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CITY COUNCIL STAFF REPORT

Meeting: March 18, 2025

Subject

Introduce Municipal Code amendments to the Cupertino Municipal Code, Title 2 to add Chapter 2.96 and codify the Economic Development Committee.

Recommended Action

1. Conduct the first reading of Ordinance No. 25-___ "An Ordinance of the City Council of the City of Cupertino Amending City Code Title 2 Chapter 2.96: Economic Development Committee."
2. Find that the proposed actions are exempt for CEQA.

Background

Historically, a working group that functioned like the Economic Development Committee (EDC) met informally since the '90's to brainstorm items of importance pertinent to local businesses and to provide feedback to staff on business-related City initiatives or projects. The EDC was made up of four City staff members, two City Council members, one Planning Commissioner, and four representatives from the business community, including the Cupertino Chamber of Commerce.

As part of the FY 2021-2022 City Work Program discussion, the City Council requested that the EDC be codified in the Municipal Code by ordinance. Thereafter the City Council unanimously adopted Ordinance 22-2240 on July 19, 2022, which formally codified the EDC, after a first reading on July 7, 2022. In 2023, the City Council voted to repeal Ordinance 22-2240, disbanding the EDC via Ordinance 23-2247 on March 7, 2023, after a first reading on February 21, 2023.

Reasons for Recommendation and Available Options

Following the EDC disbandment and as committed to the City Council, staff have been actively meeting with local business owners, commercial real estate professionals, and other economic development stakeholders as part of its ongoing efforts to promote citywide economic development. As part of these ongoing efforts, staff coordinated a small focus group discussion with local businesses in December 2023, gathering feedback that informed and contributed to the Applied Development Economics Market Study. This effort has also been documented in an informational memo on April 25, 2024 - Economic Development Update.

On December 17, 2024, the City Council added an agenda item to reestablish the EDC via ordinance substantially mirroring the earlier ordinance, Ordinance 22-2240, which according the associated staff report, had been “drafted based on input from the then-sitting Council and staff research on economic development committees in other local cities.”

The proposed ordinance states that business sector Committee Members must work for an organization located within the City or be residents of the City, or both. In the past, some Council Members expressed the opinion that all Committee Members should have close connections to the City. The Council may wish to discuss whether business sector Committee Members should also be required to be residents of the City.

Economic Development Committee

The Economic Development Committee shall serve in an advisory capacity to the City Council and provide expertise and guidance on policy related to economic development. The Committee shall also actively promote Cupertino as a location of choice for current and prospective businesses.

Powers and Functions

To fulfill their mission, the Committee may involve itself in the following activities:

1. Make recommendations to City Council on a broad range of strategic matters broadly applicable to the City’s economic development goals;
2. Serve as an ambassador to shed a positive light on the City by sharing economic development resources and information to prospective businesses and stakeholders, thus positioning the City as a location of choice; and
3. Encourage public/private partnerships to further the City’s economic

development goals by identifying potential resources.

Membership

As proposed, the membership of this new Committee would consist of nine members, including elected officials, industry sector representatives, and key partners:

1. City Councilmember
2. City Councilmember
3. Technology Sector Business Representative
4. Retail/Small Business Representative
5. Hospitality/Tourism Sector Representative
6. Education Sector Representative
7. Commercial Real Estate Representative
8. Sustainability Commissioner
9. Technology, Information, and Communications Commissioner

Term

Committee members would serve at the pleasure of the City Council for an initial term of four years, with a possibility to serve for an additional four years. Committee members would not serve for more than two consecutive terms.

Sustainability Impact

No sustainability impact.

Fiscal Impact

Based on primary estimate, approximately 160 hours of staff time is required annually to support the Commission. Specifically, there will be staff support from the City Manager's office, Economic Development division, City Clerk's office, and Innovation and Technology to support four quarter meetings a year. These hours encompass administrative and liaison duties, such as attending meetings, writing minutes, coordination amongst commissioners, preparing agendas and staff reports. Additionally, they account for the time required to develop agenda items, including presentations, speakers, and other related materials. In addition to up 20- 30 hours from the Clerk's Office to conduct commissioner interviews and onboarding new EDC members.

Prepared by: Floy Andrews, City Attorney
Daniel Degu, Economic Development Manager

Reviewed by: Tina Kapoor, Deputy City Manager

Approved for Submission by: Pamela Wu, City Manager

Attachments:

A – Draft Ordinance Adding Chapter 2.96 Economic Development
Committee_redline

B - Draft Ordinance Adding Chapter 2.96 Economic Development
Committee_clean

C – Informational Memo – April 25, 2024 - Economic Development Update