



**DOWNTOWN HAYWARD BUSINESS IMPROVEMENT AREA
ADVISORY BOARD**

REGULAR MEETING

**JULY 1, 2015
CONFERENCE ROOM 2A
8:00 A.M.**

CALL TO ORDER

ROLL CALL

PUBLIC COMMENTS: (The Public Comment section provides an opportunity to address the City Council Committee on items not listed on the agenda as well as items on the agenda. The Committee welcomes your comments and requests that speakers present their remarks in a respectful manner, within established time limits, and focus on issues which directly affect the City or are within the jurisdiction of the City. As the Committee is prohibited by State law from discussing items not listed on the agenda, any comments on items not on the agenda will be taken under consideration without Committee discussion and may be referred to staff.)

1. Approval of Minutes of April 1, 2015
2. Update of FY2015-2016 Budget
3. Community Benefit District Update (*Oral Report Only*)

COMMITTEE MEMBER/STAFF ANNOUNCEMENTS AND REFERRALS

ADJOURNMENT

NEXT REGULAR MEETING – 8:00 A.M., WEDNESDAY, OCT. 7, 2015

****Materials related to an item on the agenda submitted to the Council Committee after distribution of the agenda packet are available for public inspection in the City Clerk's Office, City Hall, 777 B Street, 4th Floor, Hayward, during normal business hours. An online version of this agenda and staff reports are available on the City's website.*

Assistance will be provided to those requiring accommodations for disabilities in compliance with the Americans Disabilities Act of 1990. Interested persons must request the accommodation at least 48 hours in advance of the meeting by contacting the Assistant City Manager at (510) 583-4300 or TDD (510) 247-3340.

CITY HALL, 777 B STREET, HAYWARD, CA 94541
[HTTP://WWW.HAYWARD-CA.GOV](http://www.hayward-ca.gov)

JULY 1, 2015



**MINUTES
DOWNTOWN HAYWARD BUSINESS IMPROVEMENT AREA
ADVISORY BOARD**

**REGULAR MEETING
April 1, 2015**

ATTENDANCE:

<u>BIA Member</u>	<u>Present</u>	<u>Absent</u>
Benjamin Schweng*	X	
Darren Guillaume		X
Alfredo Rodriquez Jr.	X	
Joseph Davis		X
Sid Hamadeh	X	
Syed Karim		X
Rui Li	X	

**Chair*

VISITORS: Kim Huggett, Hayward Chamber of Commerce; Anna May, Asian American Heritage Festival; Paige Ball, 2525 Vintage & Modern

STAFF: Kelly McAdoo, Assistant City Manager; David Rizk, Director of Development Services; Micah Hinkle, Economic Development Manager; Ramona Thomas, Economic Development Specialist; Frank Holland, Community and Media Relations Officer; John Stefanski, Administrative Analyst I; Damon Golubics, Senior Planner; Rod Alfonso Jr., Senior Maintenance Leader; Suzanne Philis, Senior Secretary

I. Call to Order

Chair Benjamin Schweng called the meeting to order at 8:01 a.m.

II. Roll Call

Members Guillaume, Davis and Karim absent.

III. Public Comments

Anna May reported that organizers already reached two-thirds of their sponsorship goal for the 3rd Annual Asian American Festival, in conjunction with Hayward Farmer's Market, scheduled for Saturday, May 30th. She encouraged everyone to participate and said booths and sponsorship opportunities were still available.

Kim Huggett, President of the Hayward Chamber of Commerce, announced the first-ever Bike Rodeo scheduled for May 16th.

IV. **Update from Maintenance Services on Sidewalk Cleanings**

Economic Development Manager Hinkle introduced Senior Maintenance Leader Rod Alfonso Jr. who reported that because of a state mandate, as of March 17th all sidewalk pressure washings had been suspended.

Member Rodriguez asked if the City had looked into pressure washers that used recycled water and Mr. Alfonso said yes, but noted the process of collecting brown water was complex and would take a while to set up. He said the City's gum removal machine also used water.

Member Hamadeh asked if the City could use air pressure and Mr. Alfonso said that would require the purchase of new equipment.

Economic Development Manager Hinkle said staff was exploring all options and would report back on the findings.

Mr. Alfonso distributed a map of the downtown that outlined what sidewalks had been cleaned and when. Members noted that there was a noticeable difference after the cleanings.

Chair Schweng confirmed there was a special machine just for gum removal and Mr. Alfonso said Maintenance Services purchased it new and it used a combination of solvent and water.

Senior Maintenance Leader Alfonso confirmed that unless it was a matter of public health and safety, all cleanings had been suspended. Chair Schweng asked if remaining funds could be used to pay an outside vendor, but ED Manager Hinkle said no one could use potable water for sidewalk cleanings.

Staff distributed a press release that outlined what water uses were now restricted.

Chair Schweng said he was glad gum removal occurred in the downtown before the restrictions. He thanked Mr. Alfonso for the work performed by Maintenance Services.

V. **Downtown Community Benefit District Update**

Community & Media Relations Officer Frank Holland gave the report noting Council had recently approved an enabling ordinance that would allow special assessments for downtown programs to shift from business owners to property owners. He said the next steps included reconvening the steering committee, collecting input from all interested parties, developing a management plan, and starting a petition campaign to achieve 50% plus one approval on a weighted petition based on the amount of assessment each property owner would pay. He emphasized that the governance of the Community Benefit District (CBD) was not driven by the City and would be an independent corporation controlled by the property owners with representation from the business community.

ED Manager Hinkle said the advantage of the CBD was the size of the funding pool. He noted that property owners would ultimately benefit when property values go up based on

improved amenities and downtown programs. He said outreach would continue to help both property and business owners better understand what was trying to be accomplished in the downtown.

Member Rodriguez said he was glad business owners could participate in the process because property owners could be absent for months at a time and were not as familiar with issues impacting downtown. Mr. Holland said by assessing all owners the field would be leveled when disengaged owners get pulled into the process whether they wanted to or not.

Assistant City Manager Kelly McAdoo mentioned dedicated staffing was another advantage of the CBD allowing ED staff to focus on economic development-based tasks.

Member Rodriguez asked if there had ever been any negative outcomes due to the formation of a CBD. In terms of creating an organization to oversee a funding program that benefits a particular district, Mr. Holland said no. He noted the success of CBDs in Oakland, San Francisco, Redwood City and around the nation in dramatically changing areas that had struggled for decades.

Member Li asked how much the property owners would have to pay. Mr. Holland explained that the management plan was currently being written and that would determine the calculation based on linear frontage, building square footage, and lot size. Mr. Holland said, based on similar-sized districts, Hayward could expect to generate \$500,000-\$700,000 in assessments.

Member Hamadeh asked for a timeline and Mr. Holland explained there was no deadline and that outreach would continue with the next round of steering committee and merchants meetings later in the month. He emphasized the need for downtown property owners to get engaged in the process.

Member Hamadeh asked at what point other areas had decided to form a district, when properties were leased, but the area was lacking in amenities, or when the buildings were empty. Mr. Holland said it could be a mix of both.

Chair Schweng said in Oakland each district was formed for a different reason. He encouraged business owners to speak with property owners and suggested having them appoint a representative if not based locally or allow business owners to be appointed to the Board. Mr. Holland also noted once a CBD was created, the board could be more flexible and responsive than the City.

Member Rodriguez said outreach to property owners should focus on getting them to believe in the need for a CBD. He said some owners were afraid that they money collected would not be spent efficiently.

Assistant City Manager McAdoo pointed out the City also has a vested interest in having the CBD invest the money wisely because of the amount the City would be assessed. Member Hamadeh asked how else the City would be involved and Ms. McAdoo said the City would hold a seat on the Board.

Community & Media Relations Officer Holland emphasized the management plan would determine how assessments would be spent and administrative costs would be capped.

Economic Development Manager Hinkle said the next big step was the finalization of the management plan so property owners would know the actual amount they would be assessed.

VI. **Finalization of FY2015-2016 DBIA Budget Allocations**

Economic Development Manager Hinkle noted that to date, the Board had recommended budget allocations for new and existing event funding. Pending the formation of the CBD and the wind-down of the DBIA, he explained, the collection of assessments fees would be suspended effective calendar year 2016 with approximately \$50,000 kept in reserves for allocation for fiscal year 2016-2017.

Member Hamadeh asked how much had been collected so far and staff reported about \$23,000.

Chair Schweng asked if \$45,000 could be allocated for area beautification as opposed to keeping it in reserves for a sidewalk deep cleaning if a new method could be found.

Assistant City Manager McAdoo clarified that staff was not going to propose continuing the assessment fee collection process and that if the Board wanted to spend down reserves could allocate the money toward “beautification” as a placeholder. If it does not get spent, she explained, it would just roll back into reserves.

Member Hamadeh asked about the status of the new banners and was told installation would be taking place in the next few weeks.

Board members discussed possible uses and whether or not to set aside funds. Administrative Analyst I John Stefanski gave a breakdown of the budget.

Chair Schweng made a motion to allocate \$45,000 for “beautification” and Member Rodriguez seconded the motion. The motion passed.

VII. **Approval of Minutes from Jan. 7th Regular Meeting and Jan. 28th Special Meeting**

Member Rodriguez made a motion to approve the minutes. The motion passed with Members Davis, Guillaume, and Karim absent.

VIII. **Adjournment**

The meeting was adjourned at 9:02 a.m.

STAFF	ACTION ITEMS
Econ Dev	Attendance counts for recurring events and financial information including costs versus revenues and/or event guidelines
Econ Dev	Explore alternative methods of regular and deep sidewalk cleaning.

DATE: July 1, 2015

TO: Downtown Business Improvement Area Advisory Board

FROM: Micah Hinkle, Economic Development Manager

SUBJECT: Update of the FY2015-2016 DBIA Budget

RECOMMENDATION

Staff recommends that the Downtown Business Improvement Area Advisory Board (DBIA) note that final funding allocations were unanimously approved by City Council at the June 16, 2015 meeting and that the collection of assessment fees from downtown businesses was suspended effective calendar year 2016.

BACKGROUND

With the planned migration toward a Community Benefits District (CBD), which would switch assessments from downtown businesses to downtown property owners, the DBIA made the decision to spend down budget reserves. At the April 1, 2015 Regular Meeting, Board members voted to recommend \$51,000 in budget allocations be focused on new and returning events and \$45,000 on “beautification.” Beautification projects, which would focus on services or actions that would improve the appearance or environment of the entire DBIA district, have not been determined. In response to State mandated water restrictions and as one possible use of the allocation, Board members expressed interest in exploring sidewalk cleaning methods that did not require potable water. Discussion of alternative cleaning methods and other possible uses of beautification funds will be future agenda items.

The Council approved these recommendations on June 16th and in the same motion voted to suspend the collection of assessments on downtown businesses effective calendar year 2016. City staff is working with downtown property owners to generate support for a CBD or a self-assessment fee based on linear frontage, building square footage, and lot size. All downtown properties would be assessed including those owned by the City, BART and absentee landlords. Compared to the approximately \$45,000 generated annually by the DBIA, the estimated \$500,000 to \$700,000 generated by the CBD could be used for additional security, marketing and promotions, or any number of programs or services.

NEXT STEPS

The DBIA will continue to meet on a quarterly basis until the transition to the CBD is complete. Any remaining assessments, collected through calendar year 2015, will be held until the next budget allocation period. The next Regular Meeting is scheduled for October 7, 2015, at which time the Board will discuss potential uses for the “beautification” allocation.

Prepared by: Suzanne Philis, Senior Secretary

Recommended by: Micah Hinkle, Economic Development Manager

A handwritten signature in blue ink, consisting of a series of loops and a long horizontal stroke, positioned below the text.