



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

July 12, 2010

4:00 p.m. – 5:30 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 3 minutes each; organizations represented by more than one speaker are limited to 3 minutes per organization. All public comments are limited to this time period on the Agenda.)
3. **Approval of June 7, 2010 Summary Notes**
4. **Business Visitation Report: Ross Dress For Less, by Michael Lawson, City Attorney**
5. **Presentation and Discussion: Retail Update. Speaker: Christine Firstenberg, Managing Director, Metrovation Brokerage – 45 minutes**
6. **Farmer's Market Update: Gloria Ortega, Redevelopment Project Manager – 10 minutes**
7. **Proposed Polystyrene Foam Ordinance Update: Vera Dahle-Lacaze, Solid Waste Manager – 10 minutes**
8. **Economic Development Activities Update – June 2010**
9. **Committee Member Announcements**
10. **Adjournment**



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ECONOMIC DEVELOPMENT COMMITTEE

REGULAR MEETING SUMMARY NOTES – JUNE 7, 2010

1. CALL TO ORDER: Chair Baines called the meeting to order at 4:10 pm.

ATTENDANCE:

Committee Member	Present 6/7/10	All Meetings Year to Date		Meetings Mandated By Resolution	
		*Present	Absent	Present	Absent
Landon Baines (Chair)	✓	8	3	8	3
Chris Lam	✓	8	3	8	3
Council Member May	no	9	2	9	2
Avtar Singh	✓	10	1	10	1
Terri Swartz	✓	9	2	9	2
Mayor Sweeney	✓	11	0	11	0
Jim Wieder (Vice Chair)	✓	8	3	8	3
Council Member Zermeño	✓	9	2	9	2

*August meeting will not count towards attendance.

OTHERS IN ATTENDANCE:

Fran David, City Manager
Sean Brooks, Economic Development Manager
Sally Porfido, Economic Development Coordinator
Andrew Wilson, Hayward Resident

2. PUBLIC COMMENT:

Mr. Wilson spoke to the Committee about his concerns regarding the lack of the City of Hayward being mentioned in connection with the San Mateo bridge. He would also like to see students open a business selling Hayward tee shirts. Per Council Member Zermeño, he thinks we should have a Hayward/San Mateo Bridge sign. Mayor Sweeney explained that we can talk to Cal State University East Bay and their assembly regarding putting up the Hayward/San Mateo Bridge sign.

3. APPROVAL OF MAY 3, 2010 SUMMARY NOTES: The May 3, 2010 Summary Notes

were approved.

4. REVIEW COMMITTEE CONSOLIDATION RECOMMENDATIONS:

Sean Brooks, Economic Development Manager, reviewed the proposed committee consolidation memo sent to the Economic Development Committee (EDC) members dated June 7, 2010. Historically, the EDC is tasked with advising City Council about the economic climate of the City and ways to improve local business and employment opportunities.

There are several Council standing committees as well as boards, commissions, and committees that have similar objectives, such as the City Council Commercial Center Improvement Committee ("CCCCIC"), the Council Downtown Committee ("CDC"), and the Hayward Redevelopment Area Committee ("HRAC"). Mr. Brooks gave a brief snapshot of those particular committees and EDC members received attachments that described each committee and its membership in detail.

EDC members were given three potential committee consolidation alternatives for consideration and unanimously voted to recommend Alternative A, described as follows:

Alternative A

- 3 City Council Members
- 3 EDC Members
- 3 HRAC Members
- 3 CCCCIC Members (propose same 3 Council Members mentioned above)
- 3 CDC Members (propose same 3 Council Members mentioned above)

Total = 9 Members

The combined committee would take into account all aspects of the four separate committees under one umbrella. If there is a strong aversion to only nine members on the committee, in the inaugural year, FY 2011, all of the eight current EDC members (3 Council, 5 non-Council), and all of the eight HRAC members (all non-Council) could remain on board and gradually decrease through attrition over the next few years.

Under this format, the Economic Development Committee would become a Council Committee and the Mayor would select a Council member chair or could choose to chair the newly formed committee at inception.

The EDC committee consolidation recommendation will go to City Council for approval in the fall of 2010. Per Fran David, City Manager, the EDC is currently a non-Council Committee but it will become a Council Committee if the recommendation is approved. The Council Committees do not have By-Laws.

The EDC will continue to meet as scheduled until the committee consolidation recommendation has been voted on by City Council.

5. ECONOMIC DEVELOPMENT ACTIVITIES UPDATE (MAY 2010):

Staff met with the Store Managers of the two Hayward Safeway Stores, one on Foothill Boulevard and one on Jackson Street, to interview them for the June 1 Business Recognition Award. Founded in 1915 by M.B. Skaggs, the name was changed to Safeway when he merged his Skaggs Stores with Safeway in 1926. Today there are 1,775 Safeway stores across the United States and Canada.

Economic Development staff attended a Broker's Open House at the Mt. Eden Business Park hosted by Dan Bergen of Colliers Parish on May 4, 2010. The event was held in a vacant two-story shell office, R&D building at 25841 Industrial Boulevard, which has recently become available. The Mt. Eden Business Park is home to many outstanding Hayward businesses, including Solta Medical (formerly Thermage), Illumina, Mipox, Simmons, and others. This interactive forum highlighted the benefits of locating in this business park and encouraged agents to market it effectively. The business park is adjacent to the Japanese Tea Garden, nearby Marriott Fairfield Inn and Suites, and would work well for various life sciences/light industrial type businesses. Approximately 60 commercial brokers were in attendance representing all the major commercial brokerage firms such as Colliers International, Cornish & Carey Commercial, Cassidy Turley, BT Commercial, Michael Tanzillo & Company, and others. In addition to 60 plus brokers in attendance, the property owners, Simeon Properties, and their leasing agents were on hand to answer various questions and to showcase the building.

On May 5, 2010 the Northern Silicon Valley Partnership ("NSVP") sponsored their Investor Roundtable Series, a free Entrepreneur Pitch event, where entrepreneurial companies had the opportunity to pitch their ideas. The NSVP consists of the cities of Hayward, Fremont, Newark, and Union City. This event was held at the Crowne Plaza Hotel in Union City and was geared towards biotechnology, medical devices, and other healthcare technology companies. The NSVP sponsors the Investor Roundtable event on a quarterly basis, with Hayward serving as the host last quarter.

The two members of the Venture Capital Investor Panel included: Michael Brahan, Kaiser Permanente Ventures; and Alex de Winter, Mohr Davidow Ventures. From the various applications received, the NSVP selected the following six applicants below to present their pitch concepts and ideas to the investor panelists:

- DNA Guide, Alice Rathjen, CEO and Founder, personalized genomics tools for the lab, healthcare environment and home.
- Pulmostics, Bill Wittmeyer, President, provides a low cost, fast technology that can identify stage one lung cancer in patients.
- DermDx, Usha Nagavarapu, PHD, VP Product and Clinical Development, a medical device that is capable of accurate, non-invasive skin cancer diagnosis.
- SpectroScape, Dr. Sonia R. Sousa, CEO & Founder, diagnostic devices, providing rapid, laboratory grade diagnostics at the point-of-care.

- Canvir, Mitchell Globus, M.D., President, provides molecular tests for cervical cancer in women.
- Alveeva Medical, Inc., Jeff Yeung, M.S., Founder & CEO, disc shunt technology to immediately relieve back pain.

On May 18, 2010, approximately 65 small business owners and potential start-ups attended the Mid-County Business Resource Fair entitled “Strengthen Your Business in Difficult Times.” This free event was sponsored by:

- Alameda County Redevelopment Agency
- Castro Valley/Eden Area Chamber of Commerce
- Alameda County Small Business Development Center
- City of Hayward
- Hayward Chamber of Commerce
- City of San Leandro
- San Leandro Chamber of Commerce

The event offered participants valuable information on how to access capital in challenging times and how to increase sales via the web and e-networking. The Alameda County Waste Management Authority, Stop Waste.Org, and Kema Service were also on-hand to discuss green resources with interested business owners. Overall, the forum provided some optimism on how to access funding in our current economic environment.

Staff attended the International Council of Shopping Centers Reconnect Event in Las Vegas May 23 through May 25. Appointments were scheduled with various retailers interested in Hayward as well as developers, and commercial brokers that do represent clients that want to do business in Hayward. Staff will follow up on many leads developed through this event.

SMALL BUSINESS REVOLVING LOAN FUND ACTIVITIES:

Two loans funded in May, one for a custom cookie manufacturing company and another for a local Italian Restaurant that is currently expanding.

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 start-up businesses were: a loan business and a medical equipment business.

Sixteen additional businesses were provided assistance in obtaining various City services and information.

Two Commercial Brokers were provided assistance with Hayward sites that they are

representing.

OTHER ECONOMIC DEVELOPMENT ACTIVITIES:

On Saturday, May 1, an internet viral commercial advertising AMD computer chips was filmed at the City Hall building in the City Manager's office and various cubicles on the 4th floor. This is the third production of its kind to take place in the City of Hayward, with the second time that City Hall has been showcased. Staff is excited about the increased exposure and the future opportunities that can ensue. Councilmember May has been instrumental in encouraging production companies to look at Hayward as a site for filming opportunities. The recent advertising commercial for AMD was a no sound production that emphasized the lifestyle enhancements that consumers would garner from using their featured product. The internet viral commercial should air within the next 2 months.

The film industry, like most sectors, is looking for creative ways to decrease costs, and therefore the internet viral commercials will become more popular due to their cost effectiveness. The City is hopeful that these productions will place Hayward on the radar and expose the City to future opportunities within the film and entertainment industry.

Staff attended the 2010 East Bay Economic Forecast facilitated by the East Bay Economic Development Alliance ("East Bay EDA") on May 7, 2010. Approximately 170 attended this event to hear Dr. Ed Leamer, Director of UCLA Anderson Forecast, discuss the East Bay Economic Forecast. Dr. Leamer began with an overview of the causes of the current economic downturn:

- As fear gripped consumers, retail sales started dropping in September 2008.
- As fear gripped business leaders, job growth declined beginning in September 2008.
- The gloom influenced the bond market. The new normal growth rate is now 2% and not the 3% we've had in the past 35 years.

He gave an overview of the "troublesome things" that have affected the United States long-run growth since 1970:

- Oil price shocks
- Inflation and subsequent high real rates of interest
- The Personal Computer
- Cold War Disarmament
- The Internet
- Bush tax cuts
- Global savings glut
- The housing bubble

Mr. Leamer pointed out that the U. S. is fundamentally healthy. We are now experiencing overdue balance sheet repair wherein consumers spent income they were

never going to receive and thus increasing their debt. Consumers overall have now adjusted their spending habits and the personal savings rate has increased. He also pointed out that housing values will come back, but very slowly.

Mr. Leamer explained that the following are not forecasts but his personal hunches about the economy:

- Negative growth is behind us
- Housing market recovery
- 3% not 5% recovery
- Unemployment persists
- Commercial real estate is troubled
- Depreciating dollar
- Federal Funds Rate elevates in the fall of 2010 after convincing signs of growth

Overall, the East Bay is still awaiting job growth and while housing is still sputtering, investors are coming back into the market. On a positive note, exports are recovering nicely and all port activity is up at this time as well as consumer spending for the first quarter of 2010.

This summer is shaping up to be action packed at the Hayward City Hall Plaza with over 17 concerts, and 4 movies running from May 7 through September 24. The Concert Series began in May with the “Jet Lag” band on May 7 and the “Herd of Cats” Band on May 21.

The Concert Series will also feature the popular Chabot College Jazz Orchestra band which is led by Director, Jon Palacio, Jr. who will play on three dates: Friday, July 23; Friday, August 27; & Friday, September 24. Other favorite local bands from a variety of genre’s will play during the series, such as: “The Other Guise”, “Gin House”, and “Mariachi Mexicanismo” to name a few. A complete list of bands and dates can be found on the City of Hayward website.

In addition to the Concerts, there will be four movies on the Plaza shown in partnership with the Hayward Area Recreation and Park District (“HARD”). The movie information is also listed on the City’s website.

6. COMMITTEE MEMBER ANNOUNCEMENTS:

Committee Member Lam requested a report on upcoming events. Sean Brooks responded that staff will bring flyers regarding the summer concert series and Chamber Street Parties to the next meeting.

Council Member Zermefio announced two upcoming festivals in Hayward: August 22 the first Mariachi Festival and August 28 a Tequila Festival.

Sean Brooks announced the June 17, 2010 MSI Stone International grand opening/ribbon cutting event.

Chamber Member Wieder commented that the Saturday Farmer's Market is a huge success and requested staff research expanding it to Sunday as well. Sean Brooks replied that staff will research this with the Redevelopment staff because they handle the contract with the Farmer's Market. An update report will be provided at the July EDC meeting.

7. ADJOURNMENT: Meeting was adjourned at 5:11 p.m.



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DATE: July 7, 2010
TO: Council Sustainability Committee
FROM: Director of Public Works
SUBJECT: Proposed Ban on Polystyrene Foam Food Service Containers

RECOMMENDATION

That the Committee reads and comments on this report.

SUMMARY

At its March 3, 2010 meeting, the Council Sustainability Committee directed staff to prepare a report and draft necessary documents, including a draft ordinance, concerning prohibition of the use of polystyrene foam food service containers. The primary goal of the ordinance would be to restrict food vendor use of polystyrene foam food service containers and to create a shift to multiple-use containers, where possible. Where multiple-use containers are not viable, the desired shift would be to plastic or paper containers that could be recycled or composted. The proposed ordinance would be consistent with Action 6.4 of the City of Hayward's adopted Climate Action Plan to evaluate banning polystyrene from landfills. Copies of the Draft Ordinance and Draft Negative Declaration are attached to this report. A Draft Initial Study has been prepared and is on file.

BACKGROUND

Polystyrene foam is commonly, but mistakenly, known by the name Styrofoam™, a Dow Chemical Company trademarked form of polystyrene foam insulation. It is formed by adding a blowing agent to polystyrene, a petroleum-based plastic material. Most foam cups and bowls are made from expanded polystyrene using a process that heats polystyrene beads in a mold so that the beads expand and adhere to one another. Other foam containers, such as clamshells and trays, are made from extruded polystyrene, which is foamed as it is extruded. Polystyrene foam is extremely light weight (about 95 percent air), has good insulation properties, and is used in products from cups that keep beverages hot or cold to materials that keep items safe during shipping. Clear and solid polystyrene is used to make salad containers, cold cups, and eating utensils. CalRecycle (formerly the California Integrated Waste Management Board) estimates that Californians use 165,000 tons of expanded polystyrene annually for packaging and food service purposes.

Unfortunately, polystyrene is difficult and costly to recycle and has some environmental drawbacks. Polystyrene products are inexpensive in part because the costs to collect and dispose of this product are deferred to the public and the environment. Food service polystyrene foam causes unique litter management issues because it is light weight, floats in water, and is easily blown by the wind from place to place, even when disposed of properly. Polystyrene foam can enter creeks or storm drains, whether directly or indirectly, and is observed during street sweeping activities and local creek clean up events. Staff estimates that polystyrene foam comprises about 15 percent of the volume of litter collected from Hayward's storm drains, based on data compiled in the 2008 Waste Characterization Study for Alameda County. Waste Management of Alameda County, the City's solid waste and recycling contractor, has confirmed that it has no recycling market for polystyrene foam. It should be noted that Hayward's recycling programs accepts all clean plastic bottles and containers with resin #1 through #7, though there is no market for polystyrene foam, which is identified as resin #6. All plastic bottles and containers #1-7, including #6, are accepted because studies have shown that residents and businesses recycle more of the acceptable plastics when all numbered containers are permitted.

Polystyrene litter, especially expanded polystyrene foam, is a threat to natural ecosystems due to its tendency to break into smaller pieces that are similar in size and appearance to the food of some wildlife species. These small pieces can be ingested by marine wildlife, leading to reduced appetite and nutrient absorption and possible death by starvation. Food service polystyrene is also a one-time use product that degrades slowly in nature. A CalRecycle report has noted that "in the categories of energy consumption, greenhouse gas effect and the total environmental effect, polystyrene's environmental impacts were second highest, behind aluminum." (*Use and Disposal of Polystyrene in California*, California Integrated Waste Management Board, December 2004).

DISCUSSION

Adoption of Bans by Other Municipalities - Nearly 100 municipalities nationwide, including 35 in California, have banned polystyrene foam food service ware. Cities in Alameda County that have adopted such ordinances and the effective dates include Alameda (January 2008), Albany (September 2008), Berkeley (January 1990), Emeryville (January 2008), Fremont (January 2011) and Oakland (January 2007). Some other cities and counties nearby that have adopted an ordinance and the effective dates include Marin County (January 2010), Millbrae (January 2008), Palo Alto (April 2010), Richmond (July 2010), San Bruno (April 2010), San Francisco (June 2007), San Mateo County (July 2010) and South San Francisco (October 2008).

The City Council for the City of Fremont approved its proposed ban on polystyrene foam food service ware on May 11, 2010. Staff from Fremont indicated that local businesses did not oppose the ban, that the Fremont Chamber of Commerce supports the ban, and that it received letters from the American Chemistry Council and the California Restaurant Association opposing the ban. Fremont staff also indicated that a representative from the California Restaurant Association spoke in opposition to the ban during the public hearing. Representatives from the following groups spoke in support of the Fremont ban: Save the Bay and Clean Water Action.

Status of Legislation - As indicated in the March 3, 2010, report to the Committee, AB 1358 (Hill), which would have prohibited food vendors from distributing polystyrene food packaging, is a two-year bill and will be inactive until next year. Likewise, AB 2138 (Chesbro), which is broader in scope than AB 1358 and had replaced AB 1358, will not receive further consideration. Supporters of both bills included AFSCME, AFL-CIO, City and County of San Francisco, Planning and Conservation League, and Sierra Club of California. Those opposed included a host of different groups, such as the American Chemistry Council, the California Chamber of Commerce, and the California Grocers Association.

Recommended Provisions - Staff has reviewed ordinances of each municipality listed above and has discussed various aspects of those ordinances with staff from several cities that have already implemented an ordinance banning polystyrene. The proposed ordinance for the City of Hayward takes into account comments from other cities and includes the components that staff believes are most relevant and productive to achieve the City's goals of reducing trash and using more sustainable products, as well as those of the City's business community and citizens.

Staff recommends that the ordinance apply to any retail establishment located within the City that provides prepared food or beverages including, for example, restaurants, supermarkets, delicatessens, sales outlets, shops, outdoor vendors, cafeterias, catering trucks, caterers, special events promoters, farmers markets, and retail food vendors. The ordinance would also apply to the City of Hayward and its facilities, including permit holders, though would not apply during emergency response actions. If the ordinance is adopted by the City Council, staff from the Hayward Area Recreation and Park District (HARD) has confirmed that their agency would implement the same provisions District-wide with their contracted vendors, senior center, and concessions at Kennedy Park. However, HARD staff will not attempt to control compliance by park patrons. As with most other City ordinances, the Hayward Unified School District will not be subject to the ordinance.

The proposed ordinance would require the use of compostable or recyclable take-out food service ware, rather than polystyrene foam containers, for any food or beverage prepared for consumption within the City using any cooking, packaging, or preparation techniques by the food vendor. This requirement would not apply to uncooked meat, fish, poultry, or eggs, unless provided for consumption without further preparation, such as sushi. The definition of food service ware would include plates, cups, bowls, trays, and hinged and lidded containers. Items often associated with take-out food service but not restricted by the ordinance, as these items are not typically made of polystyrene foam, would include single-use straws, coffee stirrs, utensils or hot-cup lids.

Alternative products to polystyrene foam are readily available and are used in other cities with similar packaging bans. These recyclable or compostable alternative products include paper-based packaging, compostable plant-based packaging, recyclable plastic packaging identified as recyclable by the City in its municipal recycling program, and aluminum packaging. For purposes of this proposed ordinance, compostable would mean that all the materials in the product or package will break down into, or otherwise become part of, usable compost, such as a soil amendment.

Rigid plastic containers are also currently available in many shapes, sizes, and styles for use instead of polystyrene foam. Aluminum packaging is also an acceptable alternative to polystyrene packaging, as aluminum has well-established recycling markets.

ENVIRONMENTAL REVIEW

Staff has conducted an initial study and concluded that implementation of the proposed Hayward Municipal Code amendment to ban use of polystyrene foam food service containers by food vendors within the City of Hayward will not have a significant adverse impact on the physical environment. Hence, a negative declaration has been prepared.

ECONOMIC IMPACT

The estimated per-unit costs to buy recyclable and biodegradable containers range from two to four times more than polystyrene foam food service ware, depending on the container type, weight, and durability, according to three vendors who sell recyclable and biodegradable containers to cities, universities, and private sector companies. To assess the actual cost differential between polystyrene foam containers compared to sustainable paper-based products, staff visited a wholesale business (Costco Business Center) and recorded the cost of the two types of containers. On average, a hinged polystyrene container cost about \$0.10 each, while the equivalent paper container cost about twice as much. Thus, the cost impact per food product purchased using this particular container could be \$0.10 to \$0.15 more.

If, for a low-price restaurant, the cost per food item is assumed to be about \$4.00 to \$5.00, the cost of the polystyrene foam container would be close to 2% of the total cost. If this restaurant switched to a more sustainable product, the container cost would be about \$0.20 to \$0.25, or about 4% - 5% of the cost. Therefore, the additional cost of switching to a sustainable container would be 2% - 3% of the revenue of the portion of food that is sold using polystyrene foam containers. The largest impact would be incurred by restaurants using polystyrene foam for both takeout and inside dining. For restaurants that do not use polystyrene foam plates for in-store dining, or where takeout is not a major part of the business, the impact would be much less. In terms of real dollars, based on the survey of the restaurants and other information gathered, staff estimates the additional cost to be between \$150 - \$250 per month for most small- to medium-size retail food establishments.

Assuming that this cost cannot be passed on to customers and, if absorbed by the food vendor, this amount will need to come from each business' earnings. Actual costs for an alternative product would be largely dependent on the amount and types of disposable food service ware used. Some businesses have identified cost-neutral alternatives to replace polystyrene foam food service ware, according to staff from other cities. As demand for alternative products increases, the development of new products at cost-competitive rates could occur.

Enforcement of this ordinance would be on a complaint basis and reported to the Public Works Department for response by Solid Waste Program staff. The City Manager or designee would be authorized to enforce the ordinance and issue fines for uncorrected violations. Food vendors would

be exempt for a period of time on a case-by-case basis for undue hardship after the effective date of the ordinance. Undue hardship would include, for example, conditions unique to the food vendor not typically applicable to other vendors in similar circumstances. The City Manager or designee would have the authority to determine if a violation occurred and issue a written warning notice to the food vendor.

Staff would work with food vendors to provide the necessary education to comply with the ordinance. While business outreach would be the primary tool to encourage the switch to more sustainable products, fines would be used as a last resort for vendors that continue to violate the ordinance. Violation of the proposed ordinance would require a written warning to the food service vendor. Any violation that occurs after a written warning has been issued would be subject to civil and administrative enforcement and may include a fine established by resolution of the City Council. Citations issued for a violation would include the vendor's right to an administrative hearing to challenge the validity of the citation and a time for requesting that hearing in accordance with the City's Municipal Code.

FISCAL IMPACT

The ordinance would be implemented by Solid Waste Program staff using available Recycling Fund monies. No impact to the General Fund is anticipated.

PUBLIC CONTACT

Public Meetings Inviting Comments - On June 4, staff mailed a letter (copy attached) to over 350 restaurants, other retail food service establishments, and the Chamber of Commerce inviting comments regarding the proposed ordinance. The letter described the proposed provisions of the ordinance and identified two informational meetings scheduled for the convenience of business owners: 3:00 p.m. on June 21 and 7:00 p.m. on June 22, both of which were held at City Hall. Informational literature describing the assistance available to businesses to implement collection of mixed recyclables and organics collection were provided at both meetings. The letter also invited all business owners to the July 7 Council Sustainability Committee meeting.

Those attending the June 21 meeting included Council Member May; Greg Jones of Hayward; Johnnie Downs, a representative from the California Restaurant Association (CRA); Simon Wong, a reporter from the *Tri-City Voice* newspaper; and Allen King, a local vendor that sells biodegradable food service ware. Mr. Jones was the sole attendee at the June 22 meeting. Following is a summary of each attendee's comments and staff's response:

- Council Member May explained that the additional cost to buy recyclable or biodegradable containers would disproportionately impact smaller restaurants, particularly those that serve food on polystyrene foam plates and/or that a significant portion of their business is take-out service using polystyrene foam containers. She recommended that, if the ordinance is approved by Council, a surcharge be applied when a recyclable or compostable container is required. She further recommended that businesses be offered stickers for display to their

customers to acknowledge use of the containers. Ms. May explained that some businesses may choose to pass along the cost to their customers by posting a notice attributing an increase in costs due to the adopted ordinance.

Council Member May asked whether stores selling polystyrene foam food service containers, such as Costco and Smart and Final, would be subject to the ordinance. Staff responded that retail sales of such containers would not be subject to the ordinance. However, the Costco retail on-site food counter would be subject to the ordinance, although it does not appear that very much polystyrene foam food ware is used there.

Council Member May also asked if the ordinance had been referred to and discussed at the City's Economic Development Committee (EDC). Staff indicated that the provisions of the ordinance will be summarized at the July 12 EDC meeting, and that the EDC's comments and suggestions will be included in the Council Report, tentatively scheduled for a public hearing and Council action in September. Council Member May added that the proposed ordinance should have been presented to the EDC for review before being presented to the Council Sustainability Committee.

- Mr. Jones recommended consideration for a phased application of the ordinance with larger businesses required to comply first and smaller businesses required to comply at a later date. Businesses could be categorized based on annual sales or number of employees, for example.

In response to Mr. Jones' question regarding which businesses would be subject to the ordinance, staff indicated that the proposed ordinance would apply to all businesses that provide prepared food or beverages, regardless of the number of employees or annual sales. Mr. Jones also recommended that the City Council actively support adoption of statewide legislation.

- Ms. Downs, the CRA representative, explained that some of their membership has reported needing to use two biodegradable containers to avoid leakage of food from the containers, thus increasing their costs to comply with municipalities' regulations. She also indicated that some of the larger chain restaurants had not fully complied with ordinances in other nearby jurisdictions.

In response to Ms. Downs' question regarding specific provisions of the ordinance, staff indicated that only polystyrene foam containers and not clear polystyrene containers, would be subject to the ordinance.

Contact with Chamber of Commerce - Staff has contacted the Chamber's Interim CEO, Brian Schott, and discussed this issue. Mr. Schott indicated that the Chamber's Board had not formally discussed or taken a position on this issue yet. He said the new Board will be seated as of July 1, and its first meeting would be on July 22. Mr. Schott further indicated that the Board's Government Relations Council, which meets on the 2nd Thursday of the month (July 8th) at 7:45 a.m., would be a good venue for City staff to attend and discuss this issue. He said after that the

Board can discuss the issue and take a position, and, realistically, that could happen at the Board's meeting in late August.

Staff advised Mr. Schott of the schedule for going before the Council's Sustainability Committee on July 7 and, if approved by that Committee, to hold a public hearing before the Council, tentatively scheduled for September. Mr. Schott indicated the timing of the City Council meeting would work well for the Chamber of Commerce; by then its Board should have met. Staff requested a written indication of the position of the Board after its action, and the Chamber's CEO graciously agreed to provide that.

Survey of Restaurants' Use of Polystyrene Foam Food Ware - Staff conducted a survey of 56 primarily non-chain, small to medium-size restaurants in the City of Hayward, including those that offer seating and those that offer take-out with some limited seating. The purpose of the survey was to invite comments regarding the extent of use and monthly costs for polystyrene foam plates and containers relative to their other regular expenses, e.g., labor, food and rent. Nearly half of the businesses surveyed were conducted with owners at their business location and the others were conducted via phone. Of the businesses surveyed, nearly all reported using polystyrene foam containers, particularly for their take-out service, and many reported using some other plastic or paper food service ware. Business owners indicated that they also used some take-out containers made of paper or other recyclable products and expressed concern about the additional costs to purchase paper containers. Business owners reported varying monthly costs due to the services offered. Staff's cost estimate of the impact of the ordinance of \$0.10 to \$0.15 per food product is described earlier in the report.

In response to offers by City staff, several of the small and medium-size restaurants accepted a sample biodegradable container to test its suitability. Containers were offered so that businesses could test the containers in part because some business owners reported unsatisfactory experiences with paper containers used previously. Businesses serving pizza and hamburgers reported using paper take-out containers, as did Carrow's, Sapporo Restaurant and Zorba's Delicatessen. Additional information summarizing the survey results is included in Attachment IV.

Proposed Outreach Program - If the proposed ordinance is recommended for approval by the Sustainability Committee for Council's consideration, staff would work with the Hayward Chamber of Commerce to solicit more input from the business community regarding the plans for the proposed ban on polystyrene foam food service ware. Staff would convene meetings with the Chamber and businesses, mail literature describing the terms of the proposed ban, and schedule additional meetings. In addition to English, the literature would be prepared in Chinese and Spanish to restaurants and other food vendors.

If the ordinance is approved by the City Council, staff would implement an outreach and education plan that would describe the ordinance's provisions, including the reasons for doing so. The plan would identify appropriate alternative products for affected food vendors. Retail and wholesale food packaging vendors would be advised regarding acceptable products. Staff would continue to provide businesses with informational materials describing the recycling programs available to businesses under the City's contract with WMAC. Those services include collection of food and food-soiled paper at half the price of regular garbage service for the same size container, as well as

co-mingled collection of recyclables at no additional charge. Businesses that implement these programs could reduce their garbage bill and, thereby, mitigate the additional costs to buy biodegradable food service ware. Additionally, staff would disseminate information via newsletters, press releases, the City's website and links, as well as interaction with business associations and community groups. Direct site visits and other interaction with businesses would occur, when possible, to assist food vendors with product changes. Prior to the effective date of the ordinance, reminders to use existing inventory of polystyrene foam food service containers would be issued to food vendors.

If the ordinance is adopted by the City Council, staff proposes a six-month period during which time affected businesses would be encouraged to deplete their inventory of polystyrene foam takeout containers.

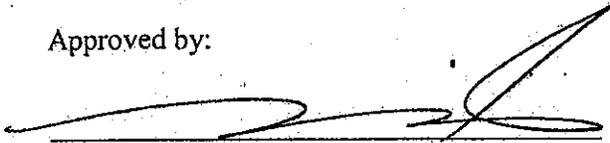
SCHEDULE

City Council Introduction of Ordinance and Public Hearing	September 21, 2010
Outreach Materials Disseminated to Affected Food Vendors	Beginning September 2010
Six-Month Period to Allow Depletion of Inventory	November 2010-May 2011
Effective Date of Proposed Ordinance	July 1, 2011

Prepared by: Alex Ameri, Deputy Director of Public Works

Recommended by: Robert A. Bauman, Director Public Works

Approved by:



Fran David, City Manager

Attachments:

- Attachment I -- Draft Ordinance
- Attachment II -- Draft Negative Declaration
- Attachment III -- Letter to Retail Businesses regarding the Proposed Ordinance
- Attachment IV -- Survey of Restaurants: Summary Responses Received

DRAFT

ORDINANCE NO. 10-_____

ORDINANCE AMENDING CHAPTER 5, BY ADDING ARTICLE 11 OF THE HAYWARD MUNICIPAL CODE RELATING TO SANITATION AND HEALTH TO PROHIBIT THE USE OF POLYSTYRENE FOAM DISPOSABLE FOOD SERVICE WARE AND TO REQUIRE RECYCLABLE OR COMPOSTABLE FOOD SERVICE WARE WITHIN CITY LIMITS

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF HAYWARD DOES ORDAIN AS FOLLOWS:

Section 1. LEGISLATIVE FINDINGS AND DECLARATIONS. The City Council hereby adopts the following findings and declarations in support of this Ordinance.

The City of Hayward has a duty to protect the natural environment, the economy, and the health of its citizens.

Food service polystyrene foam causes unique litter management issues because it is light weight, floats in water, and is easily blown by the wind from place to place, even when disposed of properly. Polystyrene foam can enter creeks or storm drains, whether directly or indirectly, and is observed during street sweeping activities and local creek clean up events.

Polystyrene litter, especially expanded polystyrene foam, is a threat to natural ecosystems due to its tendency to break into smaller pieces that are similar in size and appearance to the food of some wildlife species. These small pieces can be ingested by marine wildlife, leading to reduced appetite and nutrient absorption and possible death by starvation.

Banning polystyrene foam food service ware in the City of Hayward will help address pollution by requiring reusable containers, where possible, or the use of compostable or recyclable alternatives, while helping inform business owners and citizens about the positive impact their packaging choices can make.

CalRecycle has estimated that Californians use 165,000 tons of polystyrene foam each year for packaging and food service purposes alone, and currently there is no economically feasible means of recycling this product in the City of Hayward.

A number of municipalities in California have banned polystyrene foam food service ware, and some local businesses and several national corporations have successfully replaced polystyrene foam with recyclable or compostable food service ware.

The City's goal is to replace polystyrene foam with alternative products that are reusable, where possible, or are recyclable or compostable.

Section 2. Upon the adoption of this Ordinance, Sections 5-11.00 through 5-11.06, adding Article 11 to Chapter 5 of the Hayward Municipal Code, relating to a ban on polystyrene foam food service ware, are hereby enacted to read as follows:

**"ARTICLE 11
POLYSTYRENE FOAM DISPOSABLE FOOD SERVICE WARE PROHIBITED;
RECYCLABLE OR COMPOSTABLE FOOD SERVICE WARE REQUIRED**

Section	Subject Matter
5-11.00	DEFINITIONS
5-11.01	PROHIBITED USE OF POLYSTYRENE FOAM DISPOSABLE FOOD SERVICE WARE
5-11.02	REQUIRED USE OF RECYCLABLE OR COMPOSTABLE FOOD SERVICE WARE
5-11.03	EXCEPTIONS
5-11.04	ADMINISTRATIVE RULES AND REGULATIONS
5-11.05	ENFORCEMENT AND PENALTIES
5-11.06	CONSTRUCTION AND PREEMPTION

SEC. 5-11.00 DEFINITIONS. For the purposes of this Article, certain words and

phrases are defined, and certain provisions shall be construed as herein set out, unless it shall be apparent from their context that a different meaning is intended.

- a. **ASTM-Standard.** ASTM Standard means meeting the standards of the American Society for Testing and Materials (ASTM) International Standards D6400 or D6868 for compostable plastics, as those standards may be amended.
- b. **Biodegrade/Biodegradable.** Biodegrade or Biodegradable means the entire product or package will completely break down and return to nature, i.e., decompose into elements found in nature within a reasonably short period of time after customary disposal.
- c. **City Facility.** City Facility means any building, structure, land or park owned or operated by the City of Hayward, its agents and departments and includes City buildings, structures, parks, recreation facilities or property.
- d. **City Facility Users.** City Facility Users means all persons, societies, associations, organizations or special events promoters who require a permit to reserve or rent a City Facility or a permit or contract to use a plaza, sidewalk, or roadway, as further described in Hayward Municipal Code Chapter 3, Public Safety, Article 5, Section 3-5.10 Temporary Use of Sidewalk or Roadway. City Facility Users also includes concession contracts with the City, City-managed concessions, City-sponsored events and food services provided at City expense.
- e. **Compostable.** Compostable means that all materials in the product or package will Biodegrade or otherwise become part of usable compost (e.g., soil conditioning material, mulch) in an appropriate composting program or facility. Compostable Disposable Food Service Ware includes ASTM-Standard bio-plastics (plastic-like) products that are clearly labeled so that any compost collector and processor can easily distinguish the ASTM Standard Compostable plastic from non-ASTM Standard Compostable plastic.
- f. **Disposable Food Service Ware.** Disposable Food Service Ware means a product used by a Food Vendor for serving or transporting prepared and ready-to-consume food or beverages which is commonly disposed of after a single use. Disposable Food Service Ware includes, but is not limited to, plates, cups, bowls, trays and hinged or lidded containers. This definition does not include single-use disposable straws, utensils or hot cup lids.
- g. **Food Vendor.** Food Vendor means any establishment located within the City of Hayward, or any establishment which provides prepared food or beverages for public consumption within the City of Hayward, including but not limited to any store, supermarket, delicatessen, restaurant, retail food vendor, sales outlet, shop, cafeteria, catering truck or vehicle, sidewalk or other outdoor vendor, or caterer.
- h. **Polystyrene Foam.** Polystyrene Foam means a thermoplastic petrochemical material utilizing the styrene monomer, which may be marked with resin symbol

#6, processed by any number of techniques including, but not limited to, fusion of polymer spheres (expandable bead polystyrene), injection molding, form molding, and extrusion-blow molding (extruded foam polystyrene), sometimes referred to as Styrofoam™, a Dow Chemical Company trademarked form of polystyrene foam insulation. In food service, Polystyrene Foam is generally used to make cups, bowls, plates, trays, and clamshell containers intended for a single use.

- i. Prepared Food. Prepared Food means any food or beverage prepared for consumption using any cooking, packaging, or food preparation technique by Food Vendor. Prepared food does not include uncooked meat, fish, poultry, or eggs unless provided for consumption without further food preparation, such as sushi. Prepared Food may be eaten either on or off the premises, also known as "take-out food."
- j. Recyclable. Recyclable means any material that is accepted by the City recycling program, including, but not limited to, paper, glass, metal, cardboard, and plastic that can be recycled, salvaged, processed, or marketed by any means other than landfilling or burning, whether as fuel or otherwise, so that they are returned to use by society. Recyclable plastics include any plastic which is identified as recyclable by the City in the City's municipal recycling program. For purposes of this Article, recyclable plastic does not include Polystyrene Foam labeled with resin symbol #6.
- k. Special Events Promoter. Special Events Promoter means an applicant for any special events permit issued by the City or by any City employee(s) responsible for any organized special event within the City of Hayward.

SEC. 5-11.01 PROHIBITED USE OF POLYSTYRENE FOAM DISPOSABLE FOOD SERVICE WARE.

- a. Except as provided by Section 5-11.03, all Food Vendors are prohibited from providing Prepared Food in Disposable Food Service Ware made from Polystyrene Foam.
- b. Except as provided by Section 5-11.03, all City Facility Users are prohibited from using Disposable Food Service Ware made from Polystyrene Foam.

SEC. 5-11.02 REQUIRED USE OF RECYCLABLE OR COMPOSTABLE FOOD SERVICE WARE.

- a. All Food Vendors using any Disposable Food Service Ware shall use a suitable Recyclable or Compostable product.
- b. All City Facility Users shall use a suitable Recyclable or Compostable product for Disposable Food Service Ware.

SEC. 5-11.03 EXCEPTIONS.

- a. Foods prepackaged outside the limits of the City of Hayward are excluded from the provisions of this Article, but the purveyors of foods prepackaged outside of the limits of the City of Hayward are encouraged to follow these provisions as it is the City's policy goal to eliminate the use of Polystyrene Foam for Disposable Food Service Ware.
- b. Coolers and ice chests that are intended for reuse are excluded from the provisions of this Article.
- c. The City Manager may except a Food Vendor or City Facility User from the requirements set forth in Section 5-11.02 for a period of time to be determined by the City Manager on a case-by-case basis for undue hardship. Undue hardship includes, but is not limited to, situations unique to the Food Vendor or City Facility User not generally applicable to other persons in similar circumstances.
- d. Food Vendors and City Facility Users seeking an exception from the requirements of this Article shall include all information on the application for exception to allow the City to make its decision, including but not limited to, documentation showing factual support for the claimed exception. The City Manager shall confirm the decision to grant or deny each exception in writing and may approve an exception request in whole or in part. The decision of the City Manager shall be final.
- e. Emergency supplies or services procurement. City Facility Users and Food Vendors shall be exempt from the provisions of this Article, in a situation deemed by the City Manager to be an emergency for the immediate preservation of the public peace, health or safety.

SEC. 5-11.04 ADMINISTRATIVE RULES AND REGULATIONS. The City Manager may make such rules and regulations, consistent with the provisions of this Article, as may be necessary or desirable to supplement or clarify such provisions or aid in their enforcement.

SEC. 5-11.05 PENALTIES AND ENFORCEMENT.

- a. The City Manager or his/her designee shall have primary responsibility for enforcement of this Article. If the City Manager or his/her designee determines that a violation of this Article has occurred, he/she shall issue a written warning notice to the Food Vendor that a violation has occurred. Subsequent violations of this Article by a Food Vendor shall be subject to the penalties and enforcement set forth below.
- b. Each and every sale or other transfer of Disposable Food Service Ware made

from Polystyrene Foam shall constitute a separate violation of this Article.

- c. Any violation of this Article that occurs after the issuance of a written warning to a Food Vendor is subject to civil and administrative enforcement, punishable by a civil fine established by resolution of the City Council. Any citation issued for a violation of this Article shall give notice of the right to request an administrative hearing to challenge the validity of the citation and the time for requesting that hearing as provided for in Chapter 1, Article 7 of the Hayward Municipal Code.
- d. The City Attorney may seek legal, injunctive or other equitable relief to enforce this Article.
- e. The remedies provided herein are cumulative and not exclusive.

SEC. 5-11.06 CONSTRUCTION AND PREEMPTION. This Article and any of its provisions shall be null and void upon the adoption of any state or federal law or regulation imposing the same, or essentially the same, limits on the use of prohibited products as set forth in this Article. This Article is intended to be a proper exercise of the City's police power, to operate only upon its own officers, agents, employees and facilities and other persons acting within its boundaries, and not to regulate inter-City or interstate commerce. It shall be construed with that intent."

Section 3. Severability. Should any part of this Ordinance be declared by a final decision by a court or tribunal of competent jurisdiction to be unconstitutional, invalid, or beyond the authority of the City, such decision shall not affect the validity of the remainder of this Ordinance, which shall continue in full force and effect, provided that the remainder of the Ordinance, absent the unexcised portion, can be reasonably interpreted to give effect to the intentions of the City Council.

Section 4. In accordance with the provisions of Section 620 of the City Charter, this Ordinance shall become effective July 1, 2011.

INTRODUCED at a regular meeting of the City Council of the City of Hayward, held the _____ day of _____, 2010, by Council Member _____.

ADOPTED at a regular meeting of the City Council of the City of Hayward, held the _____ day of _____, 2010, by the following votes of the said City Council.

AYES: COUNCIL MEMBERS:
MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS

APPROVED: _____
Mayor of the City of Hayward

DATE:

ATTEST: _____
City Clerk of the City of Hayward

APPROVED AS TO FORM:

City Attorney of the City of Hayward



CITY OF
HAYWARD
HEART OF THE BAY

**DEPARTMENT OF
PUBLIC WORKS - UTILITIES DIVISION**

DRAFT NEGATIVE DECLARATION

Notice is hereby given that the City of Hayward finds that no significant effect on the environment as prescribed by the California Environmental Quality Act of 1970, as amended will occur for the following proposed project:

I. PROJECT DESCRIPTION:

Expanded Polystyrene Food Service Ware Ban as Hayward Municipal Code Amendment
The City of Hayward has initiated a Hayward Municipal Code (HMC) Amendment that would add Article 11, Chapter 5 to the HMC to prohibit the use of polystyrene foam disposable food service ware by food vendors within the City. Items to be prohibited include single-use disposable products used for serving or transporting prepared food and beverages, e.g., plates, cups, bowls, lids, trays, ad hinged or lidded containers. Not included in this prohibition are single-use disposal straws, utensils, or hot cup lids. Food vendors are establishments that provide prepared food or beverages. Instead of using polystyrene foam disposable food service ware, these food vendors, as well as users of City facilities, would be required to use recyclable or compostable food service ware. Recyclable food service ware includes plastics with a resin number of 1, 2, 3, 4, 5, 6, or 7 (*excluding* No. 6 polystyrene foam ware), as well as aluminum and glass containers. Compostable food service ware includes items manufactured from vegetable- or sugar-based materials, and natural fibers (e.g., paper ware). The anticipated effective date of the proposed HMC amendment is July 1, 2011.

II. FINDING PROJECT WILL NOT SIGNIFICANTLY AFFECT ENVIRONMENT:

The proposed project could not have a significant effect on the environment.

III. FINDINGS SUPPORTING DECLARATION:

1. The proposed project has been reviewed according to the standards and requirements of the California Environmental Quality Act (CEQA) and an Initial Study Environmental Evaluation Checklist has been prepared for the proposed project. The Initial Study has determined that the proposed project could not result in significant effects on the environment.
2. The project will not result in any development that would adversely affect any scenic resources.
3. The project will not result in any development that would have an adverse effect on agricultural land.

Attachment II

DEPARTMENT OF PUBLIC WORKS
SOLID WASTE & RECYCLING

777 B Street, Hayward, CA 94541-5007

TEL 510/593 2705 - FAX 510/593 2910 - TDD 510/593 2910

4. The project will not result in any development that would have significant impacts related to changes in air quality.
5. The project will not result in any development that would have significant impacts to biological resources such as wildlife and wetlands.
6. The project will not result in any development that would have significant impacts to known cultural resources including historical resources, archaeological resources, paleontological resources, unique topography or disturb human remains.
7. The project will not affect geological hazards.
8. The project would not generate greenhouse gas emissions or be in conflict with an applicable plan, policy or regulation adopted to reduce greenhouse gas emissions.
9. The project would have no impact on hazards or hazardous materials.
10. The project will not affect water quality standards.
11. The project is not in conflict with the policies of the City General Policies Plan, or the Zoning Ordinance.
12. The project could not result in a significant impact to mineral resources since no construction will take place as part of this project.
13. The project could not result in a significant noise impact.
14. The project would have no impact on population or housing.
15. The project could not result in a significant impact to public services.
16. The project would have no impact on recreation.
17. The project could not result in a significant impact to traffic or result in changes to traffic patterns or emergency vehicle access.
18. The project could not result in a significant impact to parking.
19. The project would have no impact on utilities or service systems.

IV. PERSON WHO PREPARED INITIAL STUDY:

Signature: _____
Vera Dahle-Lacaze, Solid Waste Manager

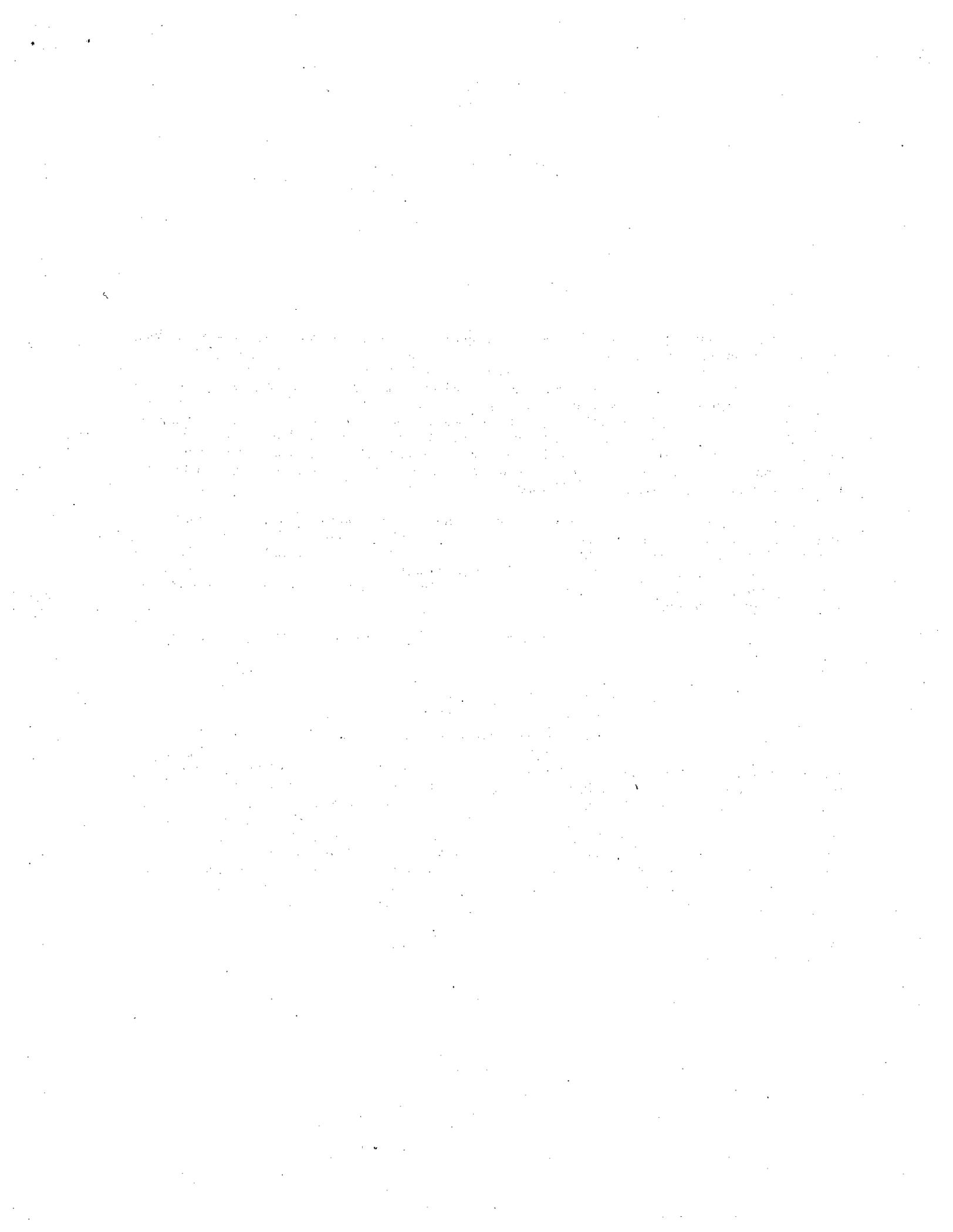
Dated: June 15, 2010

V. COPY OF INITIAL STUDY IS ATTACHED

For additional information, please contact the City of Hayward Public Works Department, 777 B Street, Hayward, CA 94541-5007 or telephone (510) 583-4725

DISTRIBUTION/POSTING

- Provide copies to project applicants and all organizations and individuals requesting it in writing. Provide copy to Alameda County Clerk's Office.
- Reference in all public hearing notices to be distributed 20 days in advance of initial public hearing and/or published once in Daily Review 20 days prior to hearing.
- Project file.
- Post immediately upon receipt at the City Clerk's Office, the Main City Hall bulletin board, and in all City library branches, and do not remove until the date after the public hearing.





CITY OF
HAYWARD
HEART OF THE BAY

June 7, 2010

Dear Hayward Business Owner:

We would like to invite your comments about a proposed ordinance that would ban polystyrene foam (Styrofoam™) containers currently used by retail businesses located in the City of Hayward. Given the adverse environmental impacts of polystyrene foam products, the City of Hayward Council Sustainability Committee has expressed concerns about the continued use of these containers, and has asked City staff to prepare a staff report with supporting documentation so that the Committee can consider the issue and make a recommendation to the City Council regarding the use of these containers. If recommended by the Committee, staff will schedule a public hearing before the City Council to discuss this issue sometime in September. If the ordinance is approved, retail businesses would be required to replace polystyrene foam containers, which are currently non-recyclable, with recyclable plastic or compostable paper containers that are accepted in the City's recycling programs offered to residents and businesses.

The ordinance would apply to retail businesses located within the City that provide prepared food or beverages including, for example, restaurants, delicatessens, supermarkets, outdoor vendors, cafeterias, catering trucks, caterers, special events promoters, farmers' markets, and retail food vendors. The ordinance would include items made of polystyrene foam such as plates, cups, bowls, trays, and hinged and lidded containers, and would not apply to trays and containers for uncooked meat, fish, poultry, or eggs unless provided for consumption without further preparation, such as for sushi.

For your convenience, two identical Informational Meetings have been scheduled to receive your comments about the proposed ordinance:

Dates and Times: 3:00 p.m., Monday, June 21

7:00 p.m., Tuesday, June 22

Location: Conference Room 2A at City Hall, 777 B Street, Hayward

The Council Sustainability Committee meeting will be held on July 7, where this item will be reviewed and any comments received at the above meetings will be discussed. The meeting will be held in Conference Room 2A at City Hall, 777 B Street, and beginning at 4:30 p.m. The report and the draft ordinance will be available on the City's website at www.hayward-ca.gov/citygov/meetings/csc/ccsc.shtm by close of business on Friday, July 2, 2010, or by calling the Public Works Department at (510) 583-4700 on Tuesday, July 6, 2010. If you are unable to attend any of the meetings but wish to provide comments about the proposed ordinance, you may email your comments to angel.groves@hayward-ca.gov. Please indicate "Styrofoam Ban" in the subject line of your email. You may also mail or fax your comments to the Public Works Department, 777 B Street, Hayward, CA 94541; fax: (510) 583-3610. A summary of this letter in Spanish and Mandarin are on the reverse side of this letter.

Sincerely,

Robert A. Bauman
Public Works Director

Department of Public Works
777 B Street, Hayward, CA 94541-5007
Tel: 510.583.4700 Fax: 510.583.3610 TDD: 510.247-3340
Printed on 100% Recycled Content Paper

Attachment III

La carta en el revés discute en más detalle la consideración de la Ciudad de Hayward sobre una ordenanza propuesta que prohibiría contenedores de espuma de poliestireno™ utilizado por negocios de alimento de venta en la Ciudad de Hayward. El objetivo de la ordenanza sería de reemplazar contenedores de espuma de poliestireno, que no son reciclable, con plástico reciclable, o contenedores de papel compostable, que son aceptados en programas del reciclaje que la Ciudad actualmente ofrece a residentes y negocios. Para obtener información adicional sobre la ordenanza propuesta y horarios de reuniones que usted puede asistir para discutir la ordenanza propuesta, favor de llamar a (510) 583-4700. Gracias.

信的反面是關於海沃市禁止零售食品業使用泡沫容器提案的詳細建議。該條例的目的是要取代目前不被環保部門回收的聚苯乙烯泡沫容器(保利隆), 代以可回收塑膠, 紙等環保材料容器。如需有關提案的詳細條例及聽政會議時間, 請與可以讀取並解釋此信的人分享。謝謝。

Survey of Restaurants: Summary Responses Received

A summary of the comments from primarily non-chain, small- to medium-size restaurants follows:

Best Kept Secret BBQ uses polystyrene foam cups and paper clamshells; most patrons dine in and use containers for leftovers. They have already changed some containers, and will change the others if required.

Buon Appetito uses polystyrene foam containers for take-out and leftovers, and that about 90 percent of the customers eat at the restaurant. The owner estimates that about 400 containers are used monthly and that that cost comprises about 5 percent of total costs.

Carrow's Restaurant uses about 200 polystyrene foam containers weekly for take-out service and leftovers. This restaurant offers a box lunch consisting of a salad in a plastic container, with chips and a main dish in a biodegradable box. The manager explained that the box lunch promotion began about three months ago and that a biodegradable box was selected because it offers a better presentation than polystyrene. The store manager indicated that she is aware that the Carrow's Restaurant in Oakland uses only biodegradable food service ware.

Cecil's Burgers only offers take-out service, uses only polystyrene foam and estimates that it spends about \$150 per week for containers. It is a small business and the owner reports that converting to a biodegradable container would not be affordable.

Celia's Mexican Restaurant uses polystyrene foam containers and aluminum foil primarily for leftovers. Most dine in at the 30 tables provided. The owner expressed concern about buying more expensive containers.

Church's Chicken offers take-out service, which comprises a significant part of its business, uses polystyrene foam cups for gravy, cardboard for chicken and paper cups for beverages. The business also has about 15 tables for seating.

Curry Corner uses all polystyrene foam products for its take-out service, which is a significant part of its business, as there is little seating inside. The owner estimates that expenses for polystyrene foam food service ware comprise about 20-30 percent of its monthly expenses. The owner would be reluctant to raise prices because she could not compete with other chain restaurants and intends to email City staff to oppose the proposed ordinance.

El Pastor Taqueria uses polystyrene foam cups and clam shells, plastic salsa cups and aluminum foil. The owner reported that about 75 percent of its business is take-out service and that he had tried to use decomposable products.

El Taquito uses polystyrene foam containers for take-out requests. The owner estimates costs of \$200-\$300 per month to buy containers and indicated that he would use alternate containers if they were comparably priced. If the ordinance is approved, the cost would be passed on to patrons.

El Taquito #2 uses polystyrene foam clamshells and offers indoor seating at 15 tables. The owner estimates that its monthly expenses for these containers are minimal and would pass on the additional costs to customers. The owner indicated that he would like a container with a lining, should the ordinance be adopted, and has begun evaluating alternative containers.

Eon Coffee uses paper cups, small polystyrene foam containers and plastic cups with resin symbol #1. The owner estimates that its take-out and dine-in services are about equal.

Fiesta Mexican Restaurant uses polystyrene foam clamshells and cups, as well as paper containers with an aluminum lining. The owner estimated that 20 percent of his company's business is from take-out and expressed concerns about the additional costs in the current economy.

Good Eats uses polystyrene foam containers for leftovers; most customers dine in using the 30 tables.

Grand Taipei uses paper carton containers and polystyrene foam clamshells. An employee explained that, typically, about one quarter of a box of the polystyrene foam containers is used monthly, mostly for leftovers. A majority of the patrons dine in using the 15 tables provided.

Indian Sweets uses polystyrene foam cups and has about 15 tables inside the business. The owner estimates \$200-\$300 spent monthly to purchase all plastic food ware, including polystyrene foam cups and all other types of plastic food ware, e.g., trays and cups.

Hong Kong Seafood uses take-out containers made of waxed paper and offers seating at about 15 indoor tables.

Korea House Restaurant located on A Street at Montgomery uses polystyrene foam clamshells for take-out, and spends about \$200 monthly on those products.

La Paradis & Patisserie Vietnamese Restaurant and Bakery uses polystyrene foam take-out containers and spends about \$150 monthly for those containers. The owner indicated that she is not opposed to the proposed ordinance and is aware that other municipalities have adopted similar ordinances. She has asked that businesses be afforded time to deplete their current inventory to convert to alternative containers.

Lee's Sandwiches uses polystyrene foam containers for dining in and out. An employee indicated his support for the reasons for the change but is hesitant about the amount of the increase.

Main Street Diner, a new restaurant located on Main Street at B, mainly uses paper-based containers.

Naked Fish uses polystyrene foam containers for take-out. As a family business, the owner advised that he couldn't pay more for containers, especially for soups, which are included in every to-go meal. The owner indicated that she would like to make a change to biodegradable containers and has tried alternatives, but they are too expensive.

Pepe's Taqueria uses polystyrene foam clamshells and cups, as well as paper cups and bags and aluminum foil for its take-out service and has about 10 indoor tables for seating. The manager estimated costs of about \$54 per month for its polystyrene foam products.

Pho Kim uses polystyrene foam and clear clamshells; 10 tables are available for indoor seating. They haven't purchased any containers because they are using current inventory from a previous owner.

Rickshaw Express uses polystyrene foam plates and containers for dine-in and take-out and offers 15 indoor tables for seating. The owner estimates that its cost for polystyrene foam products is about 10 percent of monthly expenses, and that any increase would be passed on to customers. The owner indicated that he would like to start using reusable containers for dine-in customers in lieu of disposable products, and that he would use biodegradable take-out containers if the cost was the same as polystyrene foam containers. The owner plans to attend the July 7 Council Sustainability Committee meeting.

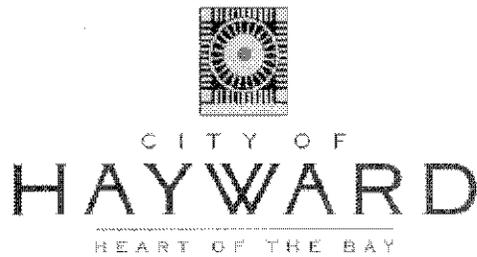
Shark Shack uses polystyrene foam containers because they are cost effective and perform well for hot foods. The owner reported that costs for take-out containers is minimal because most customers dine in, and that he has experienced problems with other paper products that have not performed well as take-out containers.

Taqueria Arandas uses polystyrene foam plates, paper bags and aluminum foil for its take-out service and has about 8 indoor tables for seating.

Zorba's Delicatessen uses polystyrene foam containers for hot foods and biodegradable clear cups for cold drinks. The manager indicated that they could not use biodegradable plastics for hot foods and that their cost for packaging relative to other regular expenses is minimal.

Zuckersüss offers yogurt in cups made of sugarcane and uses no polystyrene.

Applebee's, Café Vasiliki, Chef China Bistro, China AA Buffet, Elephant Bar, Golden Mountain Restaurant, Marie Callender's, Mimi's Café, Panda Express, Pick-A-Deli, Ray's Sushi and Sizzler's Steakhouse reported using mostly polystyrene foam containers for take-out services for leftovers.



DATE: June 30, 2010

TO: Fran David, City Manager

FROM: Sally Porfido, Economic Development Coordinator
Sean Brooks, Economic Development Manager

SUBJECT: **Economic Development Activities for June 2010**

BUSINESS DEVELOPMENT:

1. Staff met with Mr. Jim Cunningham, the owner of Adamson Police Products, the recipient of the July Business Recognition Award. This year, Adamson Police Products are celebrating their 30th anniversary in business. It was started by Mr. Cunningham's parents and is now run by him. In 2007 they doubled their office space after acquiring the adjoining office building. They have also grown from 8 employees in 1980 to 33 in 2010.

SMALL BUSINESS REVOLVING LOAN FUND ACTIVITIES:

2. One loan was approved in June for funding in July. This loan will assist a downtown restaurant/lounge concept to purchase their equipment and furnishings.
3. **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 start-up businesses were: a food cart and a restaurant.

Seventeen additional businesses were provided assistance in obtaining various City services and information:

- Buon Appetito
- Parker's Crazy Cookies
- ME Restaurant & Lounge
- Hayward Chamber of Commerce
- Small Business Development Center
- Alameda County Workforce Development Agency
- Big 5 Sporting Goods
- New York Bagel
- Montero's Market

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- Primus Power
- Western State Design, Inc.
- East Bay Economic Development Alliance
- Adamson Police Products
- Constant Contact
- East Bay Restaurant Supply
- Small Business Administration
- Annabelle Candy Co., Inc.

Two Commercial Brokers were provided assistance with Hayward sites that they are representing:

- Christine Firstenberg, Metrovation Brokerage
- Jason Ovadia, with Jones, Lang, & LaSalle

OTHER ECONOMIC DEVELOPMENT ACTIVITIES:

4. June 18 marked the 3rd concert of the City of Hayward's Summer Concert Series, featuring "Gravity" at 5:30pm and "The Other Guise" at 7:00pm. Both bands featured a plethora of material ranging from rock music to classic Beatles tunes to modern jazz.

Friday, June 25 featured another local artist, Jennine Grigsley, who performed several R&B renditions which was followed by the family fun movie "*Cloudy With a Chance of Meatballs*" at 8:15pm. The Hayward Area Recreation Department ("HARD") in partnership with the City of Hayward will be featuring 4 movies this summer on the Plaza. All movies will show at 8:15pm on the 4th Friday in the months of June, July, August, & September.

5. On June 24, 2010 the Northern Silicon Valley Partnership ("NSVP") sponsored a Career Strategy Forum at the Crowne Plaza Hotel in Union City from 8:30 a.m. to noon. The Northern Silicon Valley Partnership consists of the cities of Hayward, Fremont, Newark, Union City, and Alameda County Workforce Investment Board. This free event was geared to assist job seekers in cultivating new skills as they relate to the career development process. Certain trends were identified such as using on-line networking to boost the job search. This was the second annual NSVP Career Strategy Forum.

The forum had over 150 attendees that took advantage of the workshop schedule that included:

- Introductions to One Stop Career Center Services & Job Search Toolkit
- Career Transition: Discover Your Ideal Job
- Fast Track career and Job Search Using Online Networking
- Starting A Small Business or Consulting Firm: How to Convert Your Skills

At least 40 attendees benefited from the expertise of 5 professional resume reviewers at this event. The resume review was set up in a separate room and all 15 minute appointment slots were filled, with a waiting list of 7.

In addition, resource information was available to attendees from the following exhibitor booths:

1. Alameda County Small Business Development Center (SBDC)
2. Alameda County Workforce Investment Board (WIB)
3. Chabot College
4. East Bay Economic Development Alliance
5. Eden Area One-Stop Career Center
6. Employment Development Department
7. Fremont Family resource Center
8. Fremont Main Library
9. Massage Envy Chair Massages
10. Northern Silicon Valley Partnership
11. Ohlone College
12. SCORE
13. Small Business Administration
14. Tri Cities One-Stop Career Centers
15. University of Phoenix
16. Washington Hospital Wellness Display
17. Wells Fargo Bank

Overall, the attendees expressed appreciation for the forum and left with another perspective on how to locate opportunities within this current marketplace.

6. Economic Development Staff coordinated five City of Hayward assigned spaces for the four upcoming, monthly Chamber of Commerce Street Parties. The first Street Party was held on June 17 and was well attended by appreciative residents. Representing the City of Hayward were the Police Department, Animal Control, Library & Neighborhood Services, Public Works, and the Keep Hayward Clean & Green Committee.