

Department of Community and Economic Development

Economic Development Committee Meeting

July 10, 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 (June 5, 2006)**
- 3. Economic Development Activities Update (June 2006)**
- 4. Agenda Planning for 2006-2007 Meetings**
- 5. Committee Member Announcements**
- 6. 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
JUNE 5, 2006**

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

ATTENDANCE:

Committee Member	Present 6/5/06	All Meetings Year to Date		Meetings Mandated By Resolution	
		Present	Absent	Present	Absent
Mayor Cooper	no	7	4	7	4
Council Member Ward	no	6	5	6	5
Council Member Dowling	no	6	5	6	5
Ed Mullins	✓	10	1	10	1
Lisa Ringer (Chair)	✓	10	1	10	1
Landis Lavell Graden	✓	8	0	8	0
Carlos Gutierrez	✓	7	1	7	1
Liz Morales (Vice Chair)	no	6	2	6	2
Manny Sawit	✓	8	0	8	0

OTHERS ATTENDING:

Maret Bartlett, Redevelopment Director
Sally Porfido, Economic Development Specialist
Jerry Peeler, MuniServices Company

PUBLIC COMMENT: None.

APPROVAL OF MINUTES: The minutes of May 1, 2006 were approved.

ECONOMIC DEVELOPMENT ACTIVITIES UPDATE FOR MAY 2006:

Staff continues to work with Bruce Kern of EDAB to act as a liaison in the City's efforts to retain a future Novo Nordisk manufacturing facility in Hayward. Mr. Kern is coordinating efforts between the State and the Oakland Foreign Trade Zone to accommodate Novo Nordisk in their upcoming expansion.

Staff continues to assist Pacific State Bank in their efforts to open a Hayward branch. They are in the process of purchasing a property on A Street and staff coordinated a meeting with their architect and the acting Planning Manager to review site plans and proposed improvements.

Staff assisted 11 telephone requests for various types of small business information and for small business start-up assistance. Staff referred the start-up applicants to appropriate contacts at the SBA regarding the MicroLoan and SOHO programs and gave appointment information for the Hayward Chamber of Commerce SBA Score Counselor.

Staff attended a Biotechnology Alliances Conference at the Newark Hilton hosted by Ohlone College. This included panel discussions by local biotech companies and resources. The event concluded with a Biotech Information Fair.

ELECTION AND SEATING OF 2006/2007 OFFICERS:

It was voted on and approved that Manny Sawit is Chair and Carlos Gutierrez is Vice Chair for 2006-07.

APPROVAL OF 2006-07 MEETING SCHEDULE:

The 2006-07 Meeting Schedule was approved as submitted.

AUTO ROW TREND ANALYSIS:

Ms. Porfido introduced guest speaker, Jerry Peeler, Client Services Associate with MBIA Muniservices Company. Muniservices provides revenue enhancement services to assist municipalities preserve, enhance, and manage their revenue base. Jerry has over 30 years experience in local government, including 4 years as a City Manager and 14 years as an Assistant City Manager in Livermore, CA. In addition, he has 5 years of revenue enhancement experience.

Mr. Peeler began with an overview of the City of Hayward's diverse economic base. We are not totally dependent upon any one category. Twenty percent of the City's overall revenue is from sales tax revenue. Our top 25 sales tax generators account for 48% of our overall sales tax revenue.

In 2005 there were 238 million vehicles on the road in the U.S. California has the most vehicles on the road at 8% or 19,255,690 cars. Auto industry facts:

- Median age of car population: 9 years.
- Median age of light truck population: 6.6 years.
- Average fuel economy of new cars 1980: 23.5 MPG.
- Average fuel economy of new cars 2005: 21.3 MPG.
- Average annual miles driven in 2005: 12,210 up 5% from 1995.
- Toyota Camry: best selling car in America last 4 years.

The U.S. consumes 20 million barrels of oil a day. We have not built any new oil refineries since 1982. Arab nations will be refining our oil and shipping it over.

Auto dealership incentives are a fact of life. In 2005 vehicle sales were driven by generous customer incentives. These range from cash rebates to zero-percent financing, etc.

Larger dealerships require:

- Additional land area for storage of new and used vehicles.
- Larger facilities for showrooms and parts & service centers.
- Higher location visibility.
- Signage and lighting.
- Easy egress and ingress.
- Additional security / public safety.

Total dealership sales in 2005 were down about 2% from 2004. In 2005 the average California dealership employed 82 people with an annual payroll of \$4.14 million.

Consolidations and selling prices:

- Moderate consolidation in the number of franchised dealerships is expected to continue.
- Acquisitions by large dealer groups slowed considerably in 2005.
- The average selling price of a new vehicle, including accessories and options, rose by 1.1% in 2005 after increasing by 1.8% in 2004.

COMMITTEE MEMBER ANNOUNCEMENTS:

Ed Mullins invited EDC members to attend the Hayward Chamber Mixer at Copy Pacific on June 14 from 5 to 7 pm.

ADJOURNMENT: Meeting was adjourned at 5:15 p.m.