provide reasonable notification to the public of all Advisory Committee, Planning Commission and City Council meetings involving consideration of the issues provided for by the Agreement. It is the City's expectation to expand the composition of the Climate Action Advisory Committee to include a total of two representatives from each of the following interests: (1) environmental, (2) nonprofit community organization, (3) labor, (4) business, and (5) developer. The City will fully comply with California Environmental Quality Act (CEQA) in connection with the development of the programs, policies, General Plan amendments and ordinances proposed by the Agreement.

"2. The parties understand and acknowledge that the public review process in compliance with CEQA may require additional time beyond designated time periods to ensure the full involvement of the public in the consideration of the Climate Action Plan, green building program and transit study and to ensure full compliance with CEQA.

"3. The parties understand and acknowledge that the adoption of the programs, policies, General Plan amendments and ordinances proposed by the Agreement are discretionary legislative acts and the City is not required by the terms of the Agreement to adopt any particular program, policy, General Plan amendment or ordinance. In addition, nothing in the agreement shall limit or restrict the right of the City to modify, alter, or rescind any particular program, policy, General Plan amendment or ordinance following the adoption of such program, policy, General Plan amendment or ordinance. Although the Agreement requires City staff to present to the City Council certain programs, policies, General Plan amendments and ordinances for its consideration, nothing in the Agreement limits or restricts City staff from providing to the City Council additional, alternative recommendations for such programs, policies, General Plan amendments and ordinances based on staff professional judgment, public input and CEQA review.

"4. The parties understand and acknowledge that if there is an instance in which the terms of the written Agreement are unclear, the Resolution adopted by the City Council on September 9, 2008 and the statements made by the Attorney General's office, the Sierra Club and our City Attorney and the City's outside counsel at the August 26 and September 9, 2008 City Council hearings provide a legislative history pursuant to which the Agreement should be interpreted.

"5. The parties understand and acknowledge that:

"(i) upon consideration of a Climate Action Plan (CAP) by the Council, the City's obligations under Agreement paragraphs 3 through 7 will be discharged.
"(ii) upon adoption of a Climate Action Plan, the City's obligation under Agreement paragraph 9 will also be discharged, and

"(iii) upon inclusion of a program in the Climate Action Plan to regularly monitor and, if appropriate, modify the City's strategies and measures to meet the Greenhouse Gas reduction targets that may be adopted in the Climate Action Plan, the City's obligations under paragraph 8 will be discharged. Nothing in this paragraph 5 is intended to contradict our clarification in paragraph 3, above, that the City retains full legislative discretion with respect to any policies, programs and ordinance it may adopt as part of a Climate Action Plan." (Signed) J. Gordon Palmer, Jr., City Manager."

Mr. Nosky also noted after concluding the reading of the letter that the City has also received writings from the California Attorney General and the Sierra Club. They have confirmed, in writing, that they agree with the terms of Mr. Palmer's letter. Mr. Nosky announced that the Mayor and Council have also received letters from the AG Spanos Company and Gary Podesta on behalf of the Alliance for Responsible Planning affirming Mr. Palmer's letter and stating their agreement to withdraw the referendum petition, forgo legal challenge to the adoption of the Settlement Agreement, while reserving their right to challenge the implementation of the Settlement Agreement. The City Council took no other reportable action.

NOTE: Letter dated October 7, 2008 from City Manager J. Gordon Palmer, Jr. addressed to the Alliance for Responsible Planning (filed). This letter was read into the record by City Attorney Nosky.


NOTE: Letter dated October 7, 2008 from Rachel B. Hooper, Shute, Mihaly, & Weinberger LLP addressed to the Alliance for Responsible Planning (filed).

NOTE: Letter dated October 7, 2008 from Gary Podesta, Alliance for Responsible Planning addressed to the Honorable Mayor Ed Chavez and City Councilmembers (filed).

NOTE: Letter dated October 7, 2008 from A.G. Spanos Companies, David Nelson addressed to the Honorable Mayor Ed Chavez and Councilmembers (filed).

CITY CLERK'S NOTE: The City Clerk's Office received on October 8, 2008, a revision to the letter dated October 7, 2008 from City Manager J. Gordon Palmer, Jr. addressed to the Alliance for Responsible Planning (filed). The revisions done by the City Attorney's Office involved a change to the header on page 2, and the removal of the reference to a post office box, replaced by a physical address of 6507 Pacific Avenue. The content did not change.

A Notice of withdrawal of Referendum Petition Against a Portion of Stockton City Council Resolution No. 08-0371, dated October 8, 2008 was hand delivered to the City Clerk's Office from Karen Garrett, Alliance for Responsible Planning on October 8, 2008 (filed).
Mayor Chavez

The Mayor extended his appreciation and thanks to the City Manager and the City Attorney, the representatives from AG Spanos Company, the Alliance, the Sierra Club, and the Attorney General’s office for clarifying the comments that were made at the Council meetings of August 26 and September 9, stating that the letter basically captures those comments that were made in public session. He thanked all of them for working on this letter, which will hopefully clarify the comments made resulting in terminating the petition for the referendum as well as not taking action relative to that Agreement. He said that this action taken by all parties involved is very, very important.

Councilmember Lee

Councilmember Lee thanked the Mayor for the opportunity to hear this and comment on it. He said that he concurs with the letter, noting that there is no requirement on the part of the Council to approve or disapprove; the Manager has the authority to sign it. He said that the letter validates the responsible action the Council took on September 9 and also pays due respect to the signers of the referendum petition and those who had legitimate concerns that these things might not in fact be the case. He said that on September 9, when he changed his mind and voted to approve the settlement instead of perhaps a continuance, he became satisfied that these things were, in fact, the case. He said it is also important that the Agreement did not have to be amended. He commended the Spanos Companies for a responsible and appropriate conciliation that will now allow the beginning of the important work of implementing the General Plan and moving forward. Councilmember Lee congratulated the City Manager and the City Attorney on a good job that will allow the City to move forward.

Councilmember Bestolarides

Councilmember Bestolarides said, "Validating the decision’ is a bit strong. I think this Agreement was reached with additional discussion...we all would have been at a 7-0 vote if this had been presented to us that night...Kudos to you all for getting this difficult Agreement worked out."

Councilmember Nabors

Councilmember Nabors congratulated the City Attorney and the City Manager, stating that this demonstrates how important it is that the community be heard.

Councilmember Eggman

Councilmember Eggman said that the calls she had received were very much in favor of maintaining the Settlement; the City had done the right thing. She said it is always important for the public to be heard. She added that she believes she was elected to ask questions "with rigor and vigor" if people are weighing in on an important decision. The letter ratifies the decision made on September 9 and everyone can move on to the important business of moving the City and the General Plan forward and working on the budget.
City Attorney Ren Nosky

The City Attorney thanked Cliff Reschtschaffen, Special Assistant Attorney General, who played a major role in this letter. He communicated tirelessly with the City, the Sierra Club, and the Alliance representatives and played a major role. Mr. Nosky said that without Mr. Reschtschaffen’s assistance, the letter would not have been possible.

Vice Mayor Martin

The Vice Mayor said that the bottom line is that Stockton is making a clear and final step towards addressing green emissions and becoming the green city that the Council had agreed to as its goal at the beginning of the year.

Mayor Chavez

The Mayor again thanked everyone for working on this very, very important community issue.

4. PROCLAMATIONS/COMMENDATIONS/CITY ANNOUNCEMENTS OR INVITATIONS 5:44 PM

4.01) CERTIFICATE: “America’s Got Talent” 5th Place Award Winner

RECIPIENT: Queen Emily David 5:44 PM

Councilmember Chapman

After Ms. David sang "The Star-Spangled Banner," Councilmember Chapman said Queen Emily will be singing at a Thunder game this year and he will let her know the date of the opening game, adding "If it’s a Canadian team, you may have to learn "O Canada" as well."

4.02) PROCLAMATION: White Cane Safety Day – October 15, 2008

RECIPIENT: Ken Volonte, President

San Joaquin Chapter NFBC
(National Federation of the Blind of California) 5:48 PM

5. CITIZENS’ COMMENTS, ANNOUNCEMENTS OR INVITATIONS* 5:50 PM

1. Tocan Nguyen

Ms. Nguyen continued her complaints of terrorism in her apartment and other City locations, chemical poisoning, and misuse of funding, and voiced her political views.


2. **Shawn Van Leeuwen**

Mr. Leeuwen, representing the Lyndon LaRouche Political Action Committee (PAC), encouraged the Council to endorse the *Homeowners and Bank Protection Act of 2008* (filed). He said that the Federal Reserve banking system should be put into bankruptcy reorganization.

3. **Jason Ross**

Mr. Ross spoke on the effect of the "bailout" on the economy, stating that foreclosures are not the only things negatively affecting the economy. He said that Lyndon LaRouche has the solution and has been warning about the current economic issues for some time.

4. **Ian Overton**

Mr. Overton, a member of the LaRouche PAC, claimed that the military will be used to suppress the American people in anticipation of civil unrest that will emerge because of the outrage of the population against having "their life savings looted to pay off international investors." Mr. Overton said that Mr. LaRouche's philosophy is being studied worldwide.

5. **Naji Elabed**

Mr. Elabed, representing Lyndon LaRouche, read emergency steps that can be taken by Congress to deal with the economic crisis.

6. **Mike Parker**

Mr. Parker said he regularly attends Council meetings and feels the Council is doing a great job.

7. **Willette Cody**

Ms. Cody said she has been collecting signatures for a speed bump and asked the Council for a stop sign at Nightingale Avenue because cars speed through there and some are drag racing. She also claimed that children run across the street when playing basketball. A speed limit indicator was installed to clock speeds at 25 miles per hour but was later taken away. She asked that the speed limit in the area be reduced.

6. **CC/RD CONSENT AGENDA 6:14 PM**

NOTE: Councilmember Eggman recused herself from voting on Consent Agenda Item 6.10.

**Mayor Chavez**

The Mayor announced that Item 6.13 is being removed from the Consent Agenda.
6.01) CC Resolution 08-0401 amending the City's CONFLICT OF INTEREST CODE by adding and deleting certain designated positions. (CLERK) (Pages 3-27)

6.02) CC Resolution 08-0402 accepting a grant in the amount of $321,221 from the FEDERAL EMERGENCY MANAGEMENT AGENCY for the Metropolitan Medical Response System. (FD) (Pages 28-30)

6.03) CC Resolution 08-0403 accepting a grant in the amount of $230,039 from the FEDERAL EMERGENCY MANAGEMENT AGENCY for the 2007 Assistance to Firefighters Grant. (FD) (Pages 31-33)

6.04) CC Resolution 08-0404 approving project specifications, addendum and clarification and executing a construction contract with COLLICUTT ENERGY SERVICES, INC., of West Sacramento, in the amount of $317,815.99 for the Emissions Source Test and Overhaul for Cogeneration Engine Number 1 at the Stockton Regional Wastewater Control Facility. (MUD) (Pages 34-38)

6.05) CC Resolution 08-0405 approving findings and a purchase order in the amount of $55,731 with PUMP REPAIR SERVICE COMPANY, of San Francisco, for repair and rehabilitation of the No. 1 pump for the Bio-Tower Pump Station. (MUD) (Pages 39-43)

6.06) CC Resolution 08-0406 declaring an exception to the competitive bidding process, approving findings and executing a purchase contract with 3T EQUIPMENT COMPANY, INC., of Santa Rosa, for $144,180 to replace a sanitary sewer rodder presently being used by the Municipal Utilities Department. (MUD) (Pages 44-49)

6.07) CC Resolution 08-0407 amending CITY COUNCIL POLICY NO. 400-1 regarding naming of city parks, buildings and facilities located within parks. (P&R) (Pages 50-57)

6.08) CC Resolution 08-0408 authorizing a Sixth Amendment for Phases VIa and VII of the Citywide Fiber Optic Network Expansion project to AT&T (formerly Pacific Bell and SBC Communications) in the amount of $402,741.57. (PW) (Pages 58-80)

6.09) CC Resolution 08-0409 executing Final Construction Balancing Change Order No. 3 to DIEDE CONSTRUCTION, INC. in the amount of $429,877 for a total contract amount of $4,731,304.81 for the reconstruction of the Morelli Park Boat Launch Facility. (RED) (Pages 81-84)

6.10) RD Resolution R08-033 approving a 365-day Exclusive Negotiating Rights Agreement between the Stockton Redevelopment Agency and THE PARTNERSHIP OF EL CONCILIO - COUNCIL FOR THE SPANISH SPEAKING AND VISIONARY HOME BUILDERS OF CALIFORNIA, INC., for the El Concilio Commercial Project, located at First Street and Airport Way. (RED) (Pages 85-98)

NOTE: The vote on Item 6.10 was approved 6-0. Councilmember Eggman recused herself from voting on this item due to a conflict of interest.
6.11) RD **Resolution R08-034** accepting the proposal from STOCKTON DOWNTOWN PRESERVE, LLC, for an urban mixed use project with adaptive reuse and parking elements on the Block 5 site and authorizing the Executive Director to execute a 180-day Exclusive Negotiating Rights Agreement with Developer. (RED) (Pages 99-107)

6.12) RD **Resolution R08-035** authorizing the notification of the affected property owners and tenants regarding the designation of the BLOCK 26 MASTER DEVELOPMENT AREA on certain property approximately bordered by Fremont Street on the north, Lindsay Street on the south, Lincoln Street on the east and Harrison Street on the west. (RED) (Pages 108-113)

6.13) RD—Authorize the acquisition of property located at 2222 and 2244 South Airport Way in the amount of $1.0 million from RALPH L. WHITE and an option to purchase property located at 2110 South Airport Way in the amount of $100,000 for the right to purchase the remainder portion in the future for $750,000. (RED) (Pages 114-116) 6:16 PM

NOTE: Item 6.13 was removed from the Consent Agenda and heard as Item 7.01 under Unfinished Business.

**Councilmember Bestolarides**

Councilmember Bestolarides, referring to Items 6.10 and 6.11, noted that the Council is doing two exclusive negotiations. He said that there have been problems in the past, specifically with the Henry Hotel and the retail pads between the ballpark pad and the Arena, that ended up taking more time than the Council agreed to. He asked if 180 days is the time frame for these agreements.

**City Manager J. Gordon Palmer, Jr.**

Mr. Palmer said that the negotiating agreement for Item 6.11 is 180 days; the one for Item 6.10 is 365 days. He said that he is not aware of any different language in the agreement.

**Councilmember Bestolarides**

On Item 6.12, Councilmember Bestolarides asked if this property is in the area where the City is doing Master Environmental studies, to which Mr. Palmer replied in the affirmative.

Motion: Approve Consent Agenda absent Item 6.13 which was heard under Unfinished Business as Item 7.01. Moved by Vice Mayor Martin, seconded by Councilmember Chapman.
Vote: Motion carried 7-0

Yes: Councilmember Bestolarides, Councilmember Chapman, Councilmember Eggman, Councilmember Lee, Councilmember Nabors, Vice Mayor Martin, and Mayor Chavez.

NOTE: Item 6.10 was passed 6-0 with Councilmember Eggman recusing herself from voting on this item.

7. **UNFINISHED BUSINESS 6:16 PM**

7.01 (formerly Item 6.13) **RD** Authorize the acquisition of property located at 2222 and 2244 South Airport Way in the amount of $1.9 million from RALPH L. WHITE and an option to purchase property located at 2110 South Airport Way in the amount of $100,000 for the right to purchase the remainder portion in the future for $750,000. (RED) (Pages 114-140) 6:16 PM

**Councilmember Bestolarides**

Councilmember Bestolarides said he reviewed two appraisals, one dated April 26, 2006, one dated June 2, 2006, and in a two month period there was a significant reduction in value in each one of the parcels. He said this is not a transaction that he wants to enter into as the market has significantly changed from 2006 and a reappraisal is warranted. He noted that there were no preliminary reports provided to the appraiser, the properties were inaccessible to the appraiser, and the tenants were not available. He said that there is no proof that there were tenants there and part of the compensation depends on the fact that there were tenants on the property. The Councilmember said that in his opinion the appraisal assignment is at best incomplete and, because of the time frame and the change in market, the values are significantly different. He said that this is an opportunity to take another look at this parcel and also look at other parcels that would not adversely impact response times for the Fire Department.

**Paul Blumberg, Interim Redevelopment Department Director**

Mr. Blumberg provided a staff report with the aid of a PowerPoint presentation (filed).

**Mayor Chavez**

Mayor Chavez asked Mr. Blumberg if he wished to respond to Councilmember Bestolarides’ comments at this time.
Paul Blumberg, Interim Redevelopment Department Director

Mr. Blumberg, speaking on the issue of the market and the appraisal, said that comparative sales were reviewed. Staff has informed him that the value would not be significantly changed if an appraisal was done today, and while residential values have decreased dramatically, it is hard to find proof of a decrease related to commercial property. An income approach related to receiving rents is also being reviewed. Related to the appraisal approach issue raised by Councilmember Bestolarides, Mr. Blumberg said that there were adjustments to the appraisal. The first appraisal was higher because it was based on a government approach to the acquisition, which meant a potential for eminent domain, which changes the definition that the appraiser uses. He said that some of the comparative values were found not to apply to the subject location.

Councilmember Chapman

Councilmember Chapman verified that the two appraisals were done in April and June 2006. He said that it makes him "somewhat nervous" to purchase property that was appraised well over two years ago and questioned the statement that commercial value has not decreased as has residential value.

Paul Blumberg, Interim Redevelopment Department Director

Mr. Blumberg said an appraisal done today may result in a lower value, but he is told by his staff the data just isn't there and doing a new appraisal at this time would not necessarily result in a significant reduction. He said that the properties being acquired are strategically valuable to the Airport Corridor and securing the properties will facilitate the construction of Fire Station 3 and also ensure that they don't become nuisance properties.

Councilmember Chapman

Councilmember Chapman said he agreed with Mr. Blumberg related to the value of Redevelopment, but this still makes him somewhat nervous, especially in the current times. He said he understands that this money is earmarked through the Strong Neighborhoods Initiative but a 10% reduction would be significant.

City Manager J. Gordon Palmer, Jr.
Mr. Palmer said that he does not have a number related to the difference, but noted that figures indicate that permits issued and revenue show almost nothing from the housing market while commercial and industrial buildings are still being built.

**Councilmember Chapman**

Councilmember Chapman asked if there are any numbers to give an idea of what commercial values have been in the last two and a half years.

**Paul Blumberg, Interim Redevelopment Department Director**

Mr. Blumberg said that there have been very recent appraisals that are shockingly high and there is no evidence that there is a drop in commercial values.

**Councilmember Chapman**

Councilmember Chapman asked what it would take to reevaluate the appraisal.

**Paul Blumberg, Interim Redevelopment Department Director**

Mr. Blumberg said the project could be delayed and a new appraisal done, which could take two to three months.

**Councilmember Chapman**

Councilmember Chapman asked what an appraisal would cost.

**Paul Blumberg, Interim Redevelopment Department Director**

Mr. Blumberg pointed out that there are still negotiations to be done with the seller, and questioned if the seller would be willing to renegotiate a deal that was some years in the making.
In response to Councilmember Chapman, Mr. Blumberg said that the cost of a reappraisal would probably be nominal, $5,000 to $10,000.

**Councilmember Nabors**

Councilmember Nabors said that it stands to reason that the commercial part of South Stockton has had a great deal of development, noting the completion of the Dorothy Jones Community Center and the gymnasium. She said that this is a worthy project that is long overdue and the commercial development in that area should be completed.

**Councilmember Bestolarides**

Councilmember Bestolarides said that a precursory to reduction in commercial real estate values is vacancies, and there are a lot of vacatencies. He said that 1) the two parcels with the two year old appraisals are being bought with a 37% premium; 2) the optioned piece of contaminated property is being bought at a 46% premium, above appraised values. Even if the value doesn't change, the City is paying a premium; and, 3) the seller was quoted in the newspaper as stating he had offers for more. The Councilmember said that he did not feel that another appraisal would take three months, as the appraiser has all the supporting information and would just be refreshing up comparable sales and could figure out income/rents received by looking at the seller's Schedule E on his 1040 form. Councilmember Bestolarides closed by stating that the assumptions on the income approach are totally nondefensible, and related to the sales comparison approach "comps are all over the place." Regarding the relocation of the fire station, he pointed out that the City already owns property in the Corridor, adding, "We are paying a huge premium with outdated, old appraisals."

**Paul Blumberg, Interim Redevelopment Department Director**

Mr. Blumberg agreed that an updated appraisal could be done in less time than two to three months, but the issues are what it would take to renegotiate with the seller and how long it would take to come back to Council.

Councilmember Bestolarides commented that the appraisal could be ordered, stating, "Even if the seller doesn't cooperate...we are not going to get any less information than we got cooperating. We are not going to get the rental estoppels or operating statements."

**Councilmember Lee**
Councilmember Lee asked if the City ever pays more than appraised value in Redevelopment areas.

Paul Blumberg, Interim Redevelopment Department Director

Mr. Blumberg said that Redevelopment pays a premium because of owners who will ask for more because the City wants the property and also when dealing with tenant relocation issues.

Councilmember Lee

Councilmember Lee said what is compelling to him is the property is part of a plan and the question is whether the City is committed to South Stockton redevelopment, not just Downtown. He suggested that this issue has as much to do with the seller, and asked why this action has taken so long.

Paul Blumberg, Interim Redevelopment Department Director

Mr. Blumberg said that he has reviewed Downtown projects and that it is common to pay a significant amount, a premium, for relocation and other issues.

Councilmember Lee said, "We have a commitment to South Stockton...and this is a matter of whether or not we are going to keep our word." He said that getting another appraisal could be done but it is not that simple, and this intersection is the gateway to the entire community.

Councilmember Eggman

Councilmember Eggman said that to pay over an appraised price in this market is not responsible. Even if using Redevelopment funds, it is taxpayer money being spent. She said that the market is ripe for looking around, and the seller has said he could get two to three times more than the City is willing to pay. She said that location could be good for infill housing, and added, "In these economic times we may not be jumping to construct fire stations any time soon."
**Councilmember Bestolarides**

Councilmember Bestolarides said that putting a deal together for the Fire Department is the most important issue but he will not totally disregard his professional background in the interest of Redevelopment. He questioned why the City offered $1.45 million for all three properties in July and now the offer has almost doubled without updated financial information.

**Paul Blumberg, Interim Redevelopment Department Director**

Mr. Blumberg said he was not aware of an offer for $1.45 million.

**Mayor Chavez**

The Mayor said he can see both sides of the discussion. A two year old appraisal should be an issue of some concern, but in terms of the investment made and the continuing investment in that area and the premium to do so, he asked the City Manager to look at the appraisal as quickly as possible, keeping in mind that the appraisal is one component and negotiation with the property owner is another.

**Councilmember Chapman**

Councilmember Chapman said he was asking questions only to be fiscally responsible and they have nothing to do with the seller.

**Mayor Chavez**

Mayor Chavez commented that while one strives for perfection, the result can be somewhat below that.

**Pamela Greer**

Ms. Greer said that she wants to make sure that the seller is not an issue. She added it is time to move forward as the property "looks so bad."

**No Action was taken on this item. At the Mayor's request, the item was**
continued to a future agenda.

8. NEW BUSINESS

None

9. PUBLIC HEARINGS**

None

10. COUNCIL/REDEVELOPMENT AGENCY COMMENTS AND COMMITTEE REPORTS
6:57 PM

10.01) Report of Chair Clem Lee on the Council Budget/Finance/Economic Development Committee Meeting of September 25, 2008.

a) Committee Report:

   ACTION: Accept for filing.

b) ISSUE: FY 2008-09 General Fund Financial Projections Update

   RECOMMENDATION: None. Discussion continuing.

c) ISSUE: Program Prioritization and Budget Revision Process Update

   RECOMMENDATION: None. Discussion continuing.

d) ISSUE: Interim Steps to Mitigate Budget Shortfall

   RECOMMENDATION: None. Discussion continuing.

e) ISSUE: Health Benefits Cost Management

   RECOMMENDATION: None. Informational only.

(CM) (Pages 142-172) 6:57 PM

Motion: Approve accepting the Report of Chair Clem Lee on the Council Budget/Finance/Economic Development Committee Meeting of September 25, 2008 for filing. Moved by Councilmember Lee, seconded by Councilmember Eggman.

Vote: Motion carried 7-0

Yes: Councilmember Bestolarides, Councilmember Chapman, Councilmember Eggman, Councilmember Lee, Councilmember Nabors, Vice Mayor Martin, and
Mayor Chavez.

**COUNCIL COMMENTS 6:58 PM**

**Councilmember Nabors**

Councilmember Nabors wished Maurice Robertson, Jr. who is 21 years old today, a Happy Birthday.

**Councilmember Bestolarides (CM to follow up)**

Councilmember Bestolarides announced that the Council will be holding a budget session tomorrow at 7:30 AM and invited everyone to attend.

Related to any budget resolution, he said he would like the draft resolution circulated a week prior to it being presented to Council.

**Councilmember Eggman**

Councilmember Eggman announced that the *Taste of San Joaquin* will be held this weekend at the DeCarli Plaza, a celebration of things happening in Stockton, with food and drink. The event is free and a book of tickets to purchase food is $20. Vendors from Downtown and the Miracle Mile will participate, the Mike Torres band will play, and the event will be held from 4 to 10 PM. Also this Friday is the Tidewater Gallery Open House.

In response to "the LaRouche people," Councilmember Eggman commented that "Anyone who tells me that they have all the answers for the entire world makes me pretty nervous, because the more I know in the world, the less I know that I know." She recalled that Mr. LaRouch said in the ’80s that everyone who was gay or had HIV should be quarantined.

Councilmember Eggman said she would take credit for asking Queen Emily Davis to sing this evening.

**11. ADJOURNMENT 7:01 PM**