



CITY OF
HAYWARD
HEART OF THE BAY

Economic Development Committee
Hayward City Hall – 2nd Floor Conference Room 2A

777 B Street, Hayward, CA 94541-5007

December 7, 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 November 2, 2009 Summary Notes**
4. **Presentation and Discussion: Residential Real Estate Update, David Stark, Government Affairs Director, BayEast Association of Realtors**
5. **Business Visitation Reports:**
 - 1) EDC member Jim Wieder on visit to Calply
 - 2) Council Member May on visit to Macy's
 - 3) EDC member Singh on visit to Graybar Electric Company
6. **Economic Development Activities Update – November 2009**
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 JoAnne DAgnostino at 510/583-4245 or by calling the TDD line for those with speech and hearing disabilities at 510/247-3340.

Economic Development

777 B Street, Hayward, CA 94541-5007
Tel: 510/583-4250 Fax: 510/583-3650



CITY OF
HAYWARD
 HEART OF THE BAY

ECONOMIC DEVELOPMENT COMMITTEE

REGULAR MEETING SUMMARY NOTES – NOVEMBER 2, 2009

1. **CALL TO ORDER:** Chair Baines called the meeting to order at 4:02 pm.

ATTENDANCE:

Committee Member	Present 11/02/09	All Meetings Year to Date		Meetings Mandated By Resolution	
		*Present	Absent	Present	Absent
Landon Baines (Chair)	✓	3	1	3	1
Chris Lam	no	3	1	3	1
Council Member May	✓	3	1	3	1
Avtar Singh	✓	3	1	3	1
Terri Swartz	✓	3	1	3	1
Mayor Sweeney	✓	4	0	4	0
Jim Wieder (Vice Chair)	✓	3	1	3	1
Council Member Zermefio	no	2	2	2	2

*August meeting will not count towards attendance.

OTHERS IN ATTENDANCE:

- Greg Jones, City Manager
- Robert Bauman, Director of Public Works
- Sean Brooks, Economic Development Manager
- Sally Porfido, Economic Development Coordinator
- Simon Wong, Tri City Voice Newspaper
- Sarah Kim, Calif. State University East Bay, President, Associated Students
- Emily Wirt, Calif. State University East Bay, Director of Public Relations
- Jessica Gutierrez, Chabot College, President Associated Students

2. **PUBLIC COMMENT:** None.

3. **APPROVAL OF SEPTEMBER 14, 2009 SUMMARY NOTES:** The October 5, 2009 Summary Notes were approved with one correction.

4. HAYWARD POWER PLANT UPDATE – ROBERT BOWMAN, DIRECTOR OF PUBLIC WORKS:

Mr. Bowman reviewed the status of two Hayward power plant projects. The East Shore Energy facility project is dead. Calpine Russell City Energy Center was originally proposed in 2001. It will be a 600 megawatt baseline facility. The plant consists of two gas turbine generators as well as a secondary steam powered generator which makes it a very efficient plant. After the original California Energy Commission (CEC) approval, the project went into a hold status as the energy crisis cooled down and financing became a problem. In 2005 there was an amended application which relocated the project onto part of the city's treatment plant and since then the amended application has been going through another approval process. It has received CEC approval however the Bay Area Air Quality Management District (BAAQMD) was directed by Environmental Pollution Agency to redo the public review process for their federal air quality permit and there have been two hearings at city hall addressing those issues. The next step is a decision by BAAQMD which is expected by the end of the year.

Current project status – Calpine hopes to be able to start construction by September 2010. Construction costs are about \$500 million which would generate a substantial amount of property tax revenue for the city (approximately \$800,000 per year). Plus the project has committed to make a \$10 million contribution for a new Hayward library. In addition, Calpine will hire at peak construction 650 construction workers over the 2 year construction period with completion estimated in June 2012. The plant also makes use of secondary treated effluent from our treatment plant and we hope to make use of their excess tertiary treated water as part of our future recycled water program which is another possible benefit of the project. The power will be sold to P G & E and it is not possible to identify who will benefit from the power similar to the many other power plants that feed into the power grid. Landon Baines asked about the project's potential hazards to Hayward residents? Mr. Bauman explained that through the extensive review process there are many safeguards and the plant will meet all the latest pollution requirements. It is also one of the first power plants that has permit conditions based on green house gas production limits.

For more information visit www.russellcityenergycenter.com.

5. PRESENTATION & DISCUSSION WITH CALIFORNIA STATE UNIVERSITY EAST BAY (CSUEB) AND CHABOT COLLEGE STUDENT LEADERS ON WHAT RETAILERS STUDENTS WANT. STUDENT LEADERS: JESSICA GUTIERREZ, CHABOT COLLEGE, ASSOCIATED STUDENTS, INC. PRESIDENT, SARAH KIM, CSUEB, ASSOCIATED STUDENTS, INC. PRESIDENT, AND EMILY WIRT, CSUEB, ASSOCIATED STUDENTS, INC. DIRECTOR OF PUBLIC RELATIONS:

Sean Brooks, Economic Development Manager, introduced the guest speakers from Chabot College and Calif. State University East Bay:

- Jessica Gutierrez, Chabot College. Ms. Gutierrez was born and raised in Hayward. She is currently a sophomore at Chabot College, is the Associated Student Body

President, serves on various college committees, and works part-time.

- Sarah Kim, California State University East Bay. Ms. Kim is a senior at CSUEB and Associated Student Body President. She is majoring in Political Science.
- Emily Wirt, California State University East Bay. Ms. Wirt is a senior at CSUEB and is majoring in communications. An East Bay native, Ms. Wirt is also the Director of Public Relations at CSUEB.

Mr. Brooks narrated a PowerPoint Presentation "Retail That Students Want" that began with an overview of Hayward's college community of over 30,000 students. Hayward has a wealth of college educational institutions, with 11 identified, including CSUEB and Chabot.

Chabot College Demographics:

- 15,449 total enrollment
- Average age = 23
- 23% of student population resides in Hayward
- Diverse ethnic mix

Chabot currently has new construction in progress for Student Services & Administration as well as new athletic facility upgrades and aquatics remodeling.

Chabot College retail trends –

- Student Interests – Careers, General, Government, Social, Other – Free Food Workshops
- Where do they go for lunch – Nearby fast food restaurants, Eon Café, School cafeteria.
- Where do they buy their books – On-line, Borders, Waldenbooks, friends.
- Where do they hang out – San Francisco, Chabot parking lot, Starbucks, Borders in U.C.
- What would they like to see – More student-engaging activities, Council members giving a presentation about community and overall status.
- What would make them spend more time and money in Hayward – more retail places to shop, book stores, entertainment such as movies and bowling, frozen yogurt.
- What future events would you like to see the City put on – Fun, engaging activities, Christmas events, Performances such as concerts, dance competitions, etc.

CSUEB Demographics:

- 14,167 total enrollment (under grad = 10,913, graduate = 3,254, International/Exchange = 1,098)
- Average age = 27 years old
- On-campus residents = 1,200 students
- Gender: 62% female, 38% male
- Diverse ethnic mix
- Public transit – 640 students take it

- Students who drive – 2,800 students
- Campus environment: Master Plan approved for expansion; most popular major is Business Administration

CSUEB Retail Trends –

- What are students interested in – Areas to hang out at night, late night coffee/study shops with internet access, billiard halls, dining/bars/nightlife.
- Where do students eat - Bronco Billy's, Subway, China Best, anything close to the campus.
- Where do they buy their books – online, Books on the Run, Campus Bookstore.
- Where do they hang out/spend money – Coffee shops, movie theaters, Stoneridge Mall, restaurants (U.C.), happy hours.
- What would make you spend more time/money in Hayward – More eating and shopping establishments like Union Landing and Hacienda Crossings, enhancing the development and aesthetic value of downtown Hayward and its buildings, safer environment to walk around downtown (esp. after 6 p.m.).
- What future events would you like to see the City put on – Street Fairs that cater to the young crowd since there are over 30,000 students in Hayward on a weekly basis.

Solutions/Suggestions:

- College Discount Day
- College Fair
- Other Events such as Mardi Grad, events held at Downtown venues
- Partnership

Question & Answer Session:

Terri Swartz – Due to crowded parking conditions at CSUEB, would it be beneficial for a trolley or shuttle service to the downtown and mall areas? Jessica Gutierrez – That's a great idea because students do not want to leave campus and lose their parking spot.

Mayor Sweeney – What does not work for students about Southland? Emily Wirt – Clothing stores are not appealing for college or working people. Too many specialty party type clothing stores and shoe stores. The new Kohl's is a good addition. The mall needs updating.

Terri Swartz – If each of the student leaders can make one suggestion to get students engaged and to participate in shopping in Hayward, what would it be? Emily Wirt – put student suggestions on Facebook. Sarah Kim – Update the mall. Jessica Gutierrez – college student discount partnership with local retailers.

Jim Wieder – How would they rate the downtown? Sarah Kim – She thinks the downtown area has improved. Emily Wirt – Safety is a primary concern. Downtown is getting better but she does not shop at Southland after 8 p.m. The perception is that it is not safe to walk downtown in the evening. Jessica – Get store owners to spruce up their storefronts to make

them more inviting.

6. REVIEW OF CURRENT STRATEGIC PLAN – Deferred until February 1, 2010 meeting.

7. ECONOMIC DEVELOPMENT ACTIVITIES UPDATE (OCTOBER 2009):

Staff attended an International Council of Shopping Centers event at the San Ramon Marriott. The International Council of Shopping Centers (ICSC) hosted a Northern California Idea Exchange and Retail Connection event at the San Ramon Marriott on October 2, 2009, which was attended by Sally Porfido. The session opened with an overview of the U.S. Retail Economy, including a list of those retailers that have closed their doors and a list of those retailers that are still active.

Commercial Real Estate is the new crisis with commercial real estate sales at an 18 year low. There is currently \$2.6 trillion in commercial real estate debt held by banks and approximately \$1.5 trillion in debt coming due. Lenders are opting not to foreclose and attempting to hold back the floodgates to release properties at a slower pace so as not to flood the market.

There were some glimmers of hope as a panel discussion revealed that while retail is down in the current economy, there are many retailers expanding and it is all about thrift and appealing to various age groups, lifestyles, and cultures. The consumer wants to achieve more value for their time and money, so venues that meet multiple needs are looking more attractive.

At the afternoon session for the ICSC event, 15 retailers reviewed their current site requirements and expansion plans. Economic Development staff met with retail representatives from BevMo, Chipotle, Safeway, and 24 Hour Fitness and is following up with these retailers and others on specific sites available in Hayward.

On Tuesday, October 27, City Manager, Greg Jones, Director of Finance, Debra Auker, and Economic Development Manager, Sean Brooks met with a local Hayward NUMMI supplier. Also, in attendance at the meeting were East Bay Economic Development Alliance (“East Bay EDA”) Director; Bruce Kern, Alameda County Workforce Investment Board Specialist; Sandy McMullan, Manex President and CEO; Bruce Meyers, and Manex Vice President, Jonathan Lee. Due to the pending closure of the NUMMI plant, the company requested meeting with the City of Hayward to ascertain what resources are available as they look to transition. The company noted that currently 90% of their business comes from NUMMI. The supplier employs approximately 360 people and manufactures the plastics used in the door panels, dashboards, etc. for the Toyota Tacoma truck and the Toyota Corolla sedan.

Staff met with Mr. Adan Martinez of NAI BT Commercial regarding third quarter commercial real estate reports. Mr. Martinez updated staff on commercial vacancy rates in Hayward as well as other East Bay cities. Mr. Martinez explained that there is a trend for food manufacturers to move to Hayward due to the central location and low lease rates.

SMALL BUSINESS REVOLVING LOAN FUND ACTIVITIES:

Staff funded a loan to a local yogurt shop owner to pay off the high interest debt and assist with a new advertising campaign.

Staff is working with a local Vietnamese Restaurant to open up an interior wall to incorporate windows onto a patio area and landscaping project work to transform an outdoor seating area.

Staff met with two new potential applicants for the small business revolving loan fund program – a local crepe restaurant and a Mexican grocery store relocating from Mission Blvd. to Foothill Blvd.

Two 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 hair salon, and a cooking school business.

Six additional business owners and two Commercial Brokers were provided assistance in obtaining various City services.

OTHER ECONOMIC DEVELOPMENT ACTIVITIES:

Northern Silicon Valley Partnership (Fremont, Hayward, Newark, and Union City) Update:

- Staff attended a meeting of the Northern Silicon Valley Partnership (NSVP) in Newark to plan for upcoming Venture Capital Roundtable and biotech events in 2010.
- Staff is working with the NSVP to apply for iHub status with the State. An initial letter submitted has been approved to continue with the application process.

Staff coordinated City department participation in the 1st annual Hayward/Union City Business Expo under the Grand White Tent at St. Rose Hospital. Hayward was represented by Economic Development/Redevelopment, Public Works, Library, Police and Fire Departments at this event. The Expo was a combination Chamber Mixer and Table-Top Expo with 83 vendor tables and approximately 350 attendees. A new feature was the addition of Hayward's own Lava Band playing Latin music for the enjoyment of the Expo attendees. The turnout for the inaugural event exceeded estimates and is destined to grow in upcoming years.

The Hayward Chamber of Commerce and Comerica Bank hosted an official ribbon cutting event on Wednesday, October 14, 2009 at the Comerica Bank location on "B" Street and Mission Boulevard. Mayor Mike Sweeney, Councilmember Bill Quirk, and Councilmember Anna May and Economic Development staff were in attendance for the festive event. Comerica Bank Assistant Vice President and Branch Manager, Danny Qutob, appreciated the partnership with the Chamber and the City of Hayward. Comerica Bank, a firm believer in the local economy,

put their money into the Hayward community by making several donations to local charities, and non-profits, such as Eden Housing. The ribbon cutting event provided a great opportunity to showcase Downtown Hayward and the community.

Staff facilitated a Getting Certified Series with the Small Business Development Center. The October 13 class was the first in a two session series at City of Hayward Council Chambers. This class reviewed various certification programs available for small and/or diverse businesses. The 66 attendees learned how to complete the application, gather supporting documents, develop a thorough understanding of the benefits of being certified, and leveraging their certified status to obtain business opportunities with major corporations. At the end of the class, a panel discussion with small business advocates from several large corporate and governmental agencies gave attendees additional information and time to network at the program conclusion. The 2nd class was conducted on October 27 at the City of Hayward Council Chambers and there were 45 attendees.

Staff attended the East Bay Economic Development Alliance (“EDA”) annual fall membership meeting on Friday, October 16 at the Midtown Event Center in Downtown Oakland. The program highlighted the regional partnership efforts of the East Bay EDA and Stop Waste. Several businesses such as Costco of Livermore, Bayer Healthcare Pharmaceuticals of Berkeley, our very own Heat & Control Inc. of Hayward, and several others received Business Efficiency Awards. In attendance was Councilmember Olden Henson, who presented the awards and recognized various sponsors. The EDA also released the 2009 East Bay Economic Indicators Report, which annually benchmarks the social, environmental, and performance indicators for Alameda and Contra Costa Counties. Overall, the meeting emphasized that the East Bay is moving forward towards a sustainable recovery that benefits communities in our region.

Staff met with Cal State University East Bay regarding a letter of support from the University for the iHub application the NSVP is currently working on.

Sean Brooks facilitated The City of Hayward’s Mariachi on the Plaza event on Friday, October 30 from 6:00pm to 8:00pm. Residents were encouraged to join the fun with this local favorite 8-piece Mariachi Band along with planned vendors, food, and children’s activities. This family oriented event was presented to not only be entertaining but to foster a strong community atmosphere.

8. COMMITTEE MEMBER ANNOUNCEMENTS:

Terri Swartz invited the Economic Development Committee members to attend a January 21, 2010 Biotech event at California State University East Bay.

Council Member May told committee members she is working with a resident on an Asian supermarket concept.

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