

Department of Community and Economic Development

Economic Development Committee Meeting

June 5, 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 (May 1, 2006)**
- 3. Economic Development Activities Update (May 2006)**
- 4. Election and Seating of 2006-07 Officers**
- 5. Approval of 2006-07 Meeting Schedule**
- 6. Auto Row Trend Analysis – Jerry Peeler, Muni Services Company**
- 7. Committee Member Announcements**
- 8. 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
MAY 1, 2006**

CALL TO ORDER: Chair Ringer called the meeting to order at 4:12 p.m.

ATTENDANCE:

Committee Member	Present 5/1/06	All Meetings Year to Date		Meetings Mandated By Resolution	
		Present	Absent	Present	Absent
Mayor Cooper	✓	7	3	7	3
Council Member Ward	✓	6	4	6	4
Council Member Dowling	no	6	4	6	4
Ed Mullins	✓	9	1	9	1
Lisa Ringer (Chair)	✓	9	1	9	1
Landis Lavell Graden	✓	7	0	7	0
Carlos Gutierrez	✓	6	1	6	1
Liz Morales (Vice Chair)	no	5	2	5	2
Manny Sawit	✓	7	0	7	0

OTHERS ATTENDING:

Jesus Armas, City Manager
 Sylvia Ehrenthal, Director of Community & Economic Development
 Maret Bartlett, Redevelopment Director
 Sally Porfido, Economic Development Specialist
 Douglas Norton, Senior Vice President, CB Richard Ellis
 Michael Walker, Senior Associate, CB Richard Ellis
 Dan Bergen, Colliers International

PUBLIC COMMENT: None.

APPROVAL OF MINUTES: The minutes of April 3, 2006 were approved.

ECONOMIC DEVELOPMENT ACTIVITIES UPDATE FOR APRIL 2006:

Staff met with Mr. & Mrs. Championsmith, owners of the Brick Oasis Fitness Spa regarding a Small Business loan for purchasing equipment. Staff to follow up on the loan application package status.

Keith Sutton, Business Development Director of EDAB, attended BIO 2006 in Chicago where he manned the Team California Booth for EDAB members. Staff provided Keith with an updated Hayward Bioscience Cluster Map to use as the City's handout for the event. Staff will call on the three Hayward contacts Keith referred from the event.

SELECTION OF NOMINATING COMMITTEE FOR 2006/2007 NEW OFFICERS:

Lisa Ringer and Manny Sawit were selected to be the Nominating Committee for the 2006/07 new officers.

COMMERCIAL REAL ESTATE UPDATE:

Ms. Ehrental introduced the first speakers, Mr. Doug Norton, Senior Vice President and Mr. Michael Walker, Senior Associate of CB Richard Ellis. Together they have over 43 years of commercial real estate experience. They have sold and leased well over 10 million square feet of industrial space in Hayward.

The overall Hayward industrial vacancy rate is 8.7%. Demand is up and supply is beginning to be short because there is not enough land to be developed. The industrial market is increasingly influenced by the Port of Oakland which will double in size in the next 3 to 4 years and anything within 30 miles of the Port will get leased out.

Mr. Norton reviewed six large Hayward companies, such as Davis Wire and Applied Materials, that moved out and the reasons why, including: high production costs and , redundant facility. Five of these large sites have been sold or leased to companies except for the Applied Materials 300,000 sq. ft. facility that is still vacant. A neighboring cities update was presented for Union City, Fremont, Newark, Oakland, and San Leandro.

Market Trends:

- The East Bay is the most diverse economy in the Bay Area.
- Economy is passing from recovery phase into expansion.
- Though jobless rate has increased, the labor force has expanded, a good sign for the local economy.
- Flow of imports into Bay Area has increased 20% annually in the last 2 years. This has fueled demand for warehouse and transportation which is critical to the long term economic growth of the region.
- Limits to port expansion could make it difficult longer term to capture expanding trade.
- Economy is slowly increasing the concentration of education related employment such as bio-tech, etc.
- User activity is sustained; vacancy is tight in larger sized buildings.
- We are seeing rental rate increases with more expected.

What's Hot: –

Industrial building ownership
New industrial condo construction
Older industrial building conversions to Condo
Industrial land, if you can find it
Larger distribution facilities with yard for Port related distribution uses.
Industrial conversions to housing

What's Not:

Big, ugly manufacturing facilities
Big, ugly manufacturing payrolls.
Heavily improved facilities.
Bad roads and traffic

Ms. Ehrental then introduced the second presenter, Mr. Dan Bergen, Vice President with Colliers International. Mr. Bergen has been doing business as a commercial broker in

Hayward since the mid-1980's.

Mr. Bergen began with an overview of the bioscience companies that have located in the Bay Area. There is funding available for them to grow and they like to be close to other bioscience companies. The R & D lease rates per square foot have been going down.

He presented a PowerPoint overview of key Bioscience areas where companies are locating in Alameda, Oakland, San Leandro and Union City. The main areas where Hayward bioscience companies have been locating are:

- Near the San Mateo Bridge.
- Eden Shores Business Park Lands (possible future bioscience use)
- Britannia Point Eden Business Park
- Bridgeview Tech Park
- Mt. Eden Business Park
- There is great potential for a bioscience manufacturing facility at the old Applied Materials 4 building complex at 26460 Corporate Avenue.

Mr. Bergen continues to work with Hayward bioscience companies as their leases come up for maturity to assure they remain in Hayward.

COMMITTEE MEMBER ANNOUNCEMENTS:

Ed Mullins invited EDC members to attend the Hayward Chamber Mixer at La Salsa on May 10 from 5 to 7 pm.

ADJOURNMENT: Meeting was adjourned at 5:30 p.m.