



CITY OF
HAYWARD
HEART OF THE BAY

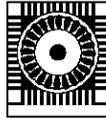
Economic Development Committee
Hayward City Hall – 4th Floor Conference Room
777 B Street, Hayward, CA 94541-5007
July 6, 2009
4:00 p.m.

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 June 1, 2009 Summary Notes**
- 4. Selection of Nominating Committee for Fiscal Year 2010 Officers**
- 5. Business Visitation Report – Greg Jones, Home Depot Visit**
- 6. Agenda Planning for FY 2009-2010**
- 7. Economic Development Activities Update – June 2009**
- 8. Committee Member Announcements**
- 9. Adjournment**



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ECONOMIC DEVELOPMENT COMMITTEE
REGULAR MEETING SUMMARY NOTES
JUNE 1, 2009

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

ATTENDANCE:

Committee Member	Present 6/01/09	All Meetings Year to Date		Meetings Mandated By Resolution	
		Present	Absent	Present	Absent
Mayor Sweeney	✓	10	1	10	1
Council Member May*	✓	10	0	10	0
Council Member Zermeno*	✓	10	0	10	0
Ed Mullins (resigned 3/5/09)		6	2	6	2
Manny Sawit	✓	9	2	9	2
Landis Lavell Graden (Chair) (resigned 4/7/09)		9	0	9	0
Carlos Gutierrez (no longer on committee eff. 5/29/09)		5	4	5	4
Landon Baines (Vice Chair)	✓	9	2	9	2
Avtar Singh	✓	11	0	11	0

*First meeting as a committee member was September 2008.

OTHERS IN ATTENDANCE:

Greg Jones, City Manager
Sally Porfido, Economic Development Specialist
Debra Auker, Finance Director
Christine Firstenberg, Metrovation Brokerage
Erik Pearson, Senior Planner
Andrew Wilson III, Hayward Resident

Greg Jones, City Manager, introduced the Committee to the new Economic Development Manager, Sean Brooks. Mr. Brooks comes to Hayward from the city of Brea where he has been the Economic Development Manager since 2006. Prior to that position, he was Director of Development of the Orange County Division for Olson Company. He maintains a Real Estate

Broker's license and is also a licensed C.P.A. He is an Oakland, California native and looks forward to his new position in Hayward.

2. PUBLIC COMMENT: Andrew Wilson, Hayward resident, commented on the recent Stonebrae Golf Tournament. He expressed concern that they routed traffic around the City of Hayward and did not use Hayward vendors.

3. APPROVAL OF APRIL 6, 2009 SUMMARY NOTES: The April 6, 2009 Summary Notes were approved. The May 4, 2009 meeting did not have a quorum.

4. BUSINESS VISITATION REPORTS:

- Fran David, Assistant City Manager, on Costco Hayward Business Center visit. Ms. David was unable to attend the meeting and copies of her report dated June 1, 2009 were distributed to committee members.
- Council Member May on Gexpro visit. Council Member May reported on the business visit she went on with Fire Chief Bueno. She reported that most of the company executives live outside the area but most of the warehouse workers live in Hayward. The company has no immediate need of City assistance.

5. SELECTION OF NOMINATING COMMITTEE FOR FISCAL YEAR 2010 OFFICERS.

Committee members agreed to table selection of the Nominating Committee until the July meeting in order to include the three new Economic Development Committee members.

6. PRESENTATION AND DISCUSSION:

RETAIL UPDATE, CHRISTINE FIRSTENBERG, METROVATION BROKERAGE.

Acting Chair Baines introduced Christine Firstenberg, Managing Director of Metrovation Brokerage. Ms. Firstenberg gave an overview of the U.S. Retail Economy which has both good and bad signs:

- She recently attended the International Council of Shopping Centers (ICSC) national retailers meeting in Las Vegas and attendance was down 48%.
- Active tenants at the ICSC were extremely busy.
- Deals are getting done, just fewer and slower.
- Large developers meeting with tenants mostly for rent reductions and backfilling empty spaces.
- It appears that most people believe the worst is over.
- Discount Tenants are moving into higher-end economic areas.
- High end tenant sales have plunged and many stores closed.
- Discount tenants opening new stores.
- Even higher-end tenants reducing merchandise pricing.
- Concern over rise in commercial mortgage backed securities and commercial loans, 329% rise in delinquency since April 2008.

- Likely to see many more commercial property owners enter into bankruptcy, or give commercial properties back to banks.
- Office building vacancies rising into 30% range.
- Likely office market meltdown late 2009 or early 2010.

Ms. Firstenberg then gave an overview of the retailers that have closed or are closing as well as the retailers that are expanding. She gave an overview of the City of Hayward 2008 demographics within a 4 mile radius of Hesperian Blvd. & W. Winton Avenue, Hayward: Population 252,303; number of households 83,745; household average income \$69,064, median age 36.9, ethnicity – white 44%, Asian 23%, Hispanic 34%.

For retail recruitment, it is important to match the tenant demographic requirements with your City's demographics. Ms. Firstenberg cited two tenants that are active and Hayward's demographics fit their profiles – Anna's Linens and Joann's Fabrics. Both currently have locations in Hayward.

Retail anchor tenants are generally over 15,000 and up to 200,000 square feet and create activity and critical mass of smaller shop tenants. Anchor tenant rents have dropped significantly since 2008. Shop tenant rents are where landlords made most of their money. These rents have dropped around 20% throughout the Bay Area and sometimes as much as over 40%.

Ms. Firstenberg concluded by citing several positive Economic Development efforts which included:

- Using redevelopment funds to buy distressed property and assemble retail sites;
- Interfacing with Brokers, developers and tenants.
- Identifying retail for underserved areas and using planning tools for rezoning to retail only;

7. PRESENTATION AND DISCUSSION: HOUSING ELEMENT

SPEAKER: ERIK PEARSON, SENIOR PLANNER, CITY OF HAYWARD:

Mr. Pearson has been with the City of Hayward for 9 years and has over 14 years experience as a professional Planner. The Economic Development Committee was asked to review and comment on an overview of the draft Housing Element before it is submitted to the State's Housing and Community Development (HCD) Department for review and comment.

The current Housing Element of the General Plan was adopted by the Council on October 21, 2003, and certified by the State on January 22, 2004. State law requires the Housing Element be updated every five years. The Housing Element is one of seven mandated elements of the City's General Plan. A summary of the Housing Element contents:

- Provides an assessment of both current and future housing needs;
- Identifies constraints and opportunities for meeting those needs;
- Provides a comprehensive strategy that establishes goals, policies, and programs;
- Public participation;
- Community profile;

- Housing constraints;
- Housing resources;
- Housing plan;
- Review of past accomplishments.

The 5 goals of the Housing Element are:

1. Maintain/enhance existing housing stock.
2. Assist in the provision of affordable housing.
3. Provide suitable sites for housing development.
4. Mitigate any potential governmental constraints.
5. Educate City residents about fair housing and lending laws.

Mr. Pearson reported that in addition to responding to comments received, the revisions to the Draft Housing Element are a reflection of the priorities the City Council adopted in January 2009 including public safety, neighborhood cleanliness, and economic development.

The revisions serve to make the Housing Element More proactive in terms of ensuring safe operation of multi-family residential properties and homeless shelters and make the City's review process and fee structure less burdensome for developers.

Staff has made several changes to the draft Housing Element, many of which are technical in nature. Mr. Pearson reviewed the more significant changes for the Committee on the following items:

- Homeless Shelters
- Crime Prevention
- Affordable Housing -
 - Regional Housing Needs Allocation
 - Section 8
- Constraints to the Development of Housing -
 - Inclusionary Housing Ordinance
 - Development Review Process
 - Development Fees
- Special Needs Populations –
 - Child Care
- Miscellaneous Items –
 - Sustainability/Water Quality
 - Universal Design

Mr. Pearson referred Committee members to the City's website to view the entire Housing Element Update. He explained that there will be a work session June 16 and the changes should be submitted to the state by the end of June. The state comments should arrive in 60 days and then a presentation to City Council in the fall. Mayor Sweeney

commented that we should not get caught short with commercial retail while we are looking at residential.

8. ECONOMIC DEVELOPMENT ACTIVITIES UPDATE (April & May 2009):

Update on Economic Development Website “Hayward Open For Business:”

Staff continues to work with Development Services to add Building, Planning, Permit and License links on the recently opened Economic Development Website “Hayward Open For Business.” The Web Specialist will be adding this link in June.

Staff interviewed and prepared the PowerPoint Presentation for Ross Dress For Less Store at Southland Mall, and Mi Pueblo Grocery Stores on Hesperian and Tennyson, winners of the April and May Business Recognition Awards respectively.

Staff met to review 3 project area lists provided by Buxton Company. These lists reflect prospective retailers that best fit the purchasing profiles of Hayward’s population, both workers and residents. Buxton will develop 60 marketing packages targeting the retailers that the City of Hayward identifies.

Staff met with the following applicants for the Small Business Revolving Loan Fund:

- Staff met for a second time with representatives that want to open an Indian fusion type of restaurant at a vacant site on Mission Boulevard. They submitted a completed loan application package for review.
- Staff received a loan package from a local bakery for the purchase of a new oven.
- One new loan funded for a yogurt and deli restaurant on Foothill Blvd for equipment financing.

Ten 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 smog shop, yogurt & deli restaurant, board & care business, Indian fusion restaurant, and a book shop.

Four commercial brokers were provided assistance with various site questions.

Twenty-seven additional business owners were provided assistance in obtaining various City services.

Staff is coordinating the City of Hayward multi-department participation in the four Hayward Chamber Street Party events scheduled for June 18, July 16, August 20, and

September 17. The City will be represented by the Economic Development and Redevelopment Departments, as well as the Library, Police, and Fire Departments. Council Members have been invited to sign up for 1 hour, rotating, booth assignments

Northern Silicon Valley Partnership (Fremont, Hayward, Newark, and San Leandro) Update:

- Staff attended the first Northern Silicon Valley Partnership Investor Roundtable, Venture Capital event at the Crowne Plaza Hotel in Union City. There were approximately 30 company representatives in attendance. Two Hayward companies attended. These events are now posted on the Economic Development website.
- Staff met with the Northern Silicon Valley Partnership of the Cities of Hayward, Fremont, Newark and Union City to finalize the July 16, 2009 Investor Roundtable “The Changing Landscape of Investment”. This event promotes connections between entrepreneurs and investors and will be held in Fremont.
- The next investor roundtable event will be held in Hayward.

Staff facilitated two Small Business Development Center business workshops “Starting a Business” on May 19, and “E-commerce & Web Marketing” on June 25.

9. COMMITTEE MEMBER ANNOUNCEMENTS:

Council Member Zermeno requested that the City honor small business owners with an award such as an Entrepreneurship Award.

10. ADJOURNMENT: Meeting was adjourned at 5:45 p.m.

FUTURE ECONOMIC DEVELOPMENT TOPICS
JULY 2009 THROUGH JUNE 2010

July 6, 2009

Appointments to EDC Nominating Committee.
Agenda Planning.

August 3, 2009

No Meeting

September 14, 2009

1. Presentation and Discussion: Buxton Update. Guest Speakers: Lisa Hill, Buxton Company

October 5, 2009

1. Presentation and Discussion: Invite CSUEB and Chabot Jr. College Student Leaders for a discussion on what retail students want.
2. Development Services Department Building Incentives Update.

November 2, 2009

1. Presentation and Discussion: Invite ITT Technical College, Heald, Life Chiropractic Student Leaders for a discussion on what retail students want.

December 2, 2009

1. Presentation and Discussion: Veronica Curley, Southland Mall Manager or Economic Development Strategy Update by Sean Brooks.
2. "Buy Hayward First Campaign"

January 4, 2010

Presentation & Discussion: Commercial/Industrial Market Update, Jim Morris

February 1, 2010

1. Presentation and Discussion: South Hayward Bart/Mission Corridor Study

March 1, 2010

Presentation & Discussion: Alameda County Workforce Investment Board (Review new training programs & employee assistance programs)

April 5, 2010

1. Presentation and Discussion: Retail Update
Speaker: Christine Firstenberg, Managing Director, Metrovation Brokerage.

May 3, 2010

1. Appointments to EDC Nominating Committee
2. Presentation and Discussion: Chabot Facilities Renovation Project Update & HUSD Facilities Update?

June 7, 2010

1. Election of new EDC officers.
2. Presentation & Discussion: Indicator Project Update, Nan Maxwell

EDC Agenda Topics

Dated: July 6, 2009