



CITY OF
HAYWARD
HEART OF THE BAY

Department of Community and Economic Development

Economic Development Committee
Hayward City Hall - 4th Floor Conference Room 4A
777 B Street, Hayward, CA 94541-5007

March 3, 2008

4:00 p.m.

A G E N D A

1. **Call to Order**
2. **Public Comments:** (Note: For matters not otherwise listed on the agenda. The Committee welcomes public comments under this section, but is prohibited by State Law from discussing items not listed on the agenda. Items brought up under this section will be taken under consideration and referred to staff for follow-up as appropriate. Speakers will be limited to 5 minutes each; organizations represented by more than one speaker are limited to 5 minutes per organization. All public comments are limited to this time period on the Agenda.)
3. **Approval of February 4, 2008 Summary Notes**
4. **Presentation and Discussion: The Biotech Industry in the Bay Area, Guest Speaker: Matt Gardner, President, Bay Bio**
5. **Review of the Economic Development Strategic Plan**
6. **Economic Development Activities Update (February 2008)**
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.



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ECONOMIC DEVELOPMENT COMMITTEE

**REGULAR MEETING SUMMARY NOTES
FEBRUARY 4, 2008**

1. **CALL TO ORDER:** Chair Guitierrez called the meeting to order at 4:05 pm.

ATTENDANCE:

Committee Member	Present 2/04/08	All Meetings Year to Date		Meetings Mandated By Resolution	
		Present	Absent	Present	Absent
Mayor Sweeney	✓	6	0	6	0
Council Member Ward	no	2	4	2	4
Council Member Dowling	✓	6	0	6	0
Ed Mullins	✓	6	0	6	0
Manny Sawit	✓	6	0	6	0
Landis Lavell Graden (Vice Chair)	✓	6	0	6	0
Carlos Gutiérrez (Chair)	✓	5	1	5	1
Landon Baines	✓	5	1	5	1
Avtar Singh	✓	6	0	6	0

OTHERS IN ATTENDANCE:

Susan Daluddung, Director of Community and Economic Development
David Korth, Neighborhood & Economic Development Manager
Sally Porfido, Economic Development Specialist
Jim Morris, Senior Director, Managing Broker, Cushman & Wakefield

2. **PUBLIC COMMENT:** No public comments were made.
3. **APPROVAL OF JANUARY 7, 2008 SUMMARY NOTES:** The January 7, 2008 Summary Notes were approved unanimously as submitted.
4. **PRESENTATION & DISCUSSION: COMMERCIAL REAL ESTATE UPDATE.**
GUEST SPEAKER: JIM MORRIS, SENIOR DIRECTOR, MANAGING BROKER, CUSHMAN & WAKEFIELD.
Chair Guitierrez introduced Jim Morris, of Cushman and Wakefield. Mr. Morris has over 18

years of experience working in the East Bay industrial real estate market. He recently joined Cushman and Wakefield as the Senior Director and Managing Broker for the East Bay. Mr. Morris provided an overview of the Hayward industrial market, composed of 42 million square feet of industrial space. Approximately 50% of Hayward's industrial space is classified as Warehouse, 40% General Industrial (flex space to heavy manufacturing), and the remaining 10% is Research & Development (R&D). The overall Hayward industrial vacancy rate is 6.6% and the average asking rental rate is \$0.57/sf. Last year the vacancy rate was 5.4% with an average rental rate of \$0.48/sf.

Mr. Morris also described current trends affecting the East Bay commercial real estate market, including:

- A shrinking base of available vacant land;
- The slow down in the local housing market and the overall economy;
- A steady demand for warehouse space;
- The demand for owner occupied commercial property remains strong;
- Purchase of commercial properties by investors remains strong;
- R&D/Office market showing some improvement;
- Venture Capital investment in East Bay companies is up;
- Port of Oakland and import/export markets continue to grow;
- Commercial property values are increasing.

Major companies currently located in Hayward in the areas of: Manufacturing, Food Production, Warehousing, and R & D were presented. Companies moving into Hayward were also discussed. Mr. Morris explained that lower cost and location were key reasons for companies to locate in Hayward. Corporate consolidation, meanwhile, has led other companies to leave Hayward.

New development opportunities were described for various small parcels, for recently annexed county land. Also, Mr. Morris provided a review of current redevelopment projects throughout Hayward that will replace functionally obsolete real estate with new, usable space.

Mr. Morris concluded with an outlook for 2008:

- Flat to modest increases in commercial rental rates are predicted depending on what happens locally with the economy;
- A modest increase in vacancies is likely;
- Property values are expected to increase due to a shrinking base of available land;
- Construction is expected to remain flat due to the limited availability of developable land;
- Redevelopment activity is expected to increase.

In summary, Mr. Morris predicted that Hayward's diversified economic base, centralized location, availability of relatively modern buildings, a strong work force, local educational institutions, local airport and seaports, shopping centers, and affordable housing will result in continued investment by both local and national businesses and investors, despite a slowing economy.

5. ECONOMIC SUMMIT UPDATE:

David Korth, Neighborhood and Economic Development Manager, summarized the work of the Economic Summit Planning Group to date and a reviewed a Draft Outline of the Agenda. The Economic Summit will be held at Calif. State University East Bay, V.B.T. Presentation Center, on Thursday, April 10, 2008 from 7 a.m. to 10:45 a.m. EDC Committee members suggested various groups to invite and also requested clarification of the summit's primary goal to enable business owners to see the relevance of this event for their organizations.

7. ECONOMIC DEVELOPMENT ACTIVITIES UPDATE (January 2007):

Economic Development and Redevelopment staff continue to work with the Hayward Auto Dealers to address their concerns and future plans for continuing economic viability in the City of Hayward. The Banner Ordinance was approved at City Council on January 22, 2008. Staff is working closely with Mr. Allan of Hayward Chevrolet to set up a follow-up meeting in February.

Staff met with Chuck Olson, Vice President of Operations, and Gordon Meacham, Director, Engineering and Facilities, at the Hayward Cell Genesys office to determine if the City of Hayward can assist them with future expansion plans. Cell Genesys is currently in Stage 3 Clinical Trials for their Prostate Cancer treatment product and may have expansion needs if this product receives FDA approval.

Staff from Economic Development and Building met with Injex Industries, Inc. at their request for staff to tour their 3 Hayward facilities. They are a NUMMI parts supplier and a major Hayward employer. Staff will follow-up with information to assist them in dealing with some issues at their main facility on San Antonio Road in Hayward.

Seven start-up business requests were provided information about the Small Business Administration's (SBA) and the Lenders for Community Development loan programs. Additionally, information regarding the Hayward Chamber of Commerce's free business counseling program and handouts regarding other services for start-up businesses were distributed. The types of start-up businesses requesting assistance were: a dry-cleaning business, night club, used car dealership, aroma therapy shop, child care, beauty supply company, and car wash.

Six additional business owners were provided assistance in obtaining various City services:

- Cell Genesys
- Injex Industries, Inc.
- Novo Nordisk
- Bud Allan Chevrolet
- Aunt Nattie's Books & Activities for Kids
- Ice Age Outdoor Skating Rink

Additionally, two commercial brokers were provided assistance with information about various commercial sites and retail development:

- Jim Morris, Cushman & Wakefield

- Highland Development

8. COMMITTEE MEMBER ANNOUNCEMENTS:

Ed Mullins invited committee members to the Hayward Chamber of Commerce Mixer to be held at Hayward Area Recreation and Park District on Wednesday, February 13, 2008 from 5 pm to 7 pm.

Mr. Mullins also informed committee members that Jim Wieder, owner of Ace Hardware in Hayward, is the new President of the Hayward Chamber of Commerce, effective February 25, 2008.

9. ADJOURNMENT: Meeting was adjourned at 5:35 p.m.