

Department of Community and Economic Development

Economic Development Committee Meeting

May 1, 2006

4:00 p.m.

4th Floor Conference Room 4A

City Hall

777 B Street

Hayward, CA 94541-5007

A G E N D A

Public Comments: (Note: For matters not otherwise listed on the agenda. The Committee welcomes your comments under this section but is prohibited by State Law from discussing items not listed on the agenda. Your item will be taken under consideration and referred to staff.)

- 1. Call to Order**
- 2. Approval of Minutes (April 3, 2006)**
- 3. Economic Development Activities Update (April 2006)**
- 4. Selection of Nominating Committee for 2006/2007 New Officers**
- 5. Commercial Real Estate Update – Mr. Daniel Bergen, Vice President, Colliers International, Mr. Douglas Norton, Senior Vice President, CB Richard Ellis**
- 6. Committee Member Announcements**
- 7. Adjournment**



Assistance will be provided to those requiring accommodations for disabilities in compliance with the Americans with Disabilities Act of 1990. Please request the accommodation at least 48 hours in advance of the meeting by contacting Katy Ramirez at 510/583-4250 or by calling the TDD line for those with speech and hearing disabilities at 510/247-3340.

**ECONOMIC DEVELOPMENT COMMITTEE
REGULAR MEETING MINUTES
APRIL 3, 2006**

CALL TO ORDER: Vice Chair Morales called the meeting to order at 4:10 p.m.

ATTENDANCE:

Committee Member	Present 4/3/06	All Meetings Year to Date		Meetings Mandated By Resolution	
		Present	Absent	Present	Absent
Mayor Cooper	✓	6	3	6	3
Council Member Ward	✓	5	4	5	4
Council Member Dowling	no	6	3	6	3
Ed Mullins	✓	8	1	8	1
Lisa Ringer (Chair)	no	8	1	8	1
Landis Lavell Graden	✓	6	0	6	0
Carlos Gutierrez	✓	5	1	5	1
Liz Morales (Vice Chair)	✓	5	1	5	1
Manny Sawit	✓	6	0	6	0

OTHERS ATTENDING:

Jesus Armas, City Manager
Sylvia Ehrental, Director of Community & Economic Development
Gail Patton, Neighborhood & Economic Development Manager
Maret Bartlett, Redevelopment Director
Matt O'Brien, The Daily Review
Felix Wong, CB Richard Ellis, Inc.

PUBLIC COMMENT: None.

APPROVAL OF MINUTES: The minutes of March 6, 2006 were approved.

ECONOMIC DEVELOPMENT ACTIVITIES UPDATE FOR MARCH 2006:

Staff organized the March 15, 2006 Bioscience Update event. It was well attended and well received by local bioscience companies. The Evaluation Survey results reflected that the Legislative Update was useful and these companies would like a Bioscience "Round Table" two to four times per year in the future. Co-sponsors Ohlone College and Alameda County Workforce Investment Board paid for event expense.

Ms. Ehrental reviewed a March 27, 2006 report to the Council Downtown Committee (CDC) on Downtown Retail Attraction Initiative. It is recommended that the Redevelopment Agency take a proactive role in reducing the number of vacant spaces

downtown. A proposal will be brought to the Agency Board as part of the upcoming budget.

OVERVIEW OF THE EAST BAY ECONOMY:

Vice Chair Morales introduced Mr. Bruce Kern, Executive Director of Economic Development Alliance for Business (EDAB). EDAB provides members with many services including business attraction and retention resources; research and development data; workforce development; problem-solving strategies; membership development. They also provide valuable information through their website at www.edab.org.

Mr. Kern began with a review of the UCLA Anderson Forecast on the East Bay Economic Outlook Report for January 2006. The East Bay grew 2% in 2005, adding an estimated 20,000 new jobs. The East Bay is the largest Bay Area Labor Market.

A majority of the East Bay's job growth is from construction and real estate finance sectors. Other sectors showing employment gains are leisure and hospitality, administrative and support services. However these gains were offset by job losses in information, durable goods and government. Overall manufacturing in the Bay Area has begun to stabilize.

Construction and real estate continues to play an important part of our growth. Where the real estate industry is heading will foretell the growth of our economy in 2006. The construction sector accounts for 7% of total private sector jobs in California.

For commercial development, vacancy rates for commercial space in the East Bay hit a high of 17% which compares favorably to the 25% vacancy rates in San Jose and San Francisco.

Industrial development in the East Bay remains the healthiest in the Bay Area but did experience slight gains in vacancy this past year climbing to 7%. Grubb & Ellis projects the market for industrial space to tighten in 2006 with industrial sites being snapped up for residential and retail development.

For residential and retail development, multifamily development is expected to show a significant growth and retail remains hot through 2006.

UCLA Anderson Forecast Outlook for 2006:

- Employment will continue to grow at about 1.5%.
- Taxable sales are on the rise and office, industrial and retail vacancies are expected to decline.
- Home building will slow through the year and apartment vacancies will continue to fall.
- Non-residential sector vacancies will continue to drop, but there will be no new building activity. Retail will start to cool as spending growth slows.

At the conclusion of the January Forecast, Mr. Kern updated the Committee on EDAB's progress to address the growing congestion of our freeway corridors associated with goods movement and commercial freight by summarizing the State Goods Movement

Action Plan. Up-to-date information on the plan can be accessed through EDAB's website www.edab.org under Reports & Studies.

Mr. Kern then reviewed EDAB's business development activities for member cities and specific business retention efforts for Hayward businesses. He thanked staff for helping to bring their May 12, 2006 Annual Outlook event to Centennial Hall in Hayward.

It was noted that EDAB is changing their name to East Bay Economic Development Alliance (East Bay EDA) in order to strengthen the organization's regional identity and communicate its primary service area.

COMMITTEE MEMBER ANNOUNCEMENTS:

Ed Mullins invited EDC members to attend the Hayward Chamber Mixer at Fremont Bank on April 12 from 5 to 7 pm.

ADJOURNMENT: Meeting was adjourned at 5:20 p.m.