



CITY OF  
**HAYWARD**  
HEART OF THE BAY

**CITY COUNCIL AGENDA**  
**MARCH 17, 2015**

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**MAYOR BARBARA HALLIDAY**  
**MAYOR PRO TEMPORE GREG JONES**  
**COUNCIL MEMBER FRANCISCO ZERMEÑO**  
**COUNCIL MEMBER MARVIN PEIXOTO**  
**COUNCIL MEMBER AL MENDALL**  
**COUNCIL MEMBER SARA LAMNIN**  
**COUNCIL MEMBER ELISA MÁRQUEZ**

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CITY COUNCIL MEETING FOR MARCH 17, 2015  
777 B STREET, HAYWARD, CA 94541  
[WWW.HAYWARD-CA.GOV](http://WWW.HAYWARD-CA.GOV)

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**CLOSED SESSION**  
**Closed Session Room 2B – 5:00 PM**

**1. PUBLIC COMMENTS**

2. Public Employment

Pursuant to Government Code 54957

➤ Performance Evaluation

City Clerk

3. Conference with Labor Negotiators

Pursuant to Government Code 54957.6

➤ Lead Negotiators: City Manager David; City Attorney Lawson; Assistant City Manager McAdoo; Finance Director Vesely; Public Works-Engineering & Transportation Director Fakhrai; Human Resources Director Collins; Senior Human Resources Analyst Lopez; Assistant City Attorney Vashi; Community and Media Relations Officer Holland; Jack Hughes, Liebert, Cassidy and Whitmore

Under Negotiation: All Groups

4. Adjourn to City Council meeting

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**CITY COUNCIL MEETING**  
**Council Chambers – 7:00 PM**

**CALL TO ORDER** Pledge of Allegiance Council Member Márquez

**ROLL CALL**

**CLOSED SESSION ANNOUNCEMENT**

**PUBLIC COMMENTS**

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*The Public Comment section provides an opportunity to address the City Council on items not listed on the agenda or Work Session or Information Items. The Council welcomes your comments and requests that speakers present their remarks in a respectful manner, within established time limits, and focus on issues which directly affect the City or are within the jurisdiction of the City. As the Council is prohibited by State law from discussing items not listed on the agenda, your item will be taken under consideration and may be referred to staff.*

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**ACTION ITEMS:** *(The Council will permit comment as each item is called for the Consent Calendar, Public Hearings, and Legislative Business. In the case of the Consent Calendar, a specific item will need to be pulled by a Council Member in order for the Council to discuss the item or to permit public comment on the item. Please notify the City Clerk any time before the Consent Calendar is voted on by Council if you wish to speak on a Consent Item.)*

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## CONSENT

1. Approval of Minutes of the City Council Meeting on March 3, 2015  
[Draft Minutes](#)
2. Adoption of Ordinance Amending Chapter 10, Article 1 of the Hayward Municipal Code by Rezoning Certain Property in Connection with Zone Change Application No. PL-2014-0509 Relating to a Residential Development at 1561 Middle Lane and 23572 Saklan Road (Tract 8219)  
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3. Adoption of Ordinance Amending Chapter 10, Article 1 of the Hayward Municipal Code by Rezoning Certain Property in Connection with Zone Change Application No. PL-2014-0507 Relating to a Residential Development at 23877 and 23875 Eden Avenue and 1500 and 1504 Sylvia Street  
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5. Resolution Appointing Council Member Márquez to the Alameda County Mosquito Abatement District Board of Trustees  
[Staff Report](#)  
[Attachment I Resolution](#)
6. Resolution Accepting the Written Resignation of Anthony Beaman from the Personnel Commission  
[Staff Report](#)  
[Attachment I Resolution](#)
7. Hayward Transit Connector Feasibility Study – Authorization for the City Manager to Negotiate and Execute a Professional Services Agreement with Fehr & Peers and Appropriation of Funds  
[Staff Report](#)  
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March 17, 2015



8. Approve Contract for Update of City's Full Overhead Cost Allocation Plan/OMB A-87 and Completion of Comprehensive Master Fee Study

[Staff Report](#)  
[Attachment I](#)

9. New Highland 1530 Reservoir: Approval of Addendum and Award of Contract

[Staff Report](#)  
[Attachment I - Resolution](#)  
[Attachment II - Project Location Map](#)  
[Attachment III - Bids Summary](#)

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**NON-ACTION ITEMS:** *(Work Session and Informational Staff Presentation items are non-action items. Although the Council may discuss or direct staff to follow up on these items, no formal action will be taken. Any formal action will be placed on the agenda at a subsequent meeting in the action sections of the agenda.)*

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#### **WORK SESSION (60-Minute Limit)**

10. Industrial Corridor/Baseline Industrial Profile (Report from Economic Development Manager Hinkle)

[Staff Report](#)  
[Attachment I](#)

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*The following order of business applies to items considered as part of Public Hearings and Legislative Business:*

- *Disclosures*
  - *Staff Presentation*
  - *City Council Questions*
  - *Public Input*
  - *Council Discussion and Action*
- 

#### **LEGISLATIVE BUSINESS**

11. FY 2015 Mid-Year Budget Review & General Fund Ten-Year Plan Update (Report from Finance Director Vesely)

[Staff Report](#)  
[Attachment I](#)  
[Attachment II](#)  
[Attachment III](#)  
[Attachment IV](#)  
[Attachment V](#)  
[Attachment VI](#)



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*Information items are presented as general information for Council and the public. Should Council wish to take action on any of the “information” items, they will direct the City Manager to bring them back on a future Council agenda as an Action Item.*

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## **INFORMATION ITEMS**

12. Supplemental information regarding Community Benefits Districts (***Report from Community and Media Relations Officer Holland***)

***\*\*\* Report will be available no later than Monday, March 16, 2015 \*\*\****

## **CITY MANAGER’S COMMENTS**

An oral report from the City Manager on upcoming activities, events, or other items of general interest to Council and the Public.

## **COUNCIL REPORTS, REFERRALS, AND FUTURE AGENDA ITEMS**

Oral reports from Council Members on their activities, referrals to staff, and suggestions for future agenda items.

## **ADJOURNMENT**

**NEXT REGULAR MEETING – 7:00 PM, Tuesday, March 24, 2015**

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***PUBLIC COMMENT RULES:*** *The Mayor may, at the beginning of the hearing, limit testimony to three (3) minutes per individual and five (5) minutes per an individual representing a group of citizens or organization. Speakers will be asked for their name before speaking and are expected to honor the allotted time. Speaker Cards are available from the City Clerk at the meeting.*

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***PLEASE TAKE NOTICE*** *that if you file a lawsuit challenging any final decision on any public hearing or legislative business item listed in this agenda, the issues in the lawsuit may be limited to the issues that were raised at the City's public hearing or presented in writing to the City Clerk at or before the public hearing.*

***PLEASE TAKE FURTHER NOTICE*** *that the City Council has adopted Resolution No. 87-181 C.S., which imposes the 90 day deadline set forth in Code of Civil Procedure section 1094.6 for filing of any lawsuit challenging final action on an agenda item which is subject to Code of Civil Procedure section 1094.5.*

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***\*\*\*Materials related to an item on the agenda submitted to the Council after distribution of the agenda packet are available for public inspection in the City Clerk’s Office, City Hall, 777 B Street, 4<sup>th</sup> Floor, Hayward, during normal business hours. An online version of this agenda and staff reports are available on the City’s website. Written comments submitted to the Council in connection with agenda items will be posted on the City’s website. All Council Meetings are broadcast simultaneously on the website and on Cable Channel 15, KHRT. \*\*\****

March 17, 2015



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*Assistance will be provided to those requiring accommodations for disabilities in compliance with the Americans with Disabilities Act of 1990. Interested persons must request the accommodation at least 48 hours in advance of the meeting by contacting the City Clerk at (510) 583-4400 or TDD (510) 247-3340.*

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***Please visit us on:***



March 17, 2015





**MINUTES OF THE CITY COUNCIL MEETING  
OF THE CITY OF HAYWARD  
City Council Chambers  
777 B Street, Hayward, CA 94541  
Tuesday, March 3, 2015, 7:00 p.m.**

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The City Council meeting was called to order by Mayor Halliday at 7:00 p.m., followed by the Pledge of Allegiance led by Council Member Lamnin.

**ROLL CALL**

Present: COUNCIL MEMBERS Zermeño, Jones, Peixoto, Lamnin, Márquez  
MAYOR Halliday  
Absent: COUNCIL MEMBER Mendall

It was stated that Council Member Mendall had a work emergency and had to leave.

**CLOSED SESSION ANNOUNCEMENT**

City Attorney Lawson announced that the Council met in closed session regarding three items: 1) City Clerk Performance Evaluation pursuant to Government Code 54957; 2) conference with legal counsel pursuant to Government Code 54956.9 regarding three cases: a) City of Hayward v. Nagra, et. al., Alameda County Superior Court No. RG13696610, b) City of Hayward v. Van Dera, et al., Alameda County Superior Court No. HG13692338, and c) Dutra Enterprises, Inc. v. City of Hayward, et. al., Alameda County Superior Court Case Number RG14751531; and 3) conference with labor negotiators pursuant to Government Code 54957.6 regarding all groups. Mr. Lawson announced there was no reportable action on item No. 1 and No. 3. Related to item No. 2, it was noted that the Council unanimously agreed, with Council Member Mendall absent, compromising settlement of the three cases.

**PUBLIC COMMENTS**

Mr. Mel Woolcock, Hayward resident and president of the Skywest Golf Course, expressed concern that Skywest Golf Course members are not allowed to play until after 10:00 a.m. on holidays and weekends. Mr. Woolcock was advised to contact the Hayward Area Recreation and Park District Board of Directors.

Mr. Kim Huggett, President of the Hayward Chamber of Commerce, made two announcements: Historic Mixer Will Celebrate 1876 Incorporation Day at the Hayward Area Historic Society on March 11, 2015; and Nonprofit Executive Seminar for executives, officers, and board members of organizations on March 31 and April 7, 2015, at the Hayward Area Historical Society.

Ms. Wynn Grich, Hayward resident, requested to be added to a future City Council agenda to speak about fluoridation and its health risks.

Ms. Betty DeForest, Hayward resident, provided the Council with copies of the 2014 HUNGER Alameda County Uncovered conducted by the Alameda County Community Food Bank and urged the Council to read it.

Mr. Ramon Parada, Hayward resident and president of La Alianza de Hayward, invited everyone to the César Chavez Day of Service and Learning on March 21, 2015, at the Hayward Main Library.

Mr. Charlie Peters, representing Clean Air Performance Professionals, provided documents for the record regarding ethanol.

Mr. Jim Drake, Hayward resident, spoke about the General Fund forecast and expressed concern about hiring employees when there was a structural deficit.

## CONSENT

Consent Item No. 7 was removed for discussion.

1. Approval of Minutes of the City Council Meeting on January 27, 2015

It was moved by Council Member Jones, seconded by Council Member Márquez, and carried unanimously with Council Member Mendall absent, to approve the minutes of the City Council Meeting on January 27, 2015.

2. Approval of Minutes of the Special Joint City Council/Redevelopment Successor Agency Meeting on February 10, 2015

It was moved by Council/RSA Member Jones, seconded by Council/RSA Member Márquez, and carried unanimously with Council/RSA Member Mendall absent, to approve the minutes of the Special Joint City Council/Redevelopment Successor Agency Meeting on February 10, 2015.

3. Approval of Minutes of the City Council Meeting on February 17, 2015

It was moved by Council Member Jones, seconded by Council Member Márquez, and carried unanimously with Council Member Mendall absent, to approve the minutes of the City Council Meeting on February 17, 2015.

4. Adoption of Ordinance Amending Chapter 11, Article 3, Section 11-3.255 of the Hayward Municipal Code Relating to Sewer System Connection Fees

Staff report submitted by City Clerk Lens, dated March 3, 2015, was filed.

It was moved by Council Member Jones, seconded by Council Member Márquez, and carried unanimously with Council Member Mendall absent, to adopt the following:

Ordinance 15-09, “An Ordinance Amending Chapter 11, Article 3, Section 11-3.255 of the Hayward Municipal Code Relating to Sewer System Connection Fees”



**MINUTES OF THE CITY COUNCIL MEETING  
OF THE CITY OF HAYWARD  
City Council Chambers  
777 B Street, Hayward, CA 94541  
Tuesday, March 3, 2015, 7:00 p.m.**

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5. Conversion of Existing Gravity Thickener to New Primary Clarifier at Water Pollution Control Facility: Approval of Plans and Specifications, and Call for Bids

Staff report submitted by Senior Utilities Engineer England, dated March 3, 2015, was filed.

It was moved by Council Member Jones, seconded by Council Member Márquez, and carried unanimously with Council Member Mendall absent, to adopt the following:

Resolution 15-031, “Resolution Approving Plans and Specifications for the Conversion of the Existing Gravity Thickener to New Primary Clarifier Project, Project No. 07515 and Call for Bids”

6. Authorization for the City Manager to Execute Agreements for the Route 238 Corridor Improvement Project – Phase 2 and Phase 3

Staff report submitted by Assistant City Engineer Owusu, dated March 3, 2015, was filed.

It was moved by Council Member Jones, seconded by Council Member Márquez, and carried unanimously with Council Member Mendall absent, to adopt the following:

Resolution 15-032, “Resolution Authorizing the City Manager to Negotiate and Execute Agreements and Take Any Other Actions Necessary to Generate Funding for the Route 238 Corridor Improvements Project – Phase 2 and Phase 3”

7. Adoption of a Resolution Authorizing the City Manager to Execute Amendments to the Agreements with Four Consulting Firms for Building-related Services to Modify the Scopes of Work, Increase the Total Budget for Fiscal Year 2015, and Eliminate the Maximum Limit Per Firm

Staff report submitted by Administrative Analyst Kim, dated March 3, 2015, was filed.

Council Member Lamnin requested that dependence on consultants be addressed during future budget discussions.

It was moved by Council Member Lamnin, seconded by Council Member Zermeño, and carried unanimously with Council Member Mendall absent, to adopt the following:

Resolution15-033, “Adoption of a Resolution Authorizing the City Manager to Execute Amendments to the Agreements with West Coast Consultants (WC<sub>3</sub>); Kutzmann & Associates, Inc.; ASI Consulting Engineers; and CSG, Consultants, to Modify the Scope of Work, Increase the Total Budget to an Amount Not to Exceed \$590,000 for Fiscal Year 2015, and Eliminating the \$170,000 per Vendor Limit”

## **WORK SESSION**

### **8. Review of 2nd Quarter Progress for Police Department Council Priorities FY 2015**

Staff report submitted by Crime Analyst Hayes, dated March 3, 2015, was filed.

Police Chief Urban provided a synopsis of the report, Captain Koller spoke about traffic accidents citywide, and Crime Analyst Hayes provided statistical information about property crimes: burglary, larceny-theft and motor vehicle theft.

Council Members commended Police staff on their professionalism and overall efforts.

Discussion ensued among Council Members and City staff regarding: high accident intersections; bicycle patrol in downtown; Nixle communication; Social Nuisance Ordinance; reserve police officers; speeding enforcement in downtown and citywide; flow of traffic and pedestrian safety; California Gang Reduction, Intervention, and Prevention (CalGRIP) funding not being awarded to the city; strategies to prevent and reduce gang activity; the impact of realignment locally; innovations, partnerships and leveraging resources; staffing levels; and police-community contact. It was suggested that Police staff consider opportunities to highlight and transmit to the community the positive efforts by the Police; and to consider funding alternatives to carry forward the Hayward Positive Alternatives for Youth (HPAY) Program.

## **PUBLIC HEARING**

### **9. Proposed Subdivision and Construction of Fourteen Attached and Detached Single-Family Homes on a 1.0 Acre Site at 1561 Middle Lane and 23572 Saklan Road, Requiring Adoption of Resolution and Introduction of Ordinance for a Zone Change from Medium Density Residential to Planned Development, Vesting Tentative Tract Map 8219 and Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program. Bridgit Koller, Standard Pacific Corp. (Applicant), Jon Sylvester (Owner)**

Staff report submitted by Associate Planner Ajello, dated March 3, 2015, was filed.

Staff delivered one presentation for both staff reports No. 9 and No. 10 because they were projects for the same original development, but because they required separate applications and maps, separate findings and actions by Council were required.



**MINUTES OF THE CITY COUNCIL MEETING  
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Deputy Director of Development Services Bristow announced the report and introduced Associate Planner Ajello who provided a synopsis for reports No. 9 and No. 10. It was noted that Development Services Director Rizk and Planning Manager Buizer were unable to attend the meeting. Associate Planner Ajello noted there were typographical errors in the two resolutions and noted that the Zone Change Application should be PL 2014-0509 as opposed to PL-2013-0509.

Discussion ensued among Council Members and City staff regarding: uncovered parking spaces; outdoor fireplaces; diversity of housing types; public parkland obligations; destination parks; and installation of solar panels on all units.

There being no public comments, Mayor Halliday opened and closed the public hearing at 8:48 p.m.

Council Member Zermeño expressed support for the solar features, preservation and replacement of trees and infill development. Mr. Zermeño offered a motion per staff recommendation and Council Member Lamnin seconded the motion.

It was moved by Council Member Zermeño, seconded by Council Member Lamnin, and carried with Council Member Mendall absent, to adopt the following:

Resolution 15-034, “Resolution Adopting the Mitigated Negative Declaration and the Mitigation Monitoring and Reporting Program and Approving Vesting Tentative Tract Map Application PL-2014-0510 and Zone Change Application PL-2014-0509 Pertaining to the Development of Fourteen Attached and Detached Single-Family Homes at 1561 Middle Lane and 23572 Saklan Road”

Introduction of Ordinance 15-\_, “An Ordinance Amending Chapter 10, Article 1 of the Hayward Municipal Code by Rezoning Certain Property in Connection with Zone Change Application No. PL-2014-0509 Relating to a Residential Development at 1561 Middle Lane and 23572 Saklan Road (Tract 8219)”

10. Proposed Subdivision and Construction of Nine Attached and Detached Single-Family Homes on a 0.60 Acre Site at 23877 and 23875 Eden Avenue; and 1500 and 1504 Sylvia Street, Requiring Adoption of Resolution and Introduction of Ordinance for a Zone Change from Medium Density Residential to Planned Development, Vesting Tentative Tract Map 8222 and Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program. Bridgit Koller, Standard Pacific Corp. (Applicant), William and Rosita Ignacio (Owners)

Staff report submitted by Associate Planner Ajello, dated March 3, 2015, was filed.

Council Member Zermeño offered a motion per staff recommendation and Council Member Lamnin seconded the motion.

Council Member Peixoto supported the proposal because it was well articulated and appreciated its high-quality architectural features. Mr. Peixoto asked the developers to educate potential residents about the responsibilities to the homeowners association (HOA).

Council Member Lamnin supported the project and appreciated the installation of fiber optic network and solar energy features, and encouraged tankless water heaters and accessibility options.

It was moved by Council Member Zermeño, seconded by Council Member Lamnin, and carried with Council Member Mendall absent, to adopt the following:

Resolution 15-035, “Resolution Adopting the Mitigated Negative Declaration and the Mitigation Monitoring and Reporting Program and Approving Vesting Tentative Tract Map Application PL-2014-0508 and Zone Change Application PL-2014-0507 Pertaining to the Development of Nine Attached and Detached Single-Family Homes at 23877 and 23875 Eden Avenue and 1500 and 1504 Sylvia Street”

Introduction of Ordinance 15-\_, “An Ordinance Amending Chapter 10, Article 1 of the Hayward Municipal Code by Rezoning Certain Property in Connection with Zone Change Application No. PL-2014-0507 Relating to a Residential Development at 23877 and 23875 Eden Avenue and 1500 and 1504 Sylvia Street”

## **LEGISLATIVE BUSINESS**

Council Member Márquez stated she would not be participating on Item No. 11 due to a conflict of interest and she would not return to the meeting because she was not feeling well and left the Council Chambers at approximately 8:54 p.m.

Council Member Jones stated he would not be participating on Item No. 11 due to a conflict of interest and left the Council Chambers at approximately 8:55 p.m.

11. Introduction of an Ordinance Amending the Hayward Municipal Code by Adding Article 20 to Chapter 8 of the Hayward Municipal Code Relating to the Establishment of Community Benefit Districts

Staff report submitted by Community and Media Relations Officer Holland, dated March 3, 2015, was filed.

Assistant City Manager McAdoo announced the report and introduced Community and Media Relations Officer Holland who provided a synopsis of the report.



**MINUTES OF THE CITY COUNCIL MEETING  
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Discussion ensued among Council Members and City staff regarding: City representation on the potential governing board of the Downtown Hayward Community Benefit District (CBD); proposed boundaries for the District; staff's recommendation about lowering the petition threshold to thirty percent of property or business owners and extending the lifespan of the CBD to twenty years; municipalities that were given authority under the Property and Business Improvement District (PBID) Law; governing structure and the fiscal agent for the new organization; the City's involvement with the articles of incorporation and by-laws; and the assessment to fund special services.

Mayor Halliday opened the public hearing at 9:27 p.m.

Ms. Mona Diamantine, Hayward downtown business owner, expressed she was not notified of the proposal, agreed that businesses could benefit by the formation of a CBD, objected to lowering the threshold to thirty percent and suggested leaving it at fifty percent, and supported having the CBD's lifespan at five years with the option of renewing for ten year periods.

Mayor Halliday closed the public hearing at 9:30 p.m.

In response to Council Member Zermeño's inquiry about the reason for the thirty percent petition requirement and outreach efforts, staff noted that the petition threshold of thirty percent was to obtain validation that there was interest to move to the next step and added that the formation of the proposed District would require a fifty percent plus one voter approval. In terms of outreach, staff reassured Council that public outreach would be ongoing throughout the process. It was noted that downtown property owners would be provided with a newsletter including findings of the feasibility study, property verification forms, and additional information for the proposal.

Council Member Zermeño offered a motion per staff recommendation with one amendment to the Ordinance by reducing from twenty to ten years the term of potential Community Benefit Districts with the option to renew for additional years.

Council Member Lamnin seconded the motion.

Discussion ensued among Council members and City staff regarding the lifespan of the CBD which resulted in consensus of a lifespan of fifteen years which would provide for reimbursement of formation costs and it would not be too long of a timeframe. It was noted that the assessment levels are set during the formation stage.

Council Member Zermeño modified his motion to include two amendments: 1) reducing from twenty to fifteen years the term of potential Community Benefit Districts; and 2) reducing from twenty to ten the number of years for which a Community Benefits District may be renewed. The motion further stated that a thirty percent threshold was the petition requirement and fifty percent

plus one weighted voter approval would be required for the formation of the CBD. Additionally, it was noted that public outreach would be ongoing throughout the process.

Council Member Lamnin, as the seconder of the motion, was amenable to the modified motion.

It was moved by Council Member Zermeño, seconded by Council Member Lamnin, and carried to adopt the following with two amendments to the Ordinance: 1) Section 8-20.00 (Findings and Purpose) and Section 8-20.55 (Duration) amended by reducing from twenty to fifteen years the term of potential Community Benefit Districts; and 2) Section 8-20.60 (Renewal) revised by reducing from twenty to ten the number of years for which a Community Benefits District may be renewed. The motion further clarified that a thirty percent threshold was the petition requirement and fifty percent plus one weighted voter approval would be required for the formation of the CBD. Additionally, it was noted that public outreach would be ongoing throughout the process.

AYES: Council Members Zermeño, Peixoto, Lamnin  
MAYOR Halliday  
NOES: None  
ABSENT: Council Members Mendall, Jones, Márquez  
ABSTAINED: None

Introduction of Ordinance 15-\_\_, “Ordinance of the City of Hayward, California Adding Article 20 to Chapter 8 of the Hayward Municipal Code Relating to Establishment of Community Benefit Districts”

Council Member Jones returned to the Council Chambers at 9:48 p.m.

## **INFORMATION ITEMS**

12. Update on Regional Efforts to End Homelessness in Alameda County and Next Steps in the City of Hayward’s Participation in Those Efforts

Mayor Halliday noted that, according to the staff report, more discussion would be brought to the Council in a robust work session tentatively scheduled in July 2015.

Council Member Zermeño reminded staff that available funds need to be allocated appropriately for social services.

## **CITY MANAGER’S COMMENTS**

City Manager David made three announcements: the City of Hayward Job Fair on March 7, 2015; the “Fields of Dreams” Mural Unveiling Little League Opening Day at Sorensdale Park on March 7, 2015; and announced that state efforts to ban the plastic bag ban will not impact the City’s ordinance.



**MINUTES OF THE CITY COUNCIL MEETING  
OF THE CITY OF HAYWARD  
City Council Chambers  
777 B Street, Hayward, CA 94541  
Tuesday, March 3, 2015, 7:00 p.m.**

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**COUNCIL REPORTS, REFERRALS, AND FUTURE AGENDA ITEMS**

Mayor Halliday reported that some Council members and her attended the Made in Hayward Education Summit Planning Breakfast on February 27, 2015, and also reported that she participated in Dr. Seuss readings hosted by Hayward schools.

**ADJOURNMENT**

Mayor Halliday adjourned the meeting at 10:00 p.m., in memory of Mr. Robert Vejby who was born August 24, 1919 in Hayward and passed away February 8, 2015 in Hayward at the age of 95 years. Mr. Vejby was a lifelong Hayward resident, Eagle Scout, avid swimmer, prolific gardener, active in the PTA and Scouting, taught at Russell City, and served as principal in the San Leandro and San Lorenzo school districts. Mayor Halliday asked staff to work with his family and find a suitable place to plant a tree in his memory.

**APPROVED:**

Barbara Halliday  
Mayor, City of Hayward

**ATTEST:**

Miriam Lens  
City Clerk, City of Hayward

**DATE:** March 17, 2015  
**TO:** Mayor and City Council  
**FROM:** City Clerk  
**SUBJECT:** Adoption of Ordinance Amending Chapter 10, Article 1 of the Hayward Municipal Code by Rezoning Certain Property in Connection with Zone Change Application No. PL-2014-0509 Relating to a Residential Development at 1561 Middle Lane and 23572 Saklan Road (Tract 8219)

**RECOMMENDATION**

That the City Council adopts the Ordinance introduced on March 3, 2015.

**BACKGROUND**

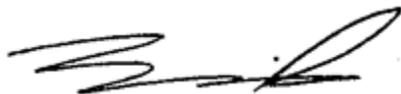
The Ordinance was introduced by Council Member Zermeño at the March 3, 2015 meeting of the City Council with the following vote:

AYES:	Council Members:	Zermeño, Jones, Peixoto, Lamnin, Márquez Mayor Halliday
NOES:	Council Members:	None
ABSENT:	Council Members:	Mendall
ABSTAIN:	Council Members:	None

The summary of the Ordinance was published in the Hayward Daily Review on Saturday, March 14, 2015. Adoption at this time is therefore appropriate.

*Prepared and Recommended by:* Miriam Lens, City Clerk

Approved by:



\_\_\_\_\_  
Fran David, City Manager

Attachment:

Attachment I      Summary of Ordinance Published on 3/14/15

PUBLIC NOTICE OF AN INTRODUCTION OF ORDINANCE  
BY THE CITY COUNCIL OF THE CITY OF HAYWARD

AN ORDINANCE AMENDING CHAPTER 10, ARTICLE 1 OF THE HAYWARD MUNICIPAL CODE BY REZONING CERTAIN PROPERTY IN CONNECTION WITH ZONE CHANGE APPLICATION NO. PL-2014-0509 RELATING TO A RESIDENTIAL DEVELOPMENT AT 1561 MIDDLE LANE AND 23572 SAKLAN ROAD (TRACT 8219)

THE CITY COUNCIL OF THE CITY OF HAYWARD DOES ORDAIN AS FOLLOWS:

Section 1. Rezoning.

Article 1 of Chapter 10 of the Hayward Municipal Code is hereby amended to rezone the property located at 1561 Middle Land and 23572 Saklan Road (APNs: 441-0095-018-02 and 441-0095-019-04) from Medium Density Residential (RM) to Planned Development (PD) District.

Section 2. Severance.

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 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 the remainder of the ordinance, absent the excised portion, can be reasonable interpreted to give effect to intentions of the City Council.

Section 3. Effective Date.

This ordinance shall become effective immediately upon adoption.

Introduced at the meeting of the Hayward City Council held March 3, 2015, the above-entitled Ordinance was introduced by Council Member Zermeño.

This Ordinance will be considered for adoption at a meeting of the Hayward City Council, to be held on March 17, 2015, at 7:00 p.m., in the Council Chambers, 777 B Street, Hayward, California. The full text of this Ordinance is available for examination by the public in the Office of the City Clerk.

Dated: March 14, 2015  
Miriam Lens, City Clerk  
City of Hayward

**DATE:** March 17, 2015  
**TO:** Mayor and City Council  
**FROM:** City Clerk  
**SUBJECT:** Adoption of Ordinance Amending Chapter 10, Article 1 of the Hayward Municipal Code by Rezoning Certain Property in Connection with Zone Change Application No. PL-2014-0507 Relating to a Residential Development at 23877 and 23875 Eden Avenue and 1500 and 1504 Sylvia Street

**RECOMMENDATION**

That the City Council adopts the Ordinance introduced on March 3, 2015.

**BACKGROUND**

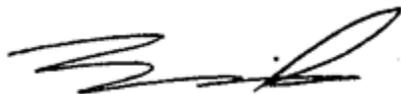
The Ordinance was introduced by Council Member Zermeño at the March 3, 2015 meeting of the City Council with the following vote:

AYES:	Council Members:	Zermeño, Jones, Peixoto, Lamnin, Márquez Mayor Halliday
NOES:	Council Members:	None
ABSENT:	Council Members:	Mendall
ABSTAIN:	Council Members:	None

The summary of the Ordinance was published in the Hayward Daily Review on Saturday, March 14, 2015. Adoption at this time is therefore appropriate.

*Prepared and Recommended by:* Miriam Lens, City Clerk

Approved by:



\_\_\_\_\_  
Fran David, City Manager

Attachment:

Attachment I      Summary of Ordinance Published on 3/14/15

PUBLIC NOTICE OF AN INTRODUCTION OF ORDINANCE  
BY THE CITY COUNCIL OF THE CITY OF HAYWARD

AN ORDINANCE AMENDING CHAPTER 10, ARTICLE 1 OF THE  
HAYWARD MUNICIPAL CODE BY REZONING CERTAIN PROPERTY IN  
CONNECTION WITH ZONE CHANGE APPLICATION NO. PL-2014-0507  
RELATING TO A RESIDENTIAL DEVELOPMENT AT 23877 AND 23875  
EDEN AVENUE AND 1500 AND 1504 SYLVIA STREET (TRACT 8222)

THE CITY COUNCIL OF THE CITY OF HAYWARD DOES ORDAIN AS FOLLOWS:

Section 1. Rezoning.

Article 1 of Chapter 10 of the Hayward Municipal Code is hereby amended to rezone the property located at 23877 and 23875 Eden Avenue; and 1500 and 1504 Sylvia Street (APNs: 441-0095-012-03, 441-0095-990-60, 441-0095-990-61 and 441-0095-990-62) from Medium Density Residential (RM) to Planned Development (PD) District.

Section 2. Severance.

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 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 the remainder of the ordinance, absent the excised portion, can be reasonable interpreted to give effect to intentions of the City Council.

Section 3. Effective Date.

This ordinance shall become effective immediately upon adoption.

Introduced at the meeting of the Hayward City Council held March 3, 2015, the above-entitled Ordinance was introduced by Council Member Zermeño.

This Ordinance will be considered for adoption at a meeting of the Hayward City Council, to be held on March 17, 2015, at 7:00 p.m., in the Council Chambers, 777 B Street, Hayward, California. The full text of this Ordinance is available for examination by the public in the Office of the City Clerk.

Dated: March 14, 2015  
Miriam Lens, City Clerk  
City of Hayward

**DATE:** March 17, 2015  
**TO:** Mayor and City Council  
**FROM:** City Clerk  
**SUBJECT:** Adoption of Ordinance Adding Article 20 to Chapter 8 of the Hayward Municipal Code Relating to Establishment of Community Benefit Districts

**RECOMMENDATION**

That the City Council adopts the Ordinance introduced on March 3, 2015.

**BACKGROUND**

The Ordinance was introduced by Council Member Zermeño at the March 3, 2015 meeting of the City Council with the following vote:

<b>AYES:</b>	Council Members:	Zermeño, Peixoto, Lamnin Mayor Halliday
<b>NOES:</b>	Council Members:	None
<b>ABSENT:</b>	Council Members:	Jones, Mendall, Márquez
<b>ABSTAIN:</b>	Council Members:	None

The Ordinance was introduced with two amendments: (1) Section 8-20.00 (Findings and Purpose) and Section 8-20.55 (Duration) amended by reducing from twenty to fifteen years the initial term of potential Community Benefit Districts; and (2) Section 8-20.60 (Renewal) revised by reducing from twenty to ten the number of years for which an existing Community Benefits District may be renewed.

The motion further clarified that a thirty percent threshold was the petition requirement and fifty percent plus one weighted voter approval would be required for the formation of the CBD. Additionally, it was noted that public outreach would be ongoing throughout the process.

The summary of the Ordinance was published in the Hayward Daily Review on Saturday, March 14, 2015. Adoption at this time is therefore appropriate.

*Prepared and Recommended by:* Miriam Lens, City Clerk

Approved by:



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Fran David, City Manager

Attachments:

Attachment I	Summary of Ordinance Published on 3/14/15
Attachment II	Revised Ordinance

PUBLIC NOTICE OF AN INTRODUCTION OF ORDINANCE  
BY THE CITY COUNCIL OF THE CITY OF HAYWARD

ORDINANCE OF THE CITY OF HAYWARD, CALIFORNIA ADDING ARTICLE 20 TO  
CHAPTER 8 OF THE HAYWARD MUNICIPAL CODE RELATING TO ESTABLISHMENT  
OF COMMUNITY BENEFIT DISTRICTS

THE CITY COUNCIL OF THE CITY OF HAYWARD DOES ORDAIN AS FOLLOWS:

Section 1. Article 20 is added to Chapter 8 of the Hayward Municipal Code and is hereby enacted to read as follows:

ARTICLE 20  
ESTABLISHMENT OF COMMUNITY BENEFIT DISTRICTS

- SEC. 8-20.00 FINDINGS AND PURPOSE.
- SEC. 8-20.10 AUTHORITY.
- SEC. 8-20.15 NONEXCLUSIVE PROCEDURE.
- SEC. 8-20.20 ESTABLISHMENT OF DISTRICT.
- SEC. 8-20.25 INCORPORATION OF STATE LAW.
- SEC. 8-20.30 RELATIONSHIP OF ASSESSMENT TO ZONING
- SEC. 8-20.35 ASSESSMENT AGAINST REAL PROPERTY.
- SEC. 8-20.40 INITIATION OF PROCEEDINGS.
- SEC. 8-20.45 FORMATION COSTS.
- SEC. 8-20.50 ADVANCEMENT OF COSTS.
- SEC. 8-20.55 DURATION.
- SEC. 8-20.60 RENEWAL.
- SEC. 8-20.65 DISESTABLISHMENT.

Section 2. If any section, subsection, paragraph or sentence of this Ordinance, or any part thereof, is for any reason found to be unconstitutional, invalid or beyond the authority of the City of Hayward by a court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this Ordinance.

Section 3. This Ordinance shall become effective thirty (30) days after adoption by the City Council.

Introduced at the meeting of the Hayward City Council held March 3, 2015, the above-entitled Ordinance was introduced by Council Member Zermeño.

This Ordinance will be considered for adoption at a meeting of the Hayward City Council, to be held on March 17, 2015, at 7:00 p.m., in the Council Chambers, 777 B Street, Hayward, California. The full text of this Ordinance is available for examination by the public in the Office of the City Clerk.

Dated: March 14, 2015  
Miriam Lens, City Clerk  
City of Hayward

ORDINANCE NO.

ORDINANCE OF THE CITY OF HAYWARD, CALIFORNIA  
ADDING ARTICLE 20 TO CHAPTER 8 OF THE HAYWARD  
MUNICIPAL CODE RELATING TO ESTABLISHMENT OF  
COMMUNITY BENEFIT DISTRICTS

THE CITY COUNCIL OF THE CITY OF HAYWARD DOES ORDAIN AS FOLLOWS:

Section 1. Article 20 is added to Chapter 8 of the Hayward Municipal Code and is hereby enacted to read as follows:

ARTICLE 20

ESTABLISHMENT OF COMMUNITY BENEFIT DISTRICTS

SEC. 8-20.00 FINDINGS AND PURPOSE. The City Council finds as follows:

- (1) The City of Hayward contains many property owners desirous to form property-based assessment districts for the purpose of enhancing the security, safety, appearance, and economic viability of their environs;
- (2) The California Street and Highways Code provides for the establishment of a property-based improvement district and requires that property owners in the proposed district submit a petition signed by property owners who will pay more than fifty (50) percent of the assessments proposed to be levied;
- (3) The fifty (50) percent petition requirement may result in areas with a large percentage of absentee property owners being denied the ability to vote on the merits of establishing a property and business improvement district;
- (4) The California Street and Highways Code limits the maximum number of years during which an assessment can be levied to five and the City Council believes that it would be in the best interests of some property and business improvement districts to plan for expenditures in excess of five years, such as for the maintenance of improvements;
- (5) The City Council desires to enact an enabling ordinance which will be responsive to the needs of property owners in the City.

- (6) The establishment of Community Benefit Districts and the levying of assessments therefor is a municipal affair.

The purpose of this chapter is to enhance the ability of the City and businesses therein to establish property and business improvement districts pursuant to the Property and Business Improvement District Law of 1994 (Streets & Highways Code Section 36600 et seq.) by: (1) reducing the percentage of property owners whose signatures are required to initiate formation of a Property and Business Improvement District (“Property BID”) from fifty percent (50%), as authorized by the Property and Business Improvement District Law of 1994, to thirty percent (30%); (2) extending the period for which a Property BID may exist from five years, as authorized by the Property and Business Improvement District Law of 1994, to fifteen years; and (3) authorizing the reimbursement of formation costs.

SEC. 8-20.10 AUTHORITY. This Chapter is adopted pursuant to Article II of the City Charter and Article XI, Section 5 of the California Constitution, which confer unto the City the power to may make and enforce all ordinances and regulations in respect to municipal affairs, subject only to restrictions and limitations provided in its charter and the Constitution of the State of California.

SEC. 8-20.15 NONEXCLUSIVE PROCEDURE. This Chapter provides a procedure for the establishment of assessment districts that is separate from, and alternative to, other procedures existing under state or municipal law. This Chapter does not prohibit the City Council from establishing an assessment district or conducting proceedings for such district under any other procedure authorized by law.

SEC. 8-20.20 ESTABLISHMENT OF DISTRICT. The City Council may, by resolution, establish a Community Benefits District and levy assessments in connection with such a District pursuant to this Chapter. Pursuant to Section 1-5.00 of this Code any court action or proceeding to attack, review, set aside, void, or annul a resolution establishing a Community Benefit District pursuant to this Chapter shall not be maintained by any person unless such action or proceeding is commenced within 30 days after the effective date of such decision. Thereafter, all persons are barred from any such action or proceeding or any defense of invalidity or unreasonableness of such decisions or of such proceedings, acts, or

determinations.

SEC. 8-20.25 INCORPORATION OF STATE LAW. This Chapter incorporates the Property and Business Improvement District Law of 1994 (Streets & Highways Code §§ 36600 et seq.), which is referred to in the Chapter as the “PBID Law”. In connection with such incorporation, all references in the PBID Law to a “District” or a “Property and Business Improvement District” shall be interpreted as references to a Community Benefits District. Except where a provision of the PBID law is inconsistent with a provision of this Chapter, all provisions of the PBID law shall apply to the establishment and operation of any Community Benefits District established pursuant to this Chapter. In the event of a conflict between the provisions of this Chapter and those of the PBID Law, the provisions in this Chapter shall prevail.

SEC. 8-20.30 RELATIONSHIP OF ASSESSMENT TO ZONING. Notwithstanding the requirements of Section 36632 of the PBID Law, any parcel of real property, regardless of the zoning of such parcel, may be included in a Community Benefits District and subject to an assessment in connection therewith, so long as such parcel specially benefits from the services and improvements funded by that District.

SEC. 8-20.35 ASSESSMENT AGAINST REAL PROPERTY. Only assessments against real property may be levied in connection with a Community Benefits District.

SEC. 8-20.40 INITIATION OF PROCEEDINGS. In lieu of the requirements of Section 36621(a) of the PBID Law, the city council may initiate proceedings to form a Community Benefits District upon the submission of a written petition, signed by property owners in the proposed district who will pay more than thirty percent of the assessments proposed to be levied in connection with such district. The amount of assessment attributable to property owned by the same property owner that is in excess of twenty percent of the amount of all assessments proposed to be levied, shall not be included in determining whether the petition is signed by property owners who will pay more than thirty percent of the total amount of assessments proposed to be levied.

SEC. 8-20.45 FORMATION COSTS. If so provided in the engineers report for a Community Benefits District, the assessment levied in connection with such a District may include amounts sufficient to recover the costs incurred in forming the District, including:

- a. The costs of preparation of the management plan and engineer's report required by state law;
- b. The cost of preparing, circulating and submitting the petition to the City Council seeking establishment of the District;
- c. The costs of printing, advertising and the giving of published, posted or mailed notices;
- d. Compensation of any consultant, engineer or attorney employed to render services in proceedings under this chapter or the PBID Law; and
- e. Costs incurred by the City for public hearings, notices, ballots and other proceedings required by law for approval of a new or increased assessment.

The engineer's report shall specify the formation costs eligible for recovery through assessments, the schedule for recovery of those costs, and the basis for determining the amount of the additional assessment for recovery of costs, including the maximum amount of the additional assessment, expressed either as a dollar amount, or as a percentage of the underlying assessment.

SEC. 8-20.50 ADVANCEMENT OF COSTS. The City Council may, in the resolution of intention for a Community Benefits District, provide that if the District is established funds may be advanced from the City's General Fund to permit the operation of the District prior to the City's collection of the assessment. Such advance shall occur only after the establishment of the District, and no advance shall be made if the District is not established. Any such advance may not exceed the total anticipated assessment proceeds for the first year of the assessment. Any such advance must be recovered from assessment proceeds as provided in the Resolution of Intention, along with interest calculated at a rate set forth in the Resolution of Intention. The duration of any such advance shall not exceed five years.

SEC. 8-20.55 DURATION. The duration of a new Community Benefits District shall be no greater than specified in the Resolution of Intention for the District, and shall in no event be in excess of fifteen years. This Section is intended to supplant any shorter limitation set forth

in the PBID Law on the duration of assessments levied in connection with an assessment district.

SEC. 8-20.60 RENEWAL. A Community Benefits District may be renewed for a period of not to exceed ten additional years by following the procedures set forth in Section 36660 of the PBID Law.

SEC. 8-20.65 DISESTABLISHMENT. The City Council may, on its own initiative, at any time adopt a resolution of intention to disestablish a Community Benefits District and shall adopt a such a resolution if, during the annual thirty-day period set forth in Section 36670(a)(2) of the PBID Law, the City Council receives a written petition requesting disestablishment signed by property owners who pay more than thirty percent of the assessments levied in connection with the district. This section provides alternative method for the initiation of proceedings to disestablish a Community Benefits District and shall not be interpreted to preempt the existence of other methods set forth in Section 36670(a)(2) of the PBID Law. A resolution of intention adopted pursuant to this section shall have the same effect, and trigger the same notice and hearing requirements, as a resolution of intention otherwise adopted pursuant to Section 36670 of the PBID Law.

Section 2. If any section, subsection, paragraph or sentence of this Ordinance, or any part thereof, is for any reason found to be unconstitutional, invalid or beyond the authority of the City of Hayward by a court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this Ordinance.

Section 3. This Ordinance shall become effective thirty (30) days after adoption by the City Council.

INTRODUCED at a regular meeting of the City Council of the City of Hayward, held  
the \_\_\_ day of \_\_\_, \_\_\_\_\_ 2015, by Council Member \_\_\_\_\_ .

ADOPTED at a regular meeting of the City Council of the City of Hayward  
held the \_\_\_\_\_ day of \_\_\_\_\_ , 2015, by the following votes of members of 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

**DATE:** March 17, 2015  
**TO:** Mayor and City Council  
**FROM:** City Clerk  
**SUBJECT:** Resolution Appointing Council Member Márquez to the Alameda County Mosquito Abatement District Board of Trustees

**RECOMMENDATION**

That the City Council adopts the attached resolution appointing Council Member Márquez to the Alameda County Mosquito Abatement District (ACMAD) Board of Trustees to fill the remainder term left by Mayor Halliday. The term will run through December 31, 2015.

**BACKGROUND**

On January 25, 2011, the City Council appointed then Council Member Halliday as its representative on the ACMAD Board of Trustees to fill the remaining term left by Mr. Paul Garcia. On December 17, 2013, the City Council confirmed the reappointment of then Council Member Halliday as its representative to the ACMAD for a two-year term from January 1, 2014 through January 1, 2016.

The ACMAD has been informed that Mayor Barbara Halliday plans to leave her position as a trustee. Council Members were asked if someone would be willing to serve on the ACMAD Board. Council Márquez expressed interest in serving on this Board to fill Mayor Halliday's remaining term, which expires on December 31, 2015.

*Prepared and Recommended by:* Miriam Lens, City Clerk

Approved by:

\_\_\_\_\_  
Fran David, City Manager

Attachment: Attachment I Resolution Appointing Council Member Márquez

HAYWARD CITY COUNCIL

RESOLUTION NO. 15-

Introduced by Council Member \_\_\_\_\_

RESOLUTION APPOINTING COUNCIL MEMBER MÁRQUEZ AS CITY OF HAYWARD REPRESENTATIVE TO THE ALAMEDA COUNTY MOSQUITO ABATEMENT DISTRICT BOARD OF TRUSTEES

WHEREAS, on December 17, 2013, the City Council confirmed then Council Member Halliday as its representative on the Alameda County Mosquito Abatement District Board of Trustee to a two-year term from January 1, 2013, through January 1, 2015.

WHEREAS, Ms. Halliday served in this capacity since 2011.

BE IT RESOLVED by the City Council of the City of Hayward that the Council hereby appoints Council Member Márquez as the City of Hayward representative to the Alameda County Abatement District Board of Trustees to fill the remainder term left by Mayor Halliday, which would run through December 31, 2015.

IN COUNCIL, HAYWARD, CALIFORNIA \_\_\_\_\_, 2015.

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:  
MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST: \_\_\_\_\_  
City Clerk of the City of Hayward

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney of the City of Hayward

**DATE:** March 17, 2015  
**TO:** Mayor and City Council  
**FROM:** City Clerk  
**SUBJECT:** Resolution Accepting the Written Resignation of Anthony Beaman from the Personnel Commission

**RECOMMENDATION**

That the City Council accepts the resignation of Mr. Anthony Beaman from the Personnel Commission and adopts a resolution.

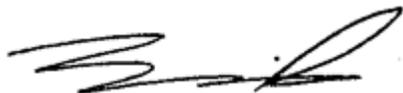
**BACKGROUND**

Mr. Anthony Beaman was appointed to the Personnel Commission on September 16, 2014.

His written resignation became effective March 6, 2015; and his vacated position will be filled as part of the annual appointment process for the City’s Appointed Officials to Boards and Commissions.

*Prepared and Recommended by:* Miriam Lens, City Clerk

Approved by:



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Fran David, City Manager

Attachment: Attachment I Resolution

HAYWARD CITY COUNCIL

RESOLUTION NO. 15-

Introduced by Council Member \_\_\_\_\_

RESOLUTION ACCEPTING THE RESIGNATION OF ANTHONY BEAMAN FROM THE PERSONNEL COMMISSION

WHEREAS, Mr. Anthony Beaman was appointed to the Personnel Commission on September 16, 2014, and,

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hayward that the Council hereby accepts the resignation of Anthony Beaman from the Personnel Commission; and commends him for his civic service to the City,

IN COUNCIL, HAYWARD, CALIFORNIA \_\_\_\_\_, 2015.

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:  
MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST: \_\_\_\_\_  
City Clerk of the City of Hayward

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney of the City of Hayward

**DATE:** March 17, 2015

**TO:** Mayor and City Council

**FROM:** Director of Public Works - Engineering & Transportation

**SUBJECT:** Hayward Transit Connector Feasibility Study – Authorization for the City Manager to Negotiate and Execute a Professional Services Agreement with Fehr & Peers and Appropriation of Funds

### **RECOMMENDATION**

That Council adopts the attached resolutions (Attachments I and II):

1. Authorizing the City Manager to negotiate and execute a professional services agreement with Fehr & Peers to undertake the Hayward Transit Connector Feasibility Study (Study) in an amount not to exceed \$300,000; and
2. Appropriating \$350,000 for this project in the Transportation System Improvement Fund.

### **BACKGROUND**

In the past several years, staff has received a number of inquiries from employers in the Industrial Area regarding frequency and adequacy of public transit services from downtown to their businesses. The most frequent inquiry concerns transit service being indirect and infrequent. This is a disincentive for employees to take public transit, and in turn, hampers the City's ability to attain the goals in its Climate Action Plan relative to greenhouse gas emission reductions and the Economic Development Strategic Plan related to attracting and retaining key industrial employers.

In response to these concerns, City staff applied for and was successful in receiving a Caltrans planning grant in the amount of \$177,060, to conduct a Transit Connector Feasibility Study for the City's industrial employment areas. Council accepted the grant and approved the Study in September 2013. As noted above, concerns have been expressed that these areas are currently under served by the existing public transit services in Hayward.

The redevelopment of the Cannery Area added over 700 housing units, an elementary school, and an expanded park. While the distance from the Cannery Area to the transit stations and Downtown is relatively walkable, many residents continue to use their own vehicles in the absence of viable transportation alternatives that accommodate time and schedule constraints.

Due to a lack of transit connectivity in Cannery Area, low rates of commuters are taking advantage of Hayward's existing transit infrastructure.

In January 2014, in response to these concerns, City staff applied for and was again successful in receiving a second Caltrans planning grant in the amount of \$132,795. This grant was to conduct the Cannery Area Transit Alternative Study and assess the feasibility of implementing a transit connector shuttle service in and around the Cannery Park area.

In November 2014, Council authorized staff to accept the Federal Transportation Planning Grant (through Caltrans) for the Cannery Study. To maintain consistency in approach and efficient use of resources, staff sought to select one consultant to complete both the Industrial Area and the Cannery Area Transit Alternative Studies.

## **DISCUSSION**

The proposed Study will assess the feasibility of implementing shuttle services between passenger rail stations (BART and Amtrak) and areas that are currently underserved by transit, including the industrial areas west of Interstate 880, the Cannery Area, Cal State East Bay, and other areas of the City. In general, the Study will include three main parts:

- 1) Assessing the demand for shuttle service, including the level of ridership that could be expected and resident/business attitudes toward the proposed service and potential fare scenarios. This will be accomplished through outreach to residents, residential surveys, and transit modeling.
- 2) Examining existing transit facilities and services in the area, including how to augment these facilities and strengthen their role in the community.
- 3) Using the information gathered to develop operational alternatives, including service configurations as well as financial and institutional alternatives such as oversight, administration, and funding of a potential service if it is known to be feasible.

The final report will recommend a feasible alternative(s) and provide an implementation process and timeline.

City staff issued a Request for Proposals (RFP) for the Study in January and conducted consultant interviews on February 26, 2015. A total of four proposals were received in response to the RFP. Based on the criteria for selection published in the RFP, three out of the four firms were invited to interview. The interview was conducted by a panel consisting of staff from the City Manager's Office of Economic Development, Development Services, and Public Works – Engineering & Transportation departments. The panel unanimously recommended hiring Fehr & Peers for performing this work based on their technical and community outreach experience with similar projects.

Staff recommends Council authorize the City Manager to negotiate and execute a professional service agreement with Fehr & Peers. Once an agreement has been executed, the consultant team will perform the tasks as outlined in the grant application.

## FISCAL & ECONOMIC IMPACT

The project's estimated cost is \$350,000 (\$300,000 consultant and \$50,000 staff costs), which will be funded by the two aforementioned grants from Caltrans and matching funds from the City. The City's matching funds are proposed to be sourced from the Transportation System Improvement Fund in the Adopted FY15 Capital Improvement Program.

Caltrans Grant – accepted and approved by Council on November 18, 2014	\$132,795
Caltrans Grant – accepted and approved by Council on September 24, 2013	177,060
<i>City's Matching Funds</i>	40,145
<b>Total</b>	<b>\$350,000</b>

## PUBLIC CONTACT

Extensive community outreach is proposed in the work plan to gather information about hours of operation, existing shuttle and TDM programs, and attitudes towards participating in a shuttle or other transit connector program. In addition, these meetings will be used to gather information needed for employee and resident surveys. This outreach will be conducted both by the consultant team and by City staff. These meetings are anticipated to occur during the summer/fall of 2015. An interim update will be provided to Council this fall to report preliminary findings from the Study.

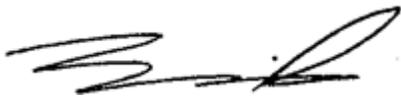
## SCHEDULE

Project Kick-off Meeting with Caltrans	April 2015
Employer/Employee Surveys	June-July 2015
Interim Update to Council	November 2015
Draft Report and Presentation to Council	February 2016
Final Report	April 2016

*Prepared by:* Fred Kelley, Transportation Manager

*Recommended by:* Morad Fakhrai, Public Works Director – Engineering & Transportation

Approved by:



Fran David, City Manager

Attachments:

- Attachment I: Resolution – Authorization for the City Manager to Execute Agreement
- Attachment II: Resolution – Appropriation of Funds

HAYWARD CITY COUNCIL

RESOLUTION NO. 15-\_\_\_\_\_

Introduced by Council Member \_\_\_\_\_

RESOLUTION AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH FEHR & PEERS FOR PROFESSIONAL SERVICES FOR THE HAYWARD TRANSIT CONNECTOR FEASIBILITY STUDY

BE IT RESOLVED by the City Council of the City of Hayward that the City Manager is hereby authorized and directed to negotiate and execute an agreement with Fehr & Peers for professional services for the Hayward Transit Connector Feasibility Study, in an amount not to exceed \$300,000, in a form to be approved by the City Attorney.

IN COUNCIL, HAYWARD, CALIFORNIA \_\_\_\_\_, 2015

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:  
MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST: \_\_\_\_\_  
City Clerk of the City of Hayward

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney of the City of Hayward

HAYWARD CITY COUNCIL

RESOLUTION NO. 15-\_\_\_\_\_

Introduced by Council Member \_\_\_\_\_

RESOLUTION AMENDING RESOLUTION 14-098, AS AMENDED, THE BUDGET RESOLUTION FOR CAPITAL IMPROVEMENT PROJECTS FOR FISCAL YEAR 2015, RELATING TO AN APPROPRIATION OF FUNDS FROM THE TRANSPORTATION SYSTEM IMPROVEMENT FUND (FUND 460) TO THE HAYWARD TRANSIT CONNECTOR FEASIBILITY STUDY, PROJECT NO. 05275

BE IT RESOLVED by the City Council of the City of Hayward that Resolution 14-098, as amended, the Budget Resolution for Capital Projects for Fiscal Year 2015, is hereby amended by approving an additional appropriation of \$350,000 from the Transportation System Improvement Fund (Fund 460) to the Hayward Transit Connector Feasibility Study, Project No. 05275.

IN COUNCIL, HAYWARD, CALIFORNIA \_\_\_\_\_, 2015

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:  
MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST: \_\_\_\_\_  
City Clerk of the City of Hayward

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney of the City of Hayward

**DATE:** March 17, 2015

**TO:** Mayor and City Council

**FROM:** Director of Finance

**SUBJECT:** Approve Contract for Update of City's Full Overhead Cost Allocation Plan/OMB A-87 and Completion of Comprehensive Master Fee Study

### **RECOMMENDATION**

That Council approves the attached resolution authorizing the City Manager to execute a professional services contract with Willdan Financial Services for an amount not to exceed \$40,555 (\$28,570 for a comprehensive master fee study and \$11,985 for a full overhead cost allocation plan and OMB A-87 plan).

### **BACKGROUND**

The City relies on two key documents to calculate the cost of providing services: a Cost Allocation Plan and the Master Fee Schedule. Best practice is to update the plans at least every two years. The last plan was updated in August 2014.

Cost Allocation Plan -The Cost Allocation Plan (CAP) identifies the costs of the City's internal support departments (e.g., City Manager, Finance, Human Resources, City Clerk) and provides a costing methodology to allow the City to allocate costs to various programs, grants, contracts, and agreements. The Full Overhead Cost Allocation Plan identifies the full costs of internal support departments. The City uses the full CAP to assess internal support costs to its enterprise and special revenue funds – which essentially results in revenue to the General Fund.

The OMB A-87 is a reference to the Federal Office of Budget Management Circular regarding cost allocation. This Circular establishes principles and standards for determining costs for Federal awards carried out through grants, cost reimbursement contracts, and other agreements with State and local governments and federally recognized governmental units. The OMB A-87 differs from the full overhead cost allocation plan in that it does not allow for the recovery of certain cost types. This plan is used for all federal grant programs such as the Community Development Block Grant (CDBG) program reimbursements.

Comprehensive Master Fee Study - The City maintains a Master Fee Schedule that identifies the fees for City services – charges to the users of these services. The Master Fee Schedule is based on the basic cost of delivering services (e.g., various building and fire inspections) and must comply with provisions of Propositions 218 and 26. The fee schedule was last comprehensively reviewed and updated in July 2008. The City has completed smaller adjustments and

modifications to the fee schedule (mostly cost of living adjustments and adjustments to support Council policies) as part of the annual budget process. Given the changes to the City's structure and its cost of operations over the fiscal years since the last study, it is appropriate to conduct a detailed fee study. In addition, the previous fee schedule was difficult for staff to manipulate and updates to the schedule were very difficult to perform. The model proposed by Willdan will consider specific City service costs and needs, while remaining user-friendly and easy to update.

## **DISCUSSION**

On February 19, 2013, following a Request for Proposal process in which a total of six proposals were evaluated, the City Council approved an agreement between the City and Willdan Financial to provide services to update the City's Cost Allocation Plan and complete a Comprehensive Master Fee Study ( [http://www.hayward-ca.gov/CITY-GOVERNMENT/DEPARTMENTS/FINANCE/documents/2015/Staff\\_Report\\_021913.pdf](http://www.hayward-ca.gov/CITY-GOVERNMENT/DEPARTMENTS/FINANCE/documents/2015/Staff_Report_021913.pdf) ).

The City successfully updated its Cost Allocation Plan in August 2014. Given the upcoming budget process and changes in the City budget structure with the implementation of the new financial system, staff seeks to again update the CAP. Due to staff workload and the timing of the new financial system implementation, staff was unable to begin the larger project of completing a Comprehensive Master Fee Study prior to the expiration of the original Council approved contract with Willdan. Approving a new contract will allow City staff to complete both the Fee Study and update the CAP.

## **FISCAL IMPACT**

Pursuant to the previous pricing agreed to in the original contract, the fees for updating the Full Overhead Cost Allocation Plan and OMB A-87 will be approximately \$11,985 and the cost of completing Comprehensive Master Fee Study is \$28,570, for a total contract price of \$40,555. These costs are budgeted in the Finance Department operating budget for FY 2015.

*Prepared by:* Dustin Claussen, Deputy Director of Finance

*Recommended by:* Tracy Vesely, Director of Finance

Approved by:



Fran David, City Manager

Attachment:

Attachment I Resolution

HAYWARD CITY COUNCIL

RESOLUTION NO. 15-

Introduced by Council Member \_\_\_\_\_

RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF HAYWARD AND WILLDAN FINANCIAL SERVICES FOR COMPREHENSIVE MASTER FEE SERVICES AND FULL OVERHEAD COST ALLOCATION PLAN/OMB A-87

WHEREAS, In November 2012, the City solicited two professional services contract proposals for a comprehensive master fee study and a full overhead cost allocation plan/OMB A-87 services; and

WHEREAS, On February 19, 2014, after a full proposal review process, the City Council awarded a contract for professional services to Willdan Financial Services to provide services to update the City’s Cost Allocation Plan and complete a Comprehensive Master Fee Study; and

WHEREAS, the term of the contract with Willdan Financial Services expired before all of the planned work was completed and a new contract is required to complete the intended work.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hayward that the City Manager is hereby authorized and directed to negotiate and execute on behalf of the City of Hayward an agreement with Willdan Financial Services in an amount not to exceed \$40,550 to complete for comprehensive master fee services and cost allocation plan/OMB A-87 update, in a form to be approved by the City Attorney.

IN COUNCIL, HAYWARD, CALIFORNIA \_\_\_\_\_, 2015

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:  
MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST: \_\_\_\_\_  
City Clerk of the City of Hayward

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney of the City of Hayward

**DATE:** March 17, 2015  
**TO:** Mayor and City Council  
**FROM:** Director of Utilities & Environmental Services  
**SUBJECT:** New Highland 1530 Reservoir: Approval of Addendum and Award of Contract

**RECOMMENDATION**

That the City Council adopts the attached resolution that:

1. Approves Addendum No. 1, which makes minor revisions to the plans and specifications; and
2. Awards the contract to Ghilotti Construction Company in the amount of \$1,518,225.00

**BACKGROUND**

The vesting tentative tract map (Vesting Tentative Map No. 5354) for Stonebrae Country Club was approved by the City Council in September 2002. The first Final Map Tract 5354 for Village A was approved on April 19, 2005 and recorded on July 29, 2005. The second Final Map Tract 7736 for Village B was approved on November 14, 2006 and recorded on May 24, 2007. Condition of Approval No. 171, in its original form, required the developer to construct two 2.85 million gallon (MG) water storage reservoirs in the water system's 1530 elevation zone. The developer constructed the first tank, and the City now owns, operates and maintains it.

The Conditions of Approval required the developer to construct the second tank prior to issuance of building permits for more than 365 single-family residences. On April 5, 2011, City Council approved a reduction in the size of the second tank to approximately 1.2 MG, due to demonstrated better-than-expected water conservation results, improved technology for metering irrigation flow, and less acreage for the golf course and common area landscaping. The combined total storage of 4.05 MG between the two tanks will fully meet the projected water demand for the development. On January 15, 2014, the City entered into an agreement with Stonebrae L.P. for design and construction of the new water storage reservoir under the City's auspices and reimbursement of all costs by Stonebrae L.P.

**DISCUSSION**

In order to accommodate and provide adequate capacity for the new development in the upper zone of Highland 1530, the proposed new 1.2 MG reservoir will be constructed of a welded steel tank in compliance with the latest seismic standards, and with one foot freeboard between the highest water level in the tank and roof beams to accommodate the sloshing forces during an earthquake. The project also includes the installation of a valve vault and accompanying appurtenances, modifying existing electrical and mechanical equipment, and site improvements including modification of drainage

systems and paved area. Addendum No.1, containing clarifications to the plans and specifications, was issued primarily to respond to potential bidders' questions raised during the advertisement period.

With the completion of the new water tank at Highland 1530, the reservoir level and equipment can be monitored and controlled remotely from the Utilities Center, on Soto Road, through the City's Supervisory Control and Data Acquisition (SCADA) system. A qualified consultant will be retained to program the SCADA system as needed. The cost is included in the project.

On January 13, 2015, Council approved plans and specifications for the New Highland 1530 Reservoir Project, and called for bids to be received on February 17, 2015. Nine bids were received ranging from \$1,518,225.00 to \$2,243,955.00. The low bid, submitted by Ghilotti Construction Company of Santa Rosa, is 6.88% below the engineer's estimate of \$1,630,400.

Subsequent to the bid opening, Ghilotti Construction contacted the City and advised that there had been an error in a cost estimate submitted by its tank fabrication subcontractor, Pacific Tanks. Staff advised Ghilotti that while the company could withdraw its bid, doing so would forfeit its bid bond which is at 10% of the bid amount, or \$151,822. The company responded that it has decided to honor the bid and proceed with the construction.

## **ENVIRONMENTAL REVIEW**

The City certified a Supplemental Environmental Impact Report (SEIR) for the Stonebrae Development project in 1998 and thereafter adopted an Addendum to the SEIR when it approved the Precise Development Plan and Vesting Tentative Tract Map in 2002. Staff has reviewed the requested amendment to Condition of Approval 171 and determined that it is in substantial compliance with the existing condition, as amended in April 2011, and does not present any new or increased environmental impacts not previously analyzed; thus, no additional environmental review under the California Environmental Quality Act (CEQA) Guidelines is required. Therefore, the SEIR with the Addendum is sufficient from a CEQA perspective for the City Council to adopt the attached resolution approving this phase of the project.

## **ECONOMIC IMPACT**

There are no economic impacts to Hayward customers as a result of the recommended change in project administration and management. The upfront construction costs will be paid from reserves in the Water System Capital Improvement Fund, and, in accordance with the terms of the aforementioned agreement, the developer will reimburse the City for all costs, with interest, as new homes are constructed and connected to the water system. To date, the City has received the reimbursement amount of \$446,094 (for 54 units).

## **FISCAL IMPACT**

The estimated project costs are as follows:

Professional Engineering Services – Consultant	\$ 120,000
Project Administration – City Staff	\$ 70,000
Testing, Inspection, and Programming Services	\$ 100,000
Construction of New Reservoir	<u>\$ 1,518,225</u>
<b>Total:</b>	<b>\$ 1,808,225</b>

The Adopted FY 2015 Capital Improvement Program (CIP) includes \$1,890,000 for the New Highland 1530 Reservoir Project in the Water System Capital Improvement Fund. As mentioned previously, Stonebrae L.P. will be responsible for reimbursing the City for all costs related to this project.

**PUBLIC CONTACT**

City staff has worked closely with representatives of Stonebrae L.P. through all elements of this project. There is no material impact on other Hayward residents and businesses.

**SCHEDULE**

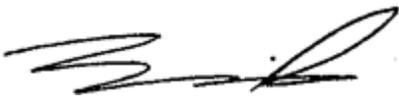
The estimated schedule for this project is summarized as follows:

Award Construction Contract	March 17, 2015
Begin Construction	May 2015
Construction Completion	December 2015

*Prepared by:* Henry Louie, Senior Utilities Engineer

*Recommended by:* Alex Ameri, Director of Utilities & Environmental Services

Approved by:




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Fran David, City Manager

Attachments:

- Attachment I      Resolution
- Attachment II     Project Location Map
- Attachment III    Bids Summary

HAYWARD CITY COUNCIL

RESOLUTION NO. 15-\_\_\_\_\_

Introduced by Council Member \_\_\_\_\_

RESOLUTION AWARDING CONTRACT TO GHILOTTI CONSTRUCTION COMPANY, FOR THE CONSTRUCTION OF NEW HIGHLAND 1530 WATER RESERVOIR PROJECT, PROJECT NO. 07184

BE IT RESOLVED by the City Council of the City of Hayward as follows:

WHEREAS, the City Council certified the Supplemental Environmental Impact Report (SEIR) for the project in 1998, and thereafter adopted an Addendum to the SEIR when it approved the Precise Development Plan and Vesting Tentative Map in 2002; and

WHEREAS, the City Council, under Resolution No. 06-137, on November 14, 2006, approved Final Map Tract 7736, which primarily encompasses Village B of the Stonebrae Country Club development; and

WHEREAS, Condition of Approval No. 171 for Final Map Tract 7736, as amended by the City Council on April 5, 2011 under Resolution No. 11-030, requires a second 1.2 million gallon water storage reservoir to be constructed at the Highland 1530 Zone before the City issues building permits for more than 365 single-family homes; and

WHEREAS, Stonebrae L.P. has requested an amendment to Condition of Approval 171 of Final Map Tract 7736 to allow the City to manage the design and construction of the second water storage reservoir, with all cost to be paid by Stonebrae L.P.; and

WHEREAS, staff has reviewed Stonebrae L.P.'s request and determined that the amendment of Condition No. 171 as it related to the entity designing and constructing the second water storage reservoir does not present any new or increased environmental impact not previously analyzed in the SEIR and the Addendum to the SEIR; and

WHEREAS, Stonebrae L.P. and the City have agreed upon a reimbursement method whereby Stonebrae shall pay to the City a fee for each new single-family residence prior to issuance of building permit; and

WHEREAS, City and Stonebrae L.P. entered an agreement that the City will be reimbursed for all costs associated with the design and construction of the second water storage reservoir; and

WHEREAS, by Resolution No. 15-006 on January 13, 2015, the City Council approved the plans and specifications for the New Highland Reservoir Project, Project No. 07184, and called for bids to be received on February 17, 2015; and

WHEREAS, Addendum No. 1 was issued to make minor revisions to the plans and specifications; and

WHEREAS, on February 17, 2015, nine (9) bids were received ranging from \$1,518,225.00 to \$2,243,955.00. The low bid, submitted by Ghilotti Construction Company of Santa Rosa, is 6.88 percent below the engineer's estimate of \$1,630,400; and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Hayward that Addendum No. 1 is hereby approved and adopted as part of the plans and specifications for the project.

BE IT FURTHER RESOLVED that Ghilotti Construction Company is hereby awarded the contract for the New Highland 1530 Reservoir Project, Project No. 07184, in accordance with the plans and specifications adopted therefore and on file in the office of the City Clerk of the City of Hayward, at and for the price named and stated in the final proposal of the hereinabove specified bidder, and all other bids are hereby rejected.

BE IT FURTHER RESOLVED that the City Manager is hereby authorized and directed to execute an agreement with Ghilotti Construction Company in the name of and for and on behalf of the City of Hayward, in an amount not to exceed \$1,518,225.00, in a form to be approved by the City Attorney.

IN COUNCIL, HAYWARD, CALIFORNIA \_\_\_\_\_, 2015

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:  
MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST: \_\_\_\_\_  
City Clerk of the City of Hayward

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney of the City of Hayward



**PROJECT LOCATION MAP**



# BIDS SUMMARY

## CITY OF HAYWARD

### UTILITIES & ENVIRONMENTAL SERVICES DEPARTMENT

CONSTRUCTION OF: **New Highland 1530 Reservoir**

PROJECT NO.: **07184**  
 COUNCIL RESO DATE: **1/13/2015**  
 BID ADVERTISE DATE: **1/14/2015**  
 PREBID CONF DATE: **2/5/2015 at 2:00 PM**  
 BID OPEN DATE: **2/17/2015 at 2:05 PM**  
 NO. BIDS RECEIVED: **Nine (9)**  
 NO. OF ADDENDA: **One (1)**

Name:	<b>Ghilotti Construction Co.</b>	<b>Aztec Consultant's</b>	<b>GSE Construction Co. Inc.</b>	<b>Paso Robles Tank, Inc.</b>
Mail Add.:	246 Ghilotti Avenue	2021 Omega Road	6950 Preston Avenue	23232 Peralta Drive
Ste., #, etc.:		Suite 200		
City, State, ZIP:	Santa Rosa, CA 95407	San Ramon, CA 94583	Livermore, CA 94551	Laguna Hills, CA 92563
Phone:	707-585-1221	925-837-1050	925-447-0292	805-227-1641
Fax:	707-585-1601	925-837-1652	925-447-0962	805-238-9654

BID ITEMS				ENGINEER'S ESTIMATE				BIDDER #1		BIDDER #2		BIDDER #3		BIDDER #4	
ITEM NO.	QTY.	UNIT	DESCRIPTION	QTY.	UNIT	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL
1	1	LS	MOBILIZATION	1	LS	75,000.00	75,000.00	110,000.00	110,000.00	69,450.00	69,450.00	39,000.00	39,000.00	60,000.00	60,000.00
2	1	LS	CONSTRUCTION SAFETY MEASURES AND COMPLIANCE TO OSHA CONSTRUCTION SAFETY ORDERS	1	LS	5,000.00	5,000.00	6,000.00	6,000.00	2,900.00	2,900.00	15,000.00	15,000.00	5,000.00	5,000.00
3	1	LS	CONSTRUCTION FENCING, SET-UP STAGING AREAS AND CONFORMANCE TO GEN. CONDITIONS	1	LS	5,000.00	5,000.00	1,000.00	1,000.00	11,500.00	11,500.00	6,000.00	6,000.00	8,000.00	8,000.00
4	27,000	SF	CLEAR AND GRUB	27,000	SF	5,400.00	5,400.00	1.80	48,600.00	0.62	16,740.00	0.59	15,930.00	0.80	21,600.00
5	550	SF	REMOVE EXISTING PAVEMENT	550	SF	2,007.50	2,007.50	1.50	825.00	10.90	5,995.00	11.80	6,490.00	7.00	3,850.00
6	1	LS	INSTALL 1.2 MG STEEL RESERVOIR INCLUDING APPURTENANCES	1	LS	1,000,000.00	1,000,000.00	660,000.00	660,000.00	945,900.00	945,900.00	964,000.00	964,000.00	957,000.00	957,000.00
7	22,000	SF	ASPHALT CONCRETE PAVING	22,000	SF	88,000.00	88,000.00	4.00	88,000.00	4.85	106,700.00	4.84	106,480.00	4.25	93,500.00
8	610	LF	VALLEY GUTTER (3' WIDE)	610	LF	14,999.90	14,999.90	40.00	24,400.00	65.00	39,650.00	52.70	32,147.00	35.00	21,350.00
9	1	LS	INLET/OUTLET PIPING	1	LS	82,000.00	82,000.00	163,000.00	163,000.00	128,600.00	128,600.00	173,000.00	173,000.00	205,084.00	205,084.00
10	1	LS	CONCRETE VAULT AND COVER	1	LS	10,000.00	10,000.00	45,000.00	45,000.00	55,100.00	55,100.00	46,000.00	46,000.00	60,000.00	60,000.00
11	1	LS	OVERFLOW/DRAIN BOX	1	LS	5,000.00	5,000.00	13,000.00	13,000.00	36,600.00	36,600.00	43,000.00	43,000.00	7,500.00	7,500.00
12	1	LS	DRAIN PIPING	1	LS	5,000.00	5,000.00	52,400.00	52,400.00	30,600.00	30,600.00	6,000.00	6,000.00	23,000.00	23,000.00
13	1	LS	CATHODIC PROTECTION	1	LS	35,000.00	35,000.00	12,000.00	12,000.00	12,700.00	12,700.00	15,000.00	15,000.00	10,500.00	10,500.00
14	1	LS	ELECTRICAL WORK	1	LS	63,000.00	63,000.00	105,000.00	105,000.00	70,000.00	70,000.00	50,000.00	50,000.00	50,000.00	50,000.00
15	1	LS	INSTRUMENTATION & CONTROLS	1	LS	25,000.00	25,000.00	9,000.00	9,000.00	5,965.00	5,965.00	5,000.00	5,000.00	4,000.00	4,000.00
16	2	EA	PAX MIXER	2	EA	70,000.00	70,000.00	20,000.00	40,000.00	10,300.00	20,600.00	20,500.00	41,000.00	35,000.00	70,000.00
17	1	LS	ADMINISTRATIVE CHANGE ORDER	1	LS	140,000.00	140,000.00	140,000.00	140,000.00	140,000.00	140,000.00	140,000.00	140,000.00	140,000.00	140,000.00
<b>TOTALS:</b>						<b>\$1,630,407.40</b>	<b>\$1,518,225.00</b>	<b>\$1,699,000.00</b>	<b>\$1,704,047.00</b>	<b>\$1,740,384.00</b>					

# BIDS SUMMARY

ATTACHMENT III



# CITY OF HAYWARD

## UTILITIES & ENVIRONMENTAL SERVICES DEPARTMENT

CONSTRUCTION OF: **New Highland 1530 Reservoir**

PROJECT NO. : **07184**  
 COUNCIL RESO DATE: **1/13/2015**  
 BID ADVERTISE DATE: **1/14/2015**  
 PREBID CONF DATE: **2/5/2015 at 2:00 PM**  
 BID OPEN DATE: **2/17/2015 at 2:05 PM**  
 NO. BIDS RECEIVED: **Nine (9)**  
 NO. OF ADDENDA: **One (1)**

Name:	Manito Construction, Inc.	Speiss Construction Company	FARR CONSTRUCTION CORP	Crosno Construction, Inc.	E.E.Gilbert Construction
Mail Add.:	1043 Serpentine Lane	1110 E Clark Avenue	1475 Linda Way	819 Sheridan Road	155 Howe Road
Ste., #, etc.:	Suite 1	Suite 210			
City, State, ZIP:	Pleasanton, CA 94566	Santa Maria, CA 93455	SPARKS, NV 89431	Arroyo Grande, CA 93420	Martinez, CA 94553
Phone:	925-600-0220	805-937-5859	775-356-8004	805-343-7437	925-228-0317
Fax:	925-600-1098	925-934-4432	775-356-0610	805-343-1006	925-228-0485

BID ITEMS				ENGINEER'S ESTIMATE				BIDDER #5		BIDDER #6		BIDDER #7		BIDDER #8		BIDDER #9	
ITEM NO.	QTY.	UNIT	DESCRIPTION	QTY.	UNIT	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL	UNIT PRICE	TOTAL
1	1	LS	MOBILIZATION	1	LS	75,000.00	75,000.00	28,800.00	28,800.00	73,000.00	73,000.00	57,600.00	57,600.00	35,000.00	35,000.00	161,626.00	161,626.00
2	1	LS	CONSTRUCTION SAFETY MEASURES AND COMPLIANCE TO OSHA CONSTRUCTION SAFETY ORDERS	1	LS	5,000.00	5,000.00	7,200.00	7,200.00	2,500.00	2,500.00	2,500.00	2,500.00	1,000.00	1,000.00	10,165.00	10,165.00
3	1	LS	CONSTRUCTION FENCING, SET-UP STAGING AREAS AND CONFORMANCE TO GEN. CONDITIONS	1	LS	5,000.00	5,000.00	7,200.00	7,200.00	2,500.00	2,500.00	500.00	500.00	500.00	500.00	5,350.00	5,350.00
4	27,000	SF	CLEAR AND GRUB	27,000	SF	5,400.00	5,400.00	0.71	19,170.00	0.80	21,600.00	1.16	31,320.00	0.37	9,990.00	2.25	60,750.00
5	550	SF	REMOVE EXISTING PAVEMENT	550	SF	2,007.50	2,007.50	15.45	8,497.50	14.00	7,700.00	11.28	6,204.00	3.68	2,024.00	6.50	3,575.00
6	1	LS	INSTALL 1.2 MG STEEL RESERVOIR INCLUDING APPURTENANCES	1	LS	1,000,000.00	1,000,000.00	917,300.00	917,300.00	1,069,000.00	1,069,000.00	1,111,800.00	1,111,800.00	1,217,500.00	1,217,500.00	1,317,983.00	1,317,983.00
7	22,000	SF	ASPHALT CONCRETE PAVING	22,000	SF	88,000.00	88,000.00	5.27	115,940.00	4.60	101,200.00	4.40	96,800.00	5.60 **	123,200.00	3.60	79,200.00
8	610	LF	VALLEY GUTTER (3' WIDE)	610	LF	14,999.90	14,999.90	62.13	37,899.30	53.00	32,330.00	58.00	35,380.00	21.00	12,810.00	50.00	30,500.00
9	1	LS	INLET/OUTLET PIPING	1	LS	82,000.00	82,000.00	154,100.00	154,100.00	182,650.00	182,650.00	158,638.00	158,638.00	218,355.00	218,355.00	179,168.00	179,168.00
10	1	LS	CONCRETE VAULT AND COVER	1	LS	10,000.00	10,000.00	85,800.00	85,800.00	45,900.00	45,900.00	64,649.00	64,649.00	31,500.00	31,500.00	26,862.00	26,862.00
11	1	LS	OVERFLOW/DRAIN BOX	1	LS	5,000.00	5,000.00	12,200.00	12,200.00	23,100.00	23,100.00	26,323.00	26,323.00	3,150.00	3,150.00	6,716.00	6,716.00
12	1	LS	DRAIN PIPING	1	LS	5,000.00	5,000.00	41,900.00	41,900.00	36,600.00	36,600.00	20,038.00	20,038.00	7,875.00	7,875.00	41,626.00	41,626.00
13	1	LS	CATHODIC PROTECTION	1	LS	35,000.00	35,000.00	24,000.00	24,000.00	11,800.00	11,800.00	14,424.00	14,424.00	11,000.00	11,000.00	12,038.00	12,038.00
14	1	LS	ELECTRICAL WORK	1	LS	63,000.00	63,000.00	87,600.00	87,600.00	44,800.00	44,800.00	71,702.00	71,702.00	77,963.00	77,963.00	122,267.00	122,267.00
15	1	LS	INSTRUMENTATION & CONTROLS	1	LS	25,000.00	25,000.00	15,200.00	15,200.00	5,600.00	5,600.00	8,128.00	8,128.00	7,507.00	7,507.00	3,745.00	3,745.00
16	2	EA	PAX MIXER	2	EA	70,000.00	70,000.00	19,450.00	38,900.00	45,250.00	90,500.00	23,700.00	47,400.00	19,350.00	38,700.00	21,192.00	42,384.00
17	1	LS	ADMINISTRATIVE CHANGE ORDER	1	LS	140,000.00	140,000.00	140,000.00	140,000.00	140,000.00	140,000.00	140,000.00	140,000.00	140,000.00	140,000.00	140,000.00	140,000.00
<b>TOTALS:</b>						<b>\$1,630,407.40</b>	<b>\$1,741,706.80</b>	<b>\$1,741,706.80</b>	<b>\$1,741,706.80</b>	<b>\$1,890,780.00</b>	<b>\$1,890,780.00</b>	<b>* 1,893,406.00</b>	<b>1,893,406.00</b>	<b>1,938,074.00</b>	<b>1,938,074.00</b>	<b>\$2,243,955.00</b>	<b>\$2,243,955.00</b>

\*Total Bid Amount Error

\*\*Line Item #7 Unit Total Correction

**DATE:** March 17, 2015  
**TO:** Mayor and City Council  
**FROM:** Economic Development Manager  
**SUBJECT:** Industrial Corridor / Baseline Industrial Profile

## **BACKGROUND**

As part of the City's Economic Development Strategic Plan and General Plan 2040, development of a strategic approach to retain and grow businesses within the Innovation and Technology-designated properties was identified as a priority. In support of developing a strategic approach, staff conducted research to develop a baseline profile of businesses in Hayward's industrial corridor. Specifically, this effort set out to achieve the following objectives:

1. Establish a clear picture of the businesses located in Hayward's industrial zoned area;
2. Create a database to identify major employers and track establishment and employment trends; and
3. Apply the database using a graphic information system (GIS) to assess the existence of industry clusters, which for the purposes of this study is defined as similar businesses located near one another.

This research represents the completion of multiple work tasks outlined in the [Economic Development Strategic Plan FY 2014-2018 \(EDSP\)](#). Specifically, the EDSP calls out establishment of baseline measures to monitor the Top 25 industrial employers (EDSP Performance Measure IS1.1) and overall employment levels of industrial businesses (EDSP Performance Measure IS1.5).

In addition to establishing a mechanism to track the industrial corridor's economic trending, this information would provide information for program development and resource allocation. By understanding the types of businesses that are in Hayward, the number of workers they employ, how businesses are performing, and how their operation contributes to the City's economic vitality, the City can direct economic development resources to targeted sectors, geographical areas, and programs. This data-driven decision-making will help maximize the impact of the City's business attraction, retention, and expansion efforts.

The industrial baseline information is also pertinent to other long-term strategic approaches, specifically, the City’s General Plan Implementation Program to develop an Industrial Technology and Innovation Corridor Plan. By understanding the types and profiles of our existing businesses and conducting outreach on specific business needs, we can craft policies and regulations to attract targeted industries and further develop industrial lands in a comprehensive manner addressing both economic vitality and land use compatibility concerns.

**DISCUSSION**

Given the upswing in the economy and the increase in business activity, staff has allocated significant economic development resources to data collection and analysis. A full report of the City’s Industrial Baseline Profile including methodology and data sources is attached as Attachment I. Staff will highlight significant elements of the profile in a presentation at this Council meeting.

Based on the report, the City of Hayward has approximately 14,600 business establishments (excluding home occupations) and has a diverse base of businesses throughout the industrial corridor. In order to focus on industrial businesses, staff sorted the database using the North American Industry Classification System known as the NAICS code. An example of the code system is shown in Table 1 below:

Table 1: Example North American Industry Classification System (NAICS) Code Hierarchy

NAICS CODE	Definition
31	Manufacturing
311	Food Manufacturing
3111	Animal Food Manufacturing
31111	Dog and Cat Food Manufacturing
311119	Other Animal Food Manufacturing

By sorting through layers of data, the City has six primary industrial business types which are identified below:

1. Advance Materials
2. Biomedical, Biotechnical and Life Sciences (Biotech)
3. Business and Financial Services
4. Food and Beverage Manufacturing
5. Information Technology and Telecommunications
6. Transportation and Logistics

The six categories represent a valuable mix of businesses ranging in size from 20 to 750 employees. The ability to identify and outreach specific business types and individual businesses is a valuable tool for business retention, attraction, and expansion. The diversity of businesses in size and the location are shown in Attachment I, page 38. Based on plotted locations, there are no specific patterns associated with Hayward's Industrial sector. The City's current and previous land use regulations have allowed a diverse mix of industrial uses to locate throughout the Industrial corridor. Given the information on existing businesses, the City has an opportunity to study further any necessary modifications to our land use regulations for desired land uses and potential land use conflicts, including where the industrial zone abuts residential uses.

### *Advanced Industries*

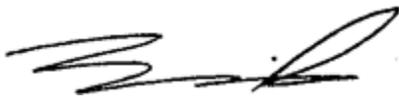
The most significant staff finding of the baseline data is that an overarching business category connects our industrial businesses, which is known as the "Advanced Industries" sector. Advanced Industry is comprised of over fifty different industries that involve heavy investment in technology innovation and employ skilled technical workers that develop and apply new technologies to enhance productivity. This sector is gaining national focus due to recent studies about its importance and impact on the American economy and workforce.

### **NEXT STEPS**

The attached study gives us valuable information on our existing Hayward industrial business community. Given Hayward's superior location in the Bay Area, existing and planned infrastructure, economic development activity, educational opportunities, and workforce, this is an area where local and regional efforts could be applied to further develop Hayward into a desired location for Advanced Industries. Staff would like to move forward by focusing on Advanced Industries by identifying potential partnerships, programs, grants, and/or policies that would provide for growth opportunities within this exciting industrial sector.

*Prepared by:* Micah Hinkle, Economic Development Manager  
Paul Nguyen, Economic Development Specialist

Approved by:



---

Fran David, City Manager

Attachments: Attachment I: Industrial Baseline Report



CITY OF  
**HAYWARD**  
HEART OF THE BAY

# **INDUSTRIAL TECHNOLOGY AND INNOVATION CORRIDOR BASELINE PROFILE**

## **2015 INTERIM REPORT**

### **PREPARED BY:**

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**MARCH 10, 2015**

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## EXECUTIVE SUMMARY

### ES-1 Study Purpose and Objectives

The City's Economic Development Strategic Plan and General Plan 2040 identify the development of a strategic approach to retain and grow businesses in the Innovation and Technology Industrial Corridor as a priority. To develop the necessary information and data to drive strategic planning, staff conducted research to develop a baseline profile of businesses in Hayward's industrial corridor. Specifically, this effort set out to achieve the following objectives:

1. Establish a clear picture of the businesses located in Hayward's industrial zoned area;
2. Create a database to identify major employers and track establishment and employment trends; and
3. Apply the database using a graphic information system (GIS) to assess the existence of industry clusters, which for the purposes of this study is defined as similar businesses located near one another.

This research represents the completion of multiple work tasks outlined in the EDSP. The EDSP directs staff to establish baseline measures and monitor the Top 25 industrial employers (EDSP Performance Measure IS1.1) and overall employment levels of industrial businesses (EDSP Performance Measure IS1.5).

This study is a first-of-its-kind profile of businesses in the industrial corridor. The data and information produced will guide all economic development program activities from branding and marketing to business attraction, retention, and expansion. By understanding the types of businesses that are in Hayward, the number of workers they employ, how businesses are performing, and how their operation contributes to the City's economic vitality, the City can direct economic development resources to targeted sectors and programs. This data-driven decision-making will help maximize the impact of the City's economic development activities.

“This study is a first-of-its-kind profile of businesses in the industrial corridor. The data and information produced will drive economic development program activities from branding and marketing to business attraction, retention and expansion.”

The industrial baseline information is also pertinent to other long-term strategic approaches specifically the City's General Plan Implementation Program on development of an Industrial Technology and Innovation Corridor Plan. By identifying the types and profiles of our existing businesses and conducting outreach to understand specific business needs, we can craft policies and regulations to attract targeted

industries and further develop industrial lands in a comprehensive manner that addresses both economic vitality and land use concerns.

## ES-2 Key Findings

While the focus of the study was to develop a baseline profile of businesses in the industrial corridor, the following key findings materialized:

**1. Hayward’s industrial corridor is home to a wide-range range of industrial businesses.** The corridor, which spans approximately nine square miles of land, consists of the following major industry sectors:

- Advanced Materials
- Biotechnical, Biomedical and Life Sciences
- Business and Financial Services
- Food and Beverage Manufacturing
- Information Technology and Communications
- Transportation and Logistics

**2. Industries are intermixed and spread throughout the corridor.** A spatial analysis of businesses by sector found that there is no specific pattern of similar businesses locating near one another in the industrial area. This is the result of Hayward’s current and previous land use regulations, which allows a diverse mix of industrial uses to locate throughout the industrial corridor.

**3. The Advanced Industries sector connects Hayward’s businesses and offers major opportunities for economic development.** The most significant

finding of the study is that a super cluster, known as the “Advanced Industries” sector, runs throughout the City’s industrial corridor. Advanced Industries include over 50 different industries that involve heavy investment in technology innovation. These businesses employ skilled technical workers that develop and apply new technologies to enhance productivity. Nationwide advanced industries:

“The most significant finding of the study is that a super cluster, known as the “Advanced Industries” sector, runs throughout the City’s industrial corridor.”

- ✓ Demonstrate greater investment in research and development per employee;
- ✓ Employ a higher percentage of STEM (science, technology, engineering, and mathematics) workers than all other sectors; and
- ✓ Conduct more business-to-business (B2B) purchasing than other industries.

These industries have a multiplier effect on the economy. For every new advanced industry job, 2.2 jobs are created; 0.8 jobs are created locally and 1.4 outside the region.

- 4. The Advanced Industries sector offers significant economic opportunities for workers of all education levels.** While, in general, advanced industry workers have higher education levels than those in other industries, this sector offers significant economic opportunity for workers with lower educational levels. In fact, advanced industries jobs offer wage premiums at all levels of education. According to the Brookings Institute, the national average for an advanced industry worker with an associate’s degree is \$60,000 per year. In comparison, their peers in non-advanced industries earn \$38,000 per year.

### ES-3 Conclusions and Recommendations

*“Future changes to the Industrial Technology and Innovation Corridor are expected to include building and landscaping improvements, infill development, and the redevelopment of underutilized properties. The Corridor is expected to grow as an economic and employment center and evolve to achieve a healthy balance of traditional manufacturing and information and technology-based uses.”*

*– City of Hayward General Plan 2040<sup>1</sup>*

This study produced the information needed to develop strategic policies and programs that fulfill the General Plan’s vision for the industrial corridor and shape the activities established in the Economic Development Strategic Plan. The following details recommendations to apply the study’s findings.

#### 1. Explore Land Use and Zoning Policies to Attract Advanced Industries

Creating an environment that attracts advanced industry firms requires the development of types and sizes of facilities these operations seek. It is recommend the City support land use policies that encourage redevelopment and development of new “Class A” industrial spaces. These spaces include industrial facilities for light manufacturing and small to mid-sized “flex” space buildings used by laboratories and small urban collaboration/research operations.

Supporting increases in the supply of new facilities will help mitigate two barriers to entry into Hayward’s industrial corridor: 1) the lack of modern buildings and spaces and 2) the time and materials costs associated with upgrading existing buildings to meet operation demands.

#### 2. Develop the Infrastructure and Amenities that Attract Advanced Industries

Advanced industries use cutting-edge equipment, technology and processes to produce value-added goods and services. It is recommended that the City invest in the infrastructure and amenities these firms seek during site selection.

Infrastructure, defined as the physical and organizational structures and facilities these firms need to operate includes, but is not limited to:

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<sup>1</sup> City of Hayward, General Plan 2040, July 2014, pg. 3-22

- Broadband internet services (fiber);
- A Fire Department capable of addressing fire and hazardous materials incidents;
- Multimodal transportation options that connect workers to the industrial corridor; and
- Wet and dry utilities including water, sewer, power, and gas.

Amenities are defined as the non-operational-related features that are conducive to adding to the attractiveness and value of the industrial corridor. These include place-making elements and the retail, service and accessibility options that support the needs of advanced industries' workforce. Specifically, amenities may include:

- Business serving retail and services
- Lodging and regional conference facilities
- Restaurants
- Childcare services
- Open space and trails
- Gateway markers, landscaping and place-making elements

### **3. Foster Industry Partnerships to Grow Major Industry Sectors**

Collaboration among local businesses produces a sense of community and place, which supports business retention, expansion and attraction. It is recommended that the City apply this study's industrial business database and dedicate resources to encourage interaction between businesses. Key activities would include:

- Conducting outreach to targeted industry sectors to engage and develop relationships with new and existing businesses;
- Working closely with these business representatives to identify needs and goals; and
- Facilitating events or workshops to bring business leaders together to explore collaborative opportunities, transfer knowledge and craft solutions to common issues.

# 1. INTRODUCTION

The Economic Development Department undertook an initiative to develop a baseline profile of businesses in Hayward’s Industrial Technology and Innovation Corridor (Industrial Corridor). Specifically, this research effort set out to achieve the following objectives:

- 1. Establish the first comprehensive profile of the businesses located in Hayward’s industrial zoned area;
- 2. Create a database to identify major employers and track establishment and employment trends, and
- 3. Apply the database using a graphic information system (GIS) to assess the existence of industry clusters, which are defined as groups of similar businesses located near one another.

This study represents the completion of multiple work tasks outlined in the Economic Development Strategic Plan FY 2014-2018 (EDSP). The EDSP directs staff to establish baseline measures and retain the Top 25 industrial employers (EDSP Performance Measure IS1.1) and overall employment levels of industrial businesses (EDSP Performance Measure IS1.5).

The industrial baseline information is also pertinent to long-term strategic approaches outlined in the General Plan. For example, the General Plan’s Land Use and Community Character Implementation Programs include development of an Industrial Technology and Innovation Corridor Plan and Marketing Strategy.<sup>2</sup>

The data and information gathered in this study will drive economic development program activities from branding and marketing to business attraction, retention, and expansion. Understanding the types of businesses that are in Hayward, the number of workers they employ, how these businesses are performing, and how their operation contributes to the City’s economic vitality and character will help direct limited resources to targeted sectors.

“Data-driven decision making will help maximize the impact of the City’s business attraction, retention and expansion efforts.”

This baseline data will also enable the City to be proactive and nimble in responding to economic shocks and business community needs. For example, this data can identify specific businesses and sectors that are growing, which may trigger more focused outreach to assist in potential site expansion projects or facilitate connections to local workforce developers and educators. Conversely, this data will help identify downsizing or struggling businesses or sectors, which may trigger retention efforts to determine if and how the City may assist in stabilizing the operation.

<sup>2</sup> General Plan 2040, “Part 4 – Administration and Implementation”

The remainder of this report documents the systematic approach taken to develop this baseline profile and the resulting analysis. It is organized as follows:

- **Chapter 2** provides an overview of the methodology and data sources used in the analysis.
- **Chapter 3** identifies the top tax generators and employers and presents profiles of major industry sectors.
- **Chapter 4** presents key findings and recommendations.

## 2. METHODOLOGY

### 2.1 Technical Approach Overview

To complete this baseline study, staff developed and executed a comprehensive work plan. Key tasks included:

1. Establishing study goals and objectives;
2. Identifying required information and potential data sources;
3. Using the North American Industry Classification System (NAICS) to develop definitions of industry sectors;
4. Selecting and procuring data;
5. Sorting and aggregating data to conduct a sector analysis;
6. Conducting data quality assessment and quality control for major employers;
7. Creating GIS maps to identify location patterns of employment and similar businesses; and
8. Producing this final report to present key findings and recommendations.

The research effort began on January 9, 2015 and was completed on March 5, 2015. Economic Development staff completed research, data compilation, quality control and analysis. Revenue staff supported data quality control by cross-checking business license information. Information Technology staff led geospatial mapping tasks.

### 2.2 Study Scope, Data Sources and Limitations

#### 2.2.1 Study Scope & Definitions

This study focuses solely on profiling major industry sectors and evaluating location patterns of similar business in the industrial corridor. The study does not examine the existence of what economic developers consider industry clusters.

An industry *cluster* is different from the general definition of an industry *sector*. An industry sector is defined as a group of companies that conduct similar activities and/or produce similar goods. For example, the foods products industry sector includes all businesses that produce consumable foods for human or animal consumption. While the foods product sector may include producers of milk and ice cream, the two firms may not necessarily interact.

On the other hand, an industry cluster is defined as geographical concentrations of similar, related or complimentary businesses that draw productive advantage from their mutual proximity and connections.<sup>3</sup> Industry clusters feature avenues for business-to-business (B2B) transactions, communication and dialogue that share infrastructure, labor markets, capital inputs and services.

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<sup>3</sup> Porter, Michael E. "Clusters and the New Economics of Competition." Vol. 76. No. 6. Boston: Harvard Business Review, 1998.

Specifically, an industry cluster consists of a business community that shares the entire supply chain from capital inputs to end products, including the supporting services.

Geographic concentrations of similar businesses may represent the formation of an industry cluster as businesses tend to locate near their suppliers and customers to reduce costs and increase competitive advantages. However, data is not publicly available to determine if and how much one Hayward firm buys machinery, professional services or other production inputs from another Hayward firm. Note that clusters typically exist at a regional rather than a city level because raw materials and other production inputs are not typically produced in such close proximity.

### 2.2.2 Data Sources

#### *ReferenceUSAGov*

The primary data source for this study is the ReferenceUSAGov™ database, which is developed and maintained by Infogroup Incorporated (Infogroup). The database contains detailed information on over 14 million U.S. businesses including the name, type of business, address, point of contact, the business' North American Industry Classification System (NAICS) code and employment statistics (See Section 2.3 for more on NAICS).

Infogroup employs 600 workers that call businesses to verify information throughout the year. Data is also compiled from public sources including:

- Yellow Pages and Business White Pages telephone directories
- Company annual reports
- Security and Exchange Commission filings
- Business and trade publications
- Newsletters and newspapers
- US Postal Service

The Economic Development Department obtained the ReferenceUSA data on January 21, 2015 following InfoGroup's 2014 year-end data verification and update cycle. The business database consisted of nearly 15,000 business records for the City of Hayward. The data excluded home-based businesses as they were outside this study's scope.

#### *MuniServices' Sales Tax Analysis and Reporting Service*

To identify the top sales tax generators, this study relies on the Sales Tax Analysis and Reporting Service (STARS) report provided by MuniServices. MuniServices provides comprehensive revenue data and analyses to help municipalities preserve, enhance and manage their revenue base. Data used were from the STARS report for the third quarter of 2014.

### 2.2.3 Data Limitations

While the ReferenceUSAGov database is considered an industry standard for information on businesses, it should be noted that the data set does have limitations. Employment data and the NAICS code assigned to the business may not be completely accurate or up-to-date.

Employment statistics for individual business locations are one of the most difficult pieces of data to obtain. This information is typically considered proprietary as companies do not publicize workforce changes in order to shield themselves from potential competition or public scrutiny. As a result, employment data is considered a general estimate.

It should also be noted that the industry code Infogroup assigns to businesses may not reflect the businesses primary activity. For example, a company that manufactures and sells plastic epoxy may also manufacture plastic medical instruments. This company could fall in both the advance materials and the biotechnical/biomedical industry sectors. As a result, a business may appear in lists of multiple industry sectors.

Despite these limitations, the data presented herein is considered the most recent and accurate information available. It combines industry standard and independently verified data. To ensure data quality to the extent possible, staff undertook an intensive quality assessment and quality control initiative. With support from the Revenue Department, staff crosschecked ReferenceUSAGov information with data reported on recent City of Hayward Business License applications (where available). Staff also attempted to verify information for the top 25 employers of each industry sector and top 50 employers in the industrial corridor through phone interviews with business representatives. Not all records were independently verified due to the unwillingness of businesses to provide information and constraints on time and resources.

### 2.2.4 Data Confidentiality & Suppression

This study suppresses data on individual businesses. Data suppression refers to methods or restrictions applied to the data sets to limit the disclosure of sensitive or confidential information. This approach is consistent with labor market and industry reports published by the U.S. Census Bureau, California Employment Development Department (EDD), Bureau of Labor Statistics and other public agencies.

Data are suppressed in public reports for two key reasons:

1. **Protecting the privacy of individual businesses** - Information on a company's workforce or revenue can easily be used by the private agents for marketing and investment activities. Data suppression or reassurances of anonymity was often a condition set by most firms who agreed to verify employment statistics.
2. **Improve data quality** – Aggregating data to the industry sector level reduces the number of estimates with unacceptable levels of statistical reliability.

## 2.2.5 Future Updates

This study is considered a “living document.” It is the intent of Economic Development staff to update the data on an ongoing basis. Staff will continue to integrate new information as it becomes available from third-party vendors, direct outreach to individual businesses, as part of expansion and retention efforts, and from data reported on city business license renewals. Outreach with businesses will also be an avenue to collect information on B2B transactions.

“This study is a living document. Data will be improved and updated on an ongoing basis.”

## 2.3 Defining Industry Sectors

In order to determine if similar businesses are locating in close proximity in the industrial corridor, this study developed definitions of the types of businesses that comprise an industry sector. This section describes the methodology used and the sectors profiled.

### 2.3.1 North American Industry Classification System

The ReferenceUSAGov database assigns each business a North American Industry Classification System (NAICS) code. NAICS is the standard used by Federal agencies in classifying business establishments for the purpose of collecting, analyzing and publishing statistical data related to the U.S. economy.

NAICS uses a 2- through 6-digit hierarchical classification system, offering five levels of detail. Each digit in the code is part of a series of progressively narrower categories. The more digits in the code, the more detailed the industry description. An example of the NAICS code hierarchy is provided in Exhibit 2-1 below. In this case, NAICS 31 describes all manufacturing while NAICS 31111 describes dog and cat food manufacturing.

**Exhibit 2-1: Example North American Industry Classification System (NAICS) Hierarchy**

NAICS Code	Description
31	Manufacturing
311	Food Manufacturing
3111	Animal Food Manufacturing
31111	Dog and Cat Food Manufacturing
311119	Other Animal Food Manufacturing

### 2.3.2 Industry Sector Definitions

This study applies industry cluster definitions established by the U.S. Economic Development Administration (EDA) to aggregate individual businesses into groups.<sup>4</sup> While businesses are categorized by industry using the NAICS hierarchy, an industry sector can cut across multiple NAICS codes. By using the EDA’s taxonomy, this study creates groupings of businesses that have different NAICS codes but are involved in the same sector. Exhibit 2-2 provides a portion of the over 40 NAICS codes EDA used to define the biomedical, biotechnical and life sciences sector. This sector includes businesses from pharmaceutical manufacturing to health care services.

**Exhibit 2-2: Sampling of Biomedical, Biotechnical and Life Sciences Sector NAICS Codes**

NAICS Code	BIOMEDICAL/BIOTECHNICAL (LIFE SCIENCES)
3254	Pharmaceutical and medicine manufacturing
333314	Optical instrument and lens manufacturing
334510	Electromedical and electrotherapeutic apparatus manufacturing
334516	Analytical laboratory instrument manufacturing
334517	Irradiation apparatus manufacturing
3391	Medical equipment and supplies manufacturing
42345	Medical, dental, and hospital equipment and supplies merchant wholesalers
446	Health and personal care stores
5417	Scientific research and development services
562112	Hazardous waste collection
562211	Hazardous waste treatment and disposal
621	Ambulatory health care services <b>(except 6211, 6212, 6213)</b>

Source: U.S. Economic Development Administration

Note that a business can specialize in several activities, which may place it into multiple industry sector groupings. For example, a firm may be involved in research and development of pharmaceuticals, basic chemicals manufacturing and pharmaceutical drug manufacturing. As a result, that business could be included in both the biotechnology and advanced materials industry sectors.

<sup>4</sup> U.S. Department of Commerce, Economic Development Administration, “Innovation in American Regions” [http://www.statsamerica.org/innovation/industry\\_clusters.html](http://www.statsamerica.org/innovation/industry_clusters.html) Last Accessed 2/18/2015

### 2.3.3 Profiled Industry Sectors

For baseline profile development, the study focused on the following major industry sectors:

1. Advanced Materials
2. Biomedical, Biotechnical and Life Sciences
3. Business and Financial Services
4. Food and Beverage Manufacturing
5. Information Technology and Telecommunications
6. Transportation and Logistics

This study also creates a profile for an **Advanced Industries** sector. This sector is comprised of over 50 different industries that involve heavy investment in technology innovation and employ skilled technical workers who develop and apply new technologies to enhance productivity. This sector is gaining national focus due to recent studies about its importance and impact on the American economy and workforce. Additional information on advanced industries, as well as descriptions for all of the profiled sectors, is provided in Chapter 3.

### 3. INDUSTRIAL TECHNOLOGY AND INNOVATION CORRIDOR PROFILE

This chapter presents a baseline profile of businesses in the Industrial Technology and Innovation Corridor (Industrial Corridor). According to the General Plan, the Corridor is the large crescent-shaped area of industrial zoned land located along the City’s western and southwestern boundaries (See Exhibit 3-1).<sup>5</sup> Also included are the pockets of mixed industrial zoned land within the central part of the city. These areas are older industrial properties typically located near railroad tracks and surrounded by neighborhoods. Overall, the study area consists of roughly nine square miles of land that contain 1,854 parcels.

The General Plan outlines the following allowed uses in the industrial corridor:

- Professional office uses
- Corporate Campus
- Research and Development
- Warehousing and Logistics
- Manufacturing (Traditional, Advanced, Specialized and High-Technology)
- Bio-technology and high-technology uses

Supporting uses in the corridor include:

- Retail, detailing and service uses
- Automotive service and repair stations
- Lodging

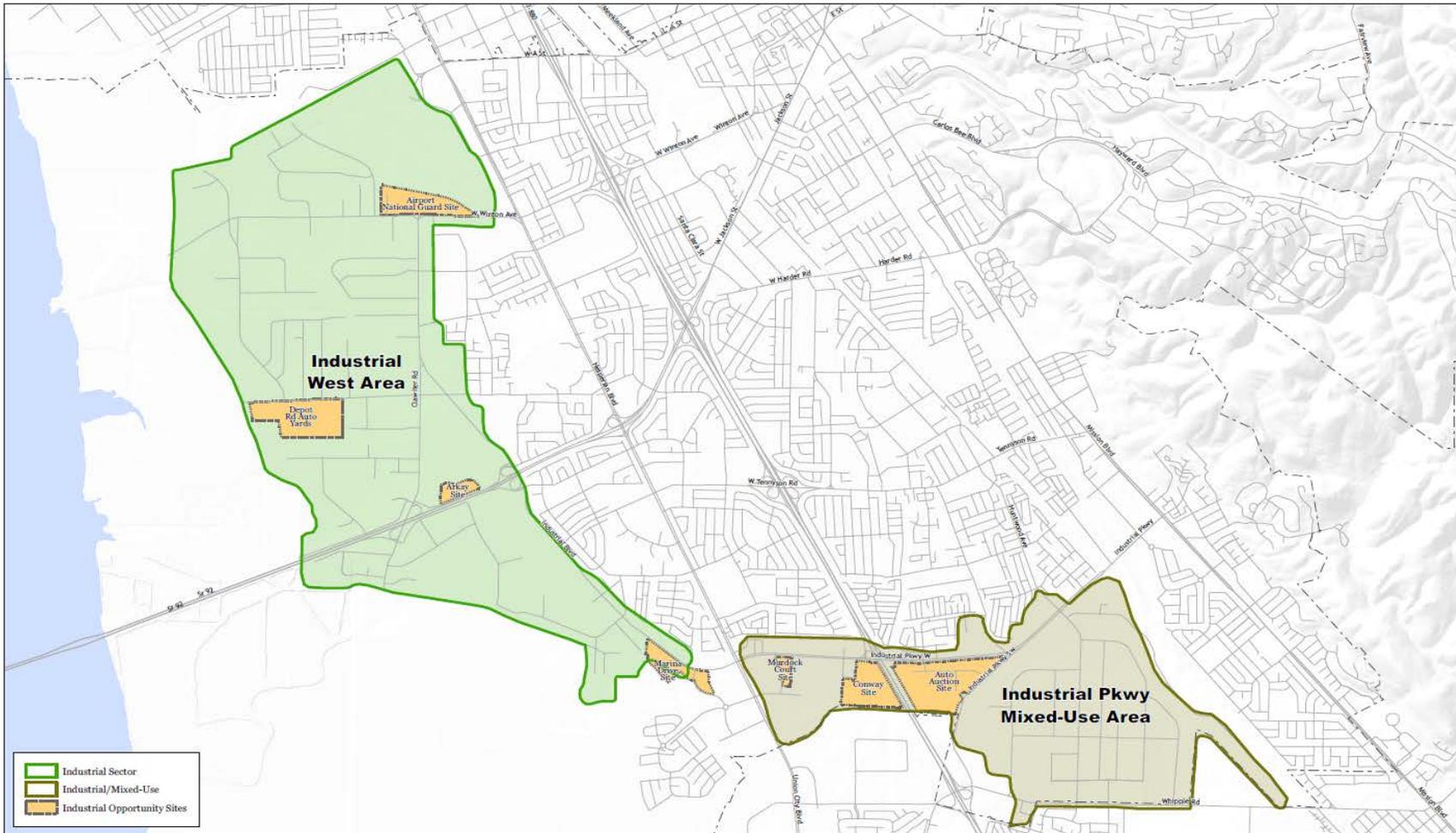
This remainder of this chapter is organized as follows:

- **Section 3.1** examines employment concentrations and sales tax revenue generators in the industrial area.
- **Section 3.2** presents an economic profile of selected industry sectors.
- **Section 3.3** introduces the Advanced Industries sector concept and evaluates its existence in Hayward.

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<sup>5</sup> City of Hayward, “General Plan 2040” (July 2014), pg. 3-22

### Exhibit 3-1: Industrial Technology and Innovation Corridor Study Area



Source: Economic Development Strategic Plan (FY 2014 – FY 2018)

## 3.1 Corridor Economic Profile

### 3.1.1 Major Industrial Employers

Hayward's industrial corridor consists of a diverse base of businesses. The table below identifies the Top 50 major employers. These firms represent a range of industries sectors including foods and beverage manufacturing, advanced materials and pharmaceutical manufacturing, and machinery manufacturing.

**Exhibit 3-2: Industrial Corridor Major Employers**

<b>Company Name</b>	<b>NAICS</b>	<b>Description</b>
<b>AC Transit</b>	488210	Interurban & Rural Bus Transportation
<b>Amedica Biotech Inc</b>	339112	Surgical & Medical Instrument Manufacturing
<b>Axis Construction</b>	236115	New Single-Family Hsng Constr (Exc For-Sale Bldrs)
<b>Baxter Bio Pharma</b>	339112	Surgical & Medical Instrument Manufacturing
<b>Bay Point Technology Corp</b>	423610	Electrical Apparatus/Wiring Supls/Rel Equip Whlsrs
<b>Berkeley Farms LLC</b>	311520	Ice Cream & Frozen Dessert Manufacturing
<b>Best Express Foods</b>	311812	Commercial Bakeries
<b>Cal-Steam</b>	423720	Plumbing & Htg Equip/Supls (Hydronics) Mrchnt Whls
<b>Coast Aluminum &amp; Architectural</b>	331523	Nonferrous Metal Die-Casting Foundries
<b>Columbus Foods</b>	445110	Supermarkets/Other Grocery (Exc Convenience) Strs
<b>Con-Way Freight</b>	484230	Specialized Freight (Exc Used Gds) Trckng Lng-Dist
<b>Core-Mark International Inc</b>	424410	General Line Grocery Merchant Wholesalers
<b>Davis Instruments</b>	333111	Farm Machinery & Equipment Manufacturing
<b>Delphon Industries LLC</b>	334413	Semiconductors & Related Devices Manufacturing
<b>Du Pont EKC Technology Inc</b>	325998	All Other Misc Chemical Product & Preparation Mfg
<b>Durham School Svc</b>	485210	Interurban & Rural Bus Transportation
<b>Fedex Freight</b>	484110	General Freight Trucking, Local
<b>Fremont Bank Operations Ctr</b>	522110	Commercial Banking
<b>Freund Baking Co</b>	311999	All Other Miscellaneous Food Manufacturing
<b>Gallo Sales Co</b>	312130	Wineries
<b>GILLIG LLC</b>	336111	Automobile Manufacturing
<b>Glazier Steel Inc</b>	332312	Fabricated Structural Metal Manufacturing
<b>Heat &amp; Control Inc</b>	333241	Food Product Machinery Manufacturing
<b>Illumina</b>	541711	Research & Development In Biotechnology
<b>Impax Laboratories Inc</b>	325412	Pharmaceutical Preparation Manufacturing
<b>Induspec</b>	322220	Paper Bag & Coated & Treated Paper Manufacturing

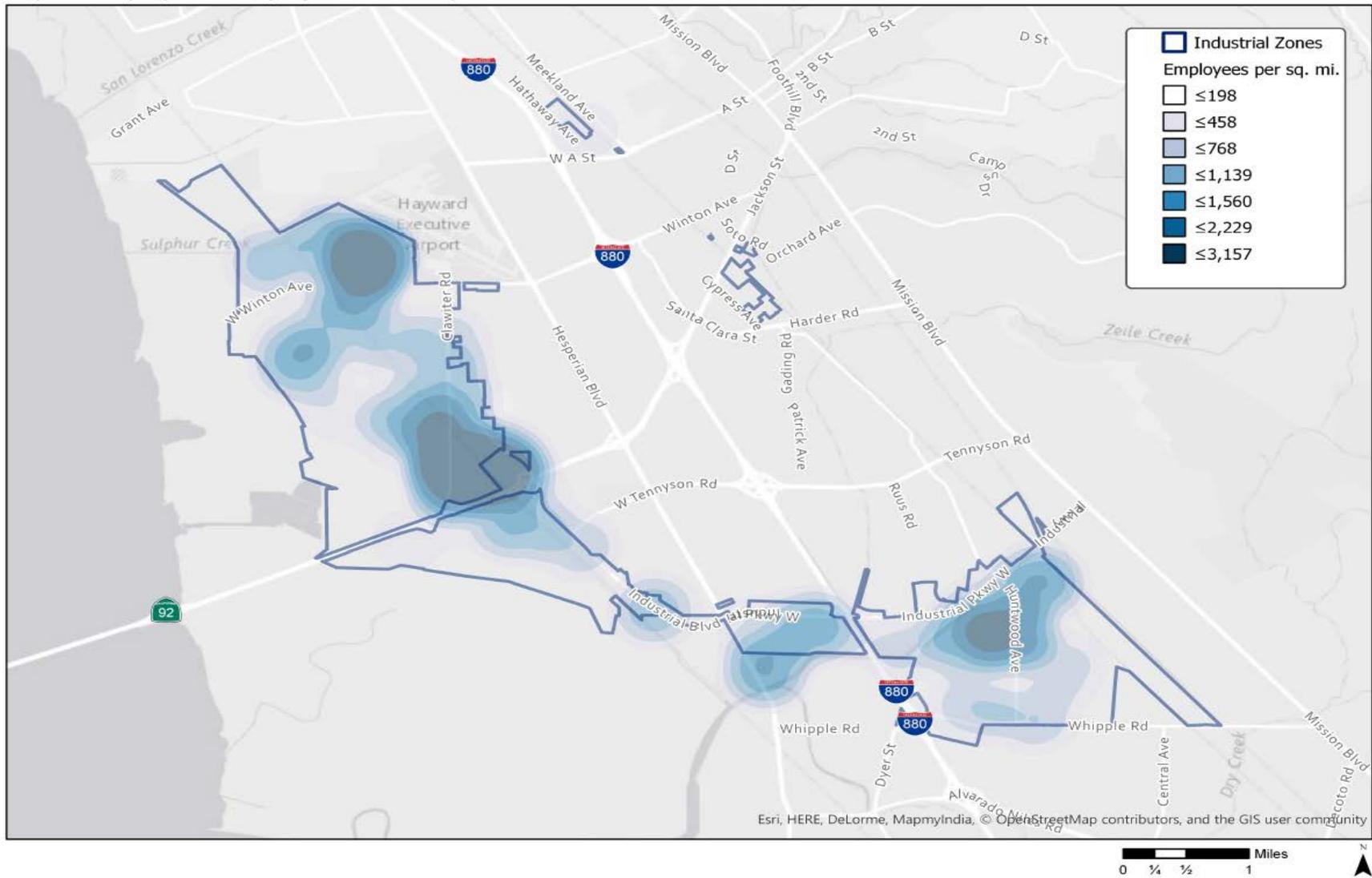
<b>Company Name</b>	<b>NAICS</b>	<b>Description</b>
<b>Inland Marine/Inland Metals</b>	238220	Plumbing Htg & Air-Conditioning Contractors
<b>Interactive Data</b>	443142	Electronic Stores
<b>Keeco LLC</b>	313310	Textile & Fabric Finishing Mills
<b>Life Chiropractic College West</b>	621310	Offices Of Chiropractors
<b>Macy's Logistics &amp; Operations</b>	454111	Electronic Shopping
<b>Manheim San Francisco Bay</b>	425120	Automobile auctions, wholesale
<b>Marelich Mechanical</b>	238210	Electrical Contr & Other Wiring Installation Contr
<b>MDC Vacuum Products LLC</b>	332919	Other Metal Valve & Pipe Fitting Manufacturing
<b>Montague Co</b>	333318	Other Commercial & Service Industry Machinery Mfg
<b>Morgan Technical Ceramics</b>	327420	Gypsum Product Manufacturing
<b>Pacific Cheese Co</b>	311999	All Other Miscellaneous Food Manufacturing
<b>Pacific Gas &amp; Electric Co</b>	211111	Crude Petroleum & Natural Gas Extraction
<b>Pentagon Technologies</b>	333318	Other Commercial & Service Industry Machinery Mfg
<b>Pepsi Bottling Group</b>	312111	Soft Drink Manufacturing
<b>Plastikon Industries Inc</b>	326199	All Other Plastics Product Manufacturing
<b>Shasta Beverages Inc</b>	312111	Soft Drink Manufacturing
<b>Siemens Building Tech</b>	541618	Other Management Consulting Services
<b>SNP Pharmacy</b>	446110	Pharmacies & Drug Stores
<b>Solta Medical Inc</b>	339112	Surgical & Medical Instrument Manufacturing
<b>Streivor</b>	333413	Industrial & Coml Fan/Blower/Air Prfctn Equip Mfg
<b>Sugar Bowl Bakery</b>	424490	Other Grocery & Related Products Merchant Whlsrs
<b>Sukhi's Gourmet Indian Food</b>	445299	All Other Specialty Food Stores
<b>Ultra Clean Holdings Inc</b>	334413	Semiconductors & Related Devices Manufacturing
<b>Windsor Foods</b>	311412	Frozen Specialty Food Manufacturing

Source: ReferenceUSAGov, January 2015

### 3.1.2 Industrial Employment Concentrations

The Economic Development Strategic Plan (EDSP) directs staff to establish baseline measures, retain the Top 25 industrial employers (EDSP Performance Measure IS1.1), and monitor the overall employment levels of industrial businesses (EDSP Performance Measure IS1.5). The exhibit below depicts the 2015 baseline condition of employment at the 50 largest industrial employers.

Exhibit 3-3: 2015 Baseline Employment Concentrations of Top 50 Industrial Businesses



### 3.1.3 Major Industrial Sales Tax Revenue Generators

The exhibit below identifies the top 25 industrial sales tax revenue generators during 12 consecutive calendar months ending in the third quarter of 2014.<sup>6</sup> This list was developed using data provided by MuniServices, the City’s revenue enhancement consultant.

**Exhibit 3-4: Top 25 Industrial Sales Tax Generators  
(Benchmark Year Ending 3rd Quarter 2014)**

<b>BUSINESS NAME</b>	<b>ECONOMIC SEGMENT</b>
<b>Alameda Electrical Distrs</b>	Bldg.Matls-Whsle
<b>All Tex</b>	Light Industry
<b>Bechtel Power Corporation</b>	Leasing
<b>Big Joe California</b>	Heavy Industry
<b>Cal Wholesale Material Supply</b>	Bldg.Matls-Whsle
<b>California Hydronics</b>	Heavy Industry
<b>Cal-Steam</b>	Bldg.Matls-Whsle
<b>Communications Supply</b>	Electronic Equipment
<b>Diamond W Floor Covering</b>	Bldg.Matls-Retail
<b>Ferguson Enterprises</b>	Bldg.Matls-Whsle
<b>Gillig Corporation</b>	Misc. Vehicle Sales
<b>Guest Supply</b>	Light Industry
<b>Hd Supply Waterworks</b>	Heavy Industry
<b>Heat &amp; Control</b>	Heavy Industry
<b>Illumina</b>	Chemical Products
<b>Linde Group</b>	Chemical Products
<b>Pearson Dental Supply</b>	Light Industry
<b>R F Macdonald Company</b>	Heavy Industry
<b>Regency Enterprises</b>	Bldg.Matls-Whsle
<b>Thermage</b>	Light Industry
<b>Toyota Material Handling</b>	Heavy Industry
<b>Unisource Solutions</b>	Office Equipment
<b>United Cleaners Supply</b>	Business Services
<b>Western State Design</b>	Heavy Industry
<b>Western States Tool &amp; Supply</b>	Heavy Industry

Source: MuniServices, February 2015

<sup>6</sup> “Sales Tax Analysis and Reporting Service Preliminary Report - Third Quarter, 2014,” MuniServices.

## 3.2 Profiles of Selected Industry Sectors

For each of the following sectors, this study provides a map depicting establishment locations and identifies major employers in the following sectors:

1. **Advanced Materials**
2. **Biomedical, Biotechnical and Life Sciences**
3. **Business and Financial Services**
4. **Food and Beverage Manufacturing**
5. **Information Technology and Telecommunications**
6. **Transportation and Logistics**

As discussed in Section 2.2, this study suppresses sensitive business data such as location employment or sales tax revenue statistics. Data for individual businesses are not published to protect the privacy of individual businesses. The suppression of data is consistent with public agency protocols for publishing labor market and industry reports. This data will be used internally to track trends and guide business attraction, expansion and retention activities.

### 3.2.1 Advanced Materials

Materials, the building blocks of physical products, generally fall within five major groups: metals, polymers, ceramics, glasses, and composites. Advanced materials refer to all new materials and modifications to traditional materials to obtain superior performance in their targeted application. The development of advanced materials is associated with the generation of new knowledge or intellectual property. Advanced materials may also lead to the design of entirely new products.

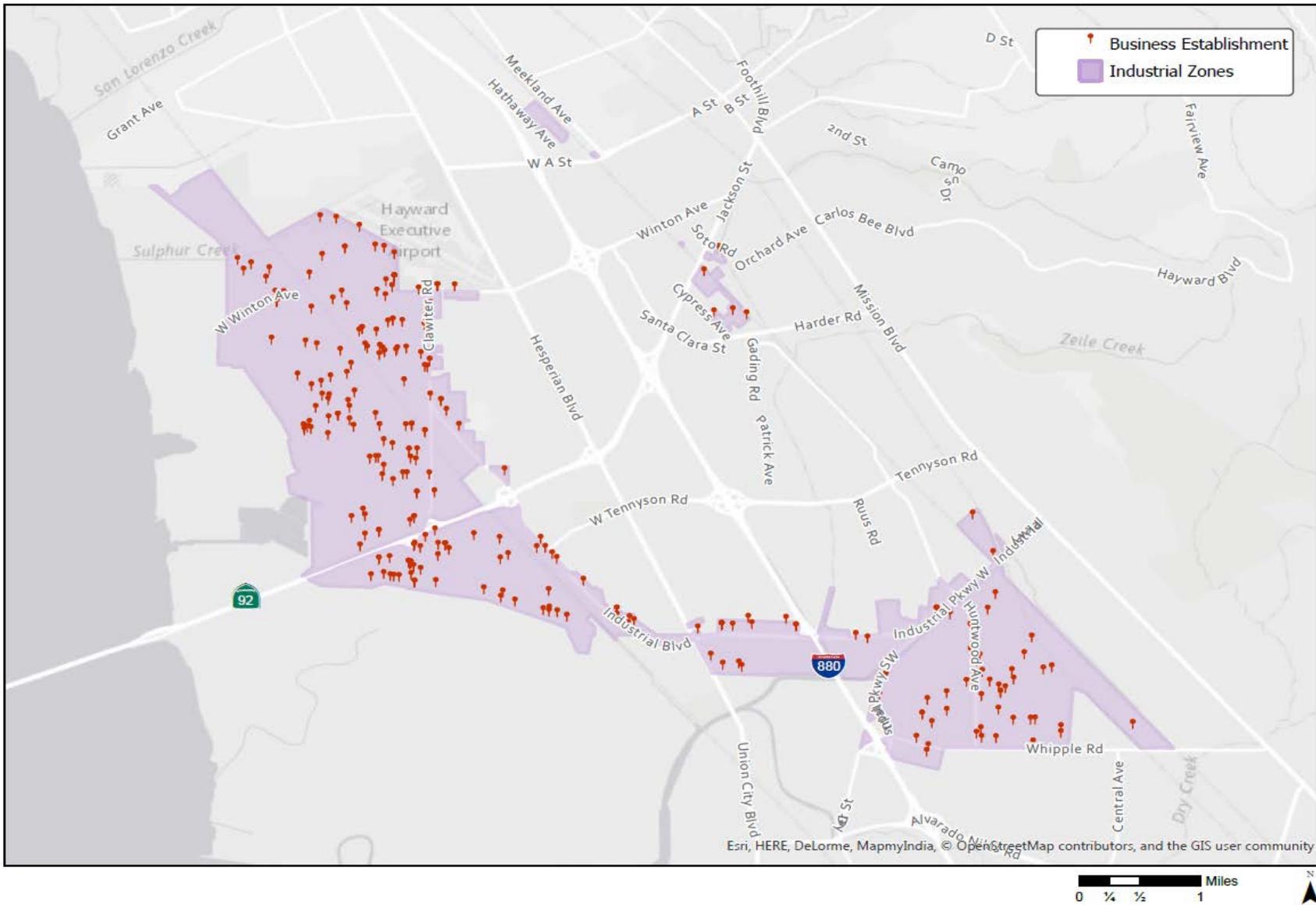
“Advanced materials are associated with the generation of new knowledge, intellectual property and the design of entirely new products.”

In Hayward there are approximately 370 businesses in the advanced materials sector, which employ an estimated 6,500 workers. These businesses specialize in:

- Basic chemical manufacturing
- Resin, rubber or artificial synthetic fibers or filaments manufacturing
- Pharmaceutical and medicine
- Paint, coating and adhesives
- Soap, cleaning compound and toilet preparation materials
- Plastic and plastic products
- Rubber products
- Alumina or aluminum production or processing
- Ferroalloy manufacturing
- Electroplating, plating, polishing, anodizing and coloring
- Steel and fabricated metal product manufacturing
- Metalworking machinery manufacturing
- Metal stamping and sheet metal work
- Electroplating, plating, polishing, anodizing and coloring
- Semiconductor and electronic components manufacturing
- Material testing laboratories
- Research and development Services

Exhibit 3-5 and 3-6 below illustrate the locations of advanced materials establishments and identify major employers. As illustrated in the map, firms in this sector are distributed throughout the industrial corridor.

Exhibit 3-5: Advanced Materials Sector Establishments



### Exhibit 3-6: Advanced Materials Sector Major Employers

Company Name	NAICS	Description
<b>Amedica Biotech Inc.</b>	339112	Surgical & Medical Instrument Manufacturing
<b>Baxter Bio Pharma</b>	339112	Surgical & Medical Instrument Manufacturing
<b>Bay Foam Inc.</b>	326199	All Other Plastics Product Manufacturing
<b>Coast Aluminum &amp; Architectural</b>	331523	Nonferrous Metal Die-Casting Foundries
<b>Delphon Industries LLC</b>	334413	Semiconductors & Related Devices Manufacturing
<b>Dow Chemical Co</b>	325211	Plastics Material & Resin Manufacturing
<b>Forensic Analytical Consulting</b>	541711	Research & Development In Biotechnology
<b>Grand Central Station</b>	334290	Other Communications Equipment Manufacturing
<b>Illumina</b>	541711	Research & Development In Biotechnology
<b>Impax Laboratories Inc.</b>	325412	Pharmaceutical Preparation Manufacturing
<b>IMT Precision Inc.</b>	332710	Machine Shops
<b>Intarcia Therapeutics Inc.</b>	541711	Research & Development In Biotechnology
<b>Microlease</b>	334515	Electricity & Signal Testing Instruments
<b>Millipore Corp</b>	325414	Biological Product (Except Diagnostic) Mfg
<b>Mission Tool &amp; Mfg Co</b>	333514	Special Die & Tool, Die Set, Jig & Fixture Mfg
<b>Morgan Technical Ceramics</b>	327420	Gypsum Product Manufacturing
<b>Moss Precision Inc</b>	332710	Machine Shops
<b>Pacific Die Cut Industries</b>	333514	Special Die & Tool, Die Set, Jig & Fixture Mfg
<b>Plastikon Industries Inc.</b>	326199	All Other Plastics Product Manufacturing
<b>Prozyme</b>	541711	Research & Development In Biotechnology
<b>Semano Inc</b>	332813	Electroplating Plating Polishing Anodizing
<b>Solta Medical Inc</b>	339112	Surgical & Medical Instrument Manufacturing
<b>Thermionics Corp</b>	326199	All Other Plastics Product Manufacturing
<b>Therm-X Of California</b>	334512	Automatic Environmental Control Manufacturing
<b>Ultra Clean Holdings Inc</b>	334413	Semiconductors & Related Devices Manufacturing

Source: ReferenceUSAGov, January 2015

### 3.2.2 Biotechnical, Biomedical and Life Sciences

The biotechnical, biomedical and life sciences sector is defined by innovation and change. At its base, this sector uses cutting-edge technologies, advanced materials, and natural elements – cells, genes, proteins, enzymes and antibodies – to develop the knowledge, products and processes that improve the human condition and environment.

“The biotechnical, biomedical and life sciences sector develops the knowledge, products and processes that improve the human condition and environment.”

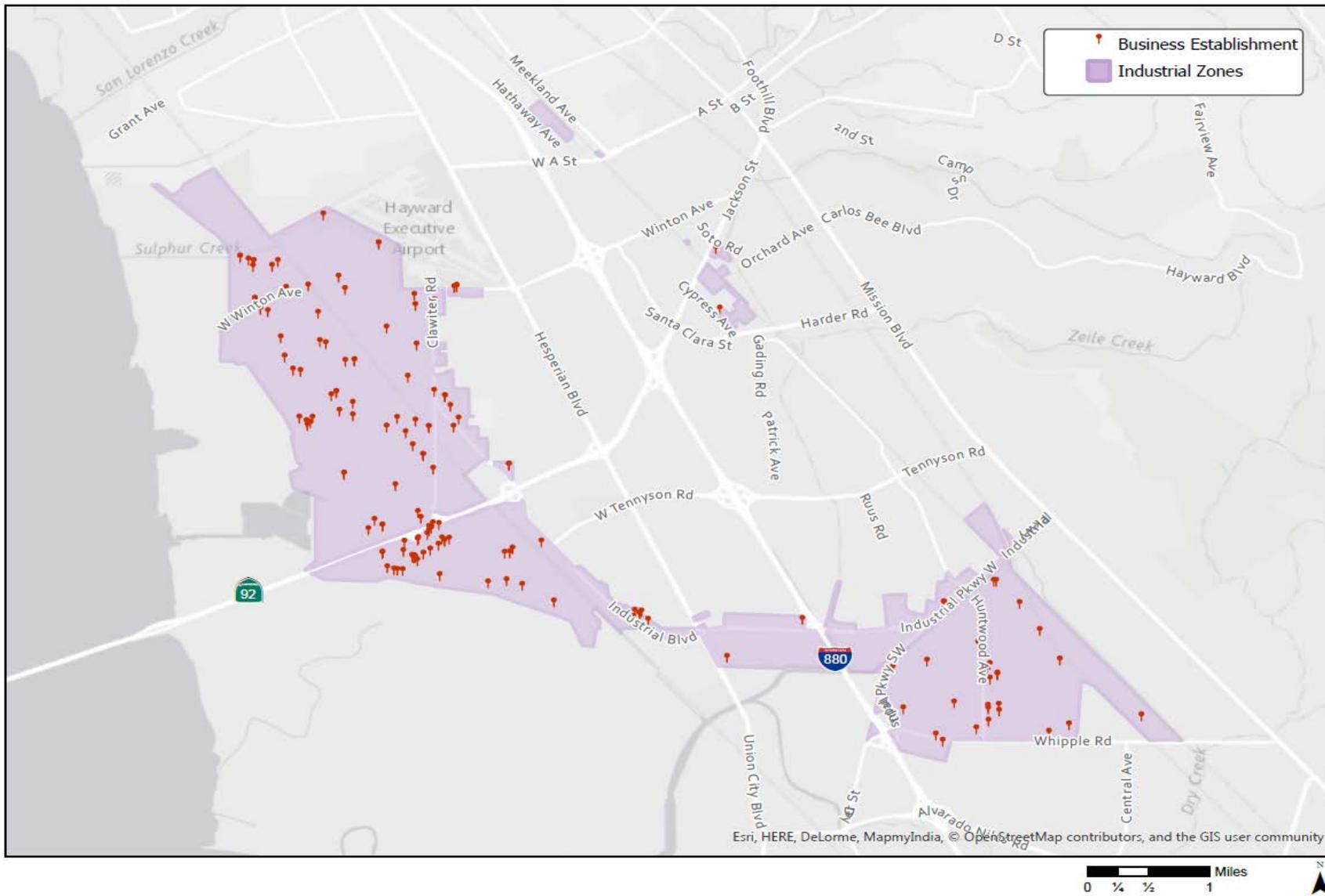
In Hayward, there are over 400 firms that employ an estimated 5,200 workers in this sector. The majority of these firms fall into three sub-sectors:

1. Scientific research and development;
2. Professional, scientific, technical and healthcare services; and
3. Manufacturing.

Manufacturing spans a range of products including: pharmaceuticals, medicinal and botanicals, surgical and medical instruments and specialized equipment.

The exhibits below illustrate locations of these establishments in the industrial corridor and identify major employers. Exhibit 3-7 indicates these establishments are located throughout the industrial corridor. However, there are more firms in the northern portion and a pocket of firms located in the central portion south of State Route 92. This area features business parks located along Point Eden Way, Research Place and Eden Landing Road.

Exhibit 3-7: Biotechnical, Biomedical and Life Sciences Sector Establishments



**Exhibit 3-8: Biotechnical, Biomedical and Life Sciences Sector Major Employers**

<b>Company Name</b>	<b>NAICS</b>	<b>Description</b>
<b>Amedica Biotech Inc</b>	339112	Surgical & Medical Instrument Manufacturing
<b>Baxter Bio Pharma</b>	339112	Surgical & Medical Instrument Manufacturing
<b>Bay Point Health Care Ctr</b>	621999	All Other Misc Ambulatory Health Care Services
<b>Coram Healthcare Corp-Northern</b>	621493	Freestanding Ambulatory Surgical & Emergency Ctrs
<b>DaVita South Hayward Dialysis</b>	621493	Freestanding Ambulatory Surgical & Emergency Ctrs
<b>Forensic Analytical Consulting</b>	541711	Research & Development In Biotechnology
<b>Gateway Care &amp; Rehab Ctr</b>	621999	All Other Misc Ambulatory Health Care Services
<b>Hantel Technologies</b>	339112	Surgical & Medical Instrument Manufacturing
<b>Hayward Dialysis Ctr</b>	621493	Freestanding Ambulatory Surgical & Emergency Ctrs
<b>Illumina</b>	541711	Research & Development In Biotechnology
<b>Impax Laboratories Inc.</b>	325412	Pharmaceutical Preparation Manufacturing
<b>Intarcia Therapeutics</b>	541711	Research & Development In Biotechnology
<b>Mendel Biotechnology</b>	325411	Medicinal & Botanical Manufacturing
<b>Millipore Corp</b>	325414	Biological Product (Except Diagnostic) Mfg
<b>Natural Formulas</b>	446191	Food (Health) Supplement Stores
<b>Prince Of Peace</b>	325412	Pharmaceutical Preparation Manufacturing
<b>Prozyme</b>	541711	Research & Development In Biotechnology
<b>Rural/Metro Ambulance</b>	621910	Ambulance Services
<b>Shaklee Distributor</b>	446191	Food (Health) Supplement Stores
<b>Size Wise LLC</b>	423450	Medical, Dental/Hospital Equip/Supply Merchant Wholesaler
<b>SNP Pharmacy</b>	446110	Pharmacies & Drug Stores
<b>Solta Medical Inc</b>	339112	Surgical & Medical Instrument Manufacturing
<b>Stericycle</b>	562211	Hazardous Waste Treatment & Disposal
<b>Sun Deep Cosmetics</b>	446120	Cosmetics, Beauty Supplies & Perfume Stores
<b>Winton Wellness Ctr</b>	621999	All Other Misc Ambulatory Health Care Services

Source: ReferenceUSAGov, January 2015

### 3.2.3 Business and Financial Services

Business and Financial services is a broad term that describes firms that support commercial and retail customers but do not produce a tangible commodity. The establishments in this sector provide the following services:

- Banking, credit and loans
- Financial investment
- Insurance and bonding
- Real estate
- Legal
- Accounting, tax preparation, bookkeeping and payroll
- Specialized design
- Computer systems design and support
- Management, scientific and technical consulting
- Advertising and marketing

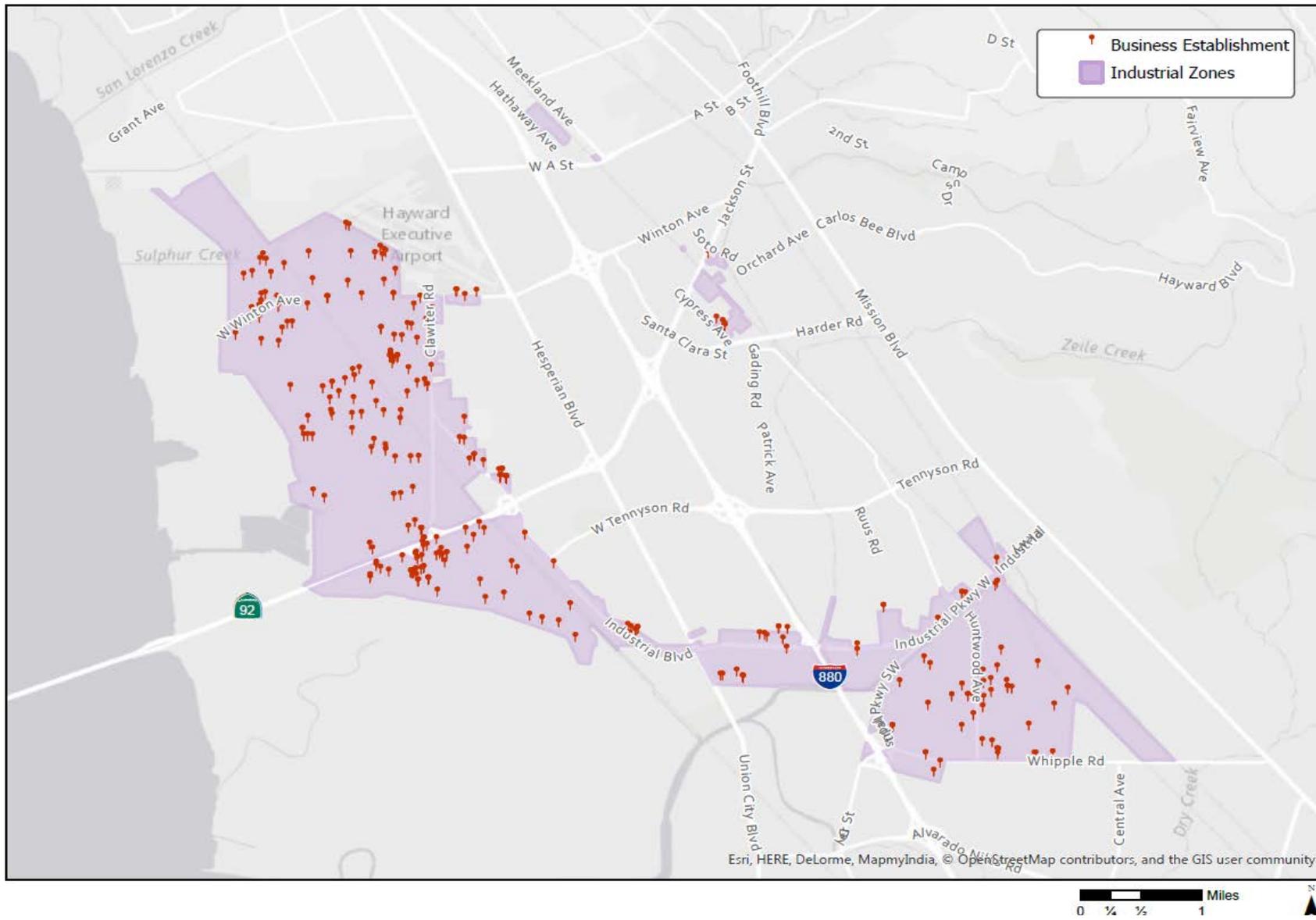
According to the California Employment Development Department, the strongest annual job growth in the Bay Area occurred in the professional and business services sector from 2013 to 2014.<sup>7</sup> The ReferenceUSAGov data shows that there are approximately 1,224 business and financial services businesses that in Hayward. These firms employ an estimated 5,052 workers.

“Annual job growth in the business and financial services sector outpaced all other Bay Area sectors in 2014.”

Exhibit 3-9 below illustrates locations of Hayward’s business and financial service sector establishments, which are distributed throughout the industrial corridor. Exhibit 3-10 identifies the sector’s major employers.

<sup>7</sup> State of California Employment Development Department, Labor Market Division, Monthly Data Release, January 23, 2015. [http://www.calmis.ca.gov/file/lfmonth/oak\\$pd.pdf](http://www.calmis.ca.gov/file/lfmonth/oak$pd.pdf) Last Accessed 2/26/15

**Table 3-9: Business and Financial Services Sector Establishments**



**Exhibit 3-10: Business and Financial Services Sector Major Employers**

<b>Company Name</b>	<b>NAICS</b>	<b>Description</b>
<b>AAA Hayward</b>	524210	Insurance Agencies & Brokerages
<b>Admail Express Inc</b>	541860	Direct Mail Advertising
<b>Alameda County Housing Auth</b>	531311	Residential Property Managers
<b>Anamet Inc</b>	541380	Testing Laboratories
<b>Aqua-Duct Plumbing-Petroleum</b>	531311	Residential Property Managers
<b>ATA Retail Svc Inc</b>	541613	Marketing Consulting Services
<b>Bankers Life &amp; Casualty Co</b>	524210	Insurance Agencies & Brokerages
<b>Belmont Remarketing Technology</b>	523920	Portfolio Management
<b>Bianchi USA (Marketing Office)</b>	541613	Marketing Consulting Services
<b>Business Services Network</b>	541860	Direct Mail Advertising
<b>Controlled Contamination Svc</b>	541611	Administrative & General Mgmt Consulting Services
<b>DBA Encon Electronics (Access Distributors Inc)</b>	541870	Advertising Material Distribution Services
<b>FBA Inc</b>	541330	Engineering Services
<b>Forensic Analytical</b>	541380	Testing Laboratories
<b>Frye Claims Consultation &amp; Admin.</b>	524291	Claims Adjusting
<b>Gold Berry Distributors, Inc.</b>	541310	Architectural Services
<b>HSQ Technology Inc</b>	541512	Computer Systems Design Services
<b>I Q Personal</b>	541612	Human Resources Consulting Services
<b>Lea &amp; Braze Engineering Inc</b>	541330	Engineering Services
<b>Mendel Biotechnology</b>	541690	Other Scientific & Technical Consulting Services
<b>Prologix-WEST LLC</b>	541870	Advertising Material Distribution Services
<b>Ricman Manufacturing</b>	541330	Engineering Services
<b>Rivermills Outfitters</b>	541490	Other Specialized Design Services
<b>Siemens Building Tech</b>	541618	Other Management Consulting Services
<b>Way To Be Design</b>	541410	Interior Design Services

*Source: ReferenceUSAGov, January 2015*

### 3.2.4 Food and Beverage Manufacturing

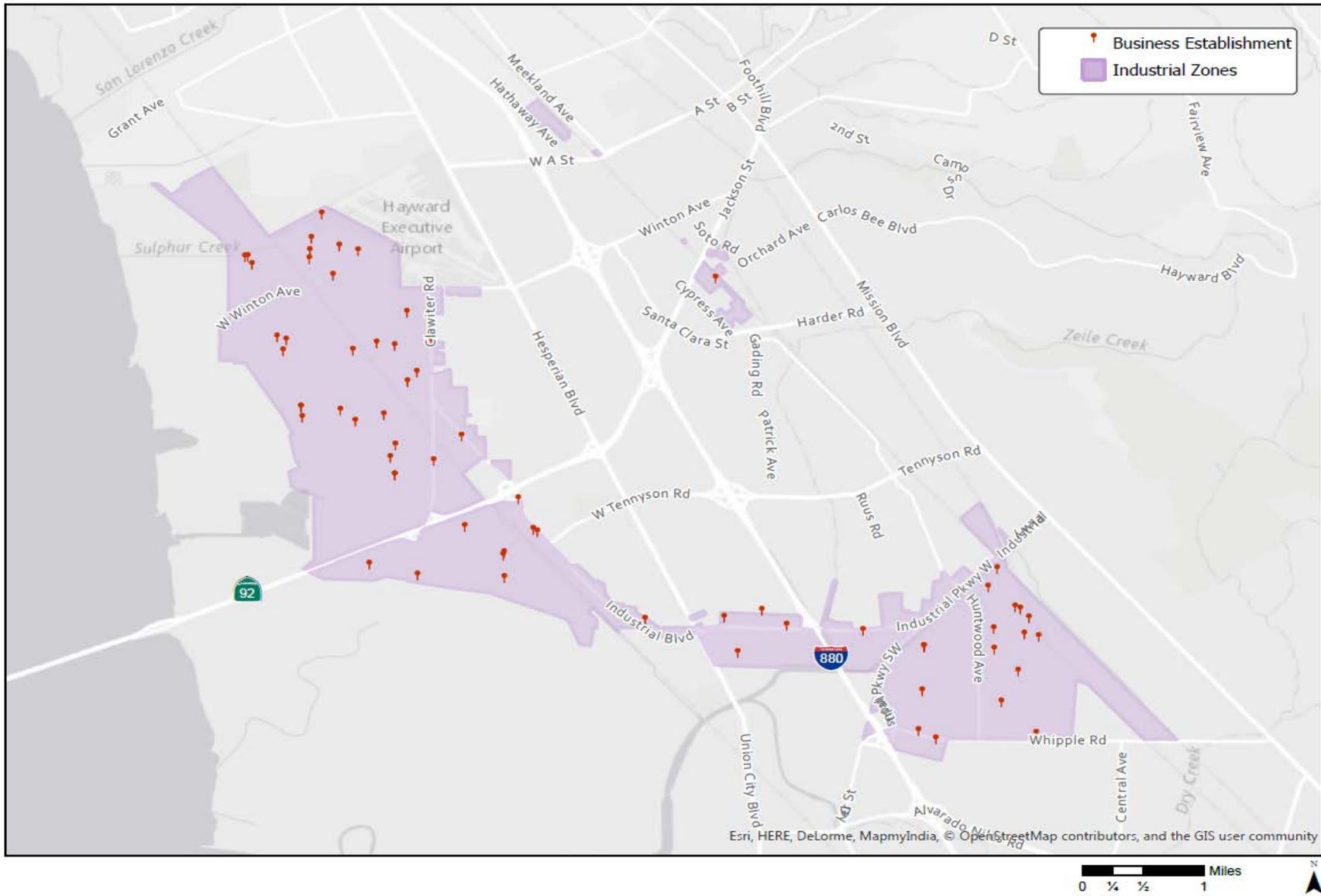
Industries in the food and beverage manufacturing sector transform livestock and agricultural goods into products for intermediate or final consumption. The sector is distinguished by the raw materials (generally of animal or vegetable origin) processed into food products. The products manufactured in these establishments are typically sold to wholesalers or retailers for distribution to consumers. This sector also includes:

“The food and beverage manufacturing sector transforms livestock and agricultural goods into products for final consumption.”

1. Establishments engaged in baking or producing candy on the premises, but not for immediate consumption;
2. Manufacturers of beverages;
3. Firms that import, process, package or distribute specialty goods, seafood and wine.

According to the ReferenceUSAGov database, the food and beverage manufacturing sector in Hayward consists of 106 businesses and employs an estimated 3,550 workers. The exhibits below illustrate the spatial distribution and identify major employers in the food and beverage manufacturing businesses in the industrial corridor. Exhibit 3-11 illustrates these establishments are spread throughout the corridor.

**Table 3-11: Food and Beverage Manufacturing Sector Establishments**



**Exhibit 3-11: Food and Beverage Manufacturing Sector Major Employers**

<b>Company Name</b>	<b>NAICS</b>	<b>Description</b>
<b>Andersen Bakery Inc</b>	311811	Retail Bakeries
<b>Annabelle Candy Co Inc</b>	311352	Confectionery Mfg From Purchased Chocolate
<b>Armano Foods-Distinction Inc</b>	311412	Frozen Specialty Food Manufacturing
<b>Azuma Foods Intl Inc USA</b>	311710	Seafood Product Preparation & Packaging
<b>Berkeley Farms LLC</b>	311520	Ice Cream & Frozen Dessert Manufacturing
<b>Best Express Foods</b>	311812	Commercial Bakeries
<b>Buffalo Bill's Brew Pub</b>	312120	Breweries
<b>Chefs' Warehouse</b>	311999	All Other Miscellaneous Food Manufacturing
<b>Columbus Foods</b>	311999	All Other Miscellaneous Food Manufacturing
<b>Freund Baking Co</b>	311999	All Other Miscellaneous Food Manufacturing
<b>Gallo Sales Co</b>	312130	Wineries
<b>Gourmet Foods Inc</b>	311999	All Other Miscellaneous Food Manufacturing
<b>Harvest Food Products Co Inc</b>	311412	Frozen Specialty Food Manufacturing
<b>Joe Pucci &amp; Sons Seafoods</b>	311710	Seafood Product Preparation & Packaging
<b>Pacific Cheese Co</b>	311999	All Other Miscellaneous Food Manufacturing
<b>Panera Bread</b>	311811	Retail Bakeries
<b>Pepsi Bottling Group</b>	312111	Soft Drink Manufacturing
<b>Produce World</b>	311942	Spice & Extract Manufacturing
<b>Quick-N-Ezee Indian Foods (Sukhi's Gourmet Indian)</b>	311999	All Other Miscellaneous Food Manufacturing
<b>San Francisco Pasta Co</b>	311824	Dry Pasta Dough/Flour Mixes Mfg- Purchased Flour
<b>Shasta Beverages Inc</b>	312111	Soft Drink Manufacturing
<b>Sugar Bowl Bakery</b>	311811	Retail Bakeries
<b>United Food International</b>	311999	All Other Miscellaneous Food Manufacturing
<b>Windsor Foods</b>	311412	Frozen Specialty Food Manufacturing
<b>Wing Nien Food</b>	311999	All Other Miscellaneous Food Manufacturing

*Source: ReferenceUSAGov, January 2015*

### 3.2.5 Information Technology and Communications

Companies across all industries and market segments that effectively compete nationally and globally strive to generate, transmit and understand information quickly and efficiently. The equipment, software and services these firms use to meet those objectives are provided by firms in the Information Technology and Communications (IT) industry sector.

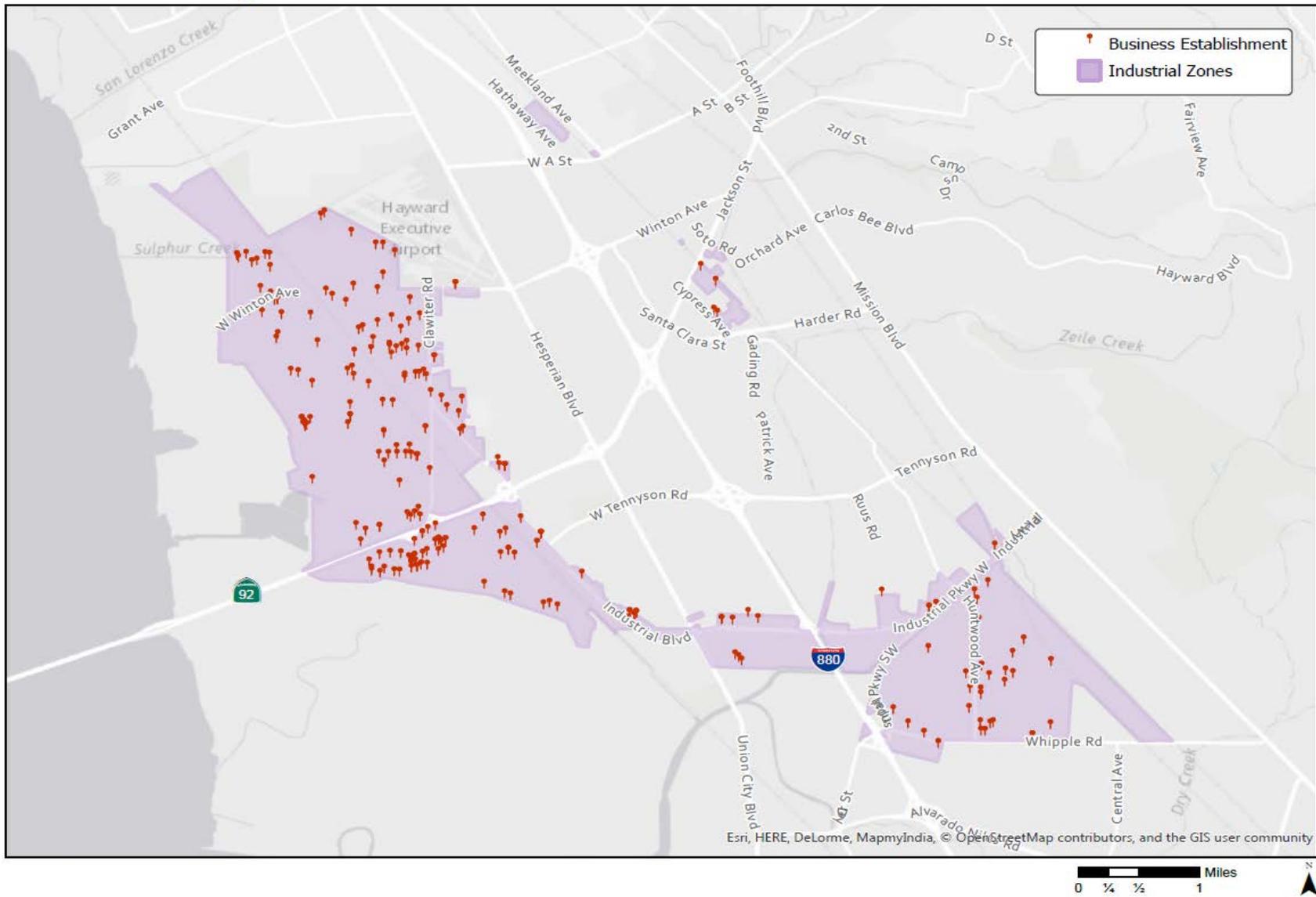
“The Information Technology sector produces the equipment, software and services all industries need to effectively compete in today’s global marketplace.”

Businesses in Hayward that fall within this sector specialize in the following activities:

- Computer and peripheral equipment manufacturing
- Electrical contracting
- Communications equipment manufacturing
- Semiconductor or related component manufacturing
- Automatic environmental control manufacturing
- Electrical equipment and component manufacturing
- Telecommunications
- Computer systems design and related services
- IT management consulting services
- Scientific research and development services

According to the ReferenceUSA database, there are approximately 535 IT sector establishments in the industrial corridor. Exhibit 3-12 illustrates the location of all IT establishments. Exhibit 3-13 identifies the sector’s major employers.

Exhibit 3-12: Information Technology and Communications Sector Establishments



**Exhibit 3-13: Information Technology and Communications Sector Major Employers**

<b>Company Name</b>	<b>NAICS</b>	<b>Description</b>
<b>Advance Carbon Products Inc</b>	335991	Carbon & Graphite Product Manufacturing
<b>Applied Photon Technology LLC</b>	334419	Other Electronic Component Manufacturing
<b>Cognex Corp</b>	334111	Electronic Computer Manufacturing
<b>Delphon Industries LLC</b>	334413	Semiconductors & Related Devices Manufacturing
<b>Grand Central Station</b>	334290	Other Communications Equipment Manufacturing
<b>Hayward Electric Co</b>	238210	Electrical & Other Wiring Installation Construction
<b>HSQ Technology Inc</b>	541512	Computer Systems Design Services
<b>Illumina</b>	541711	Research & Development In Biotechnology
<b>Intarcia Therapeutics Inc</b>	541711	Research & Development In Biotechnology
<b>Jupiter Systems</b>	334111	Electronic Computer Manufacturing
<b>KBL Associates</b>	334512	Automatic Environmental Control Manufacturing
<b>Kleinfelder</b>	541711	Research & Development In Biotechnology
<b>Marelich Mechanical</b>	238210	Electrical Contractor & Other Wiring Installation Contractor
<b>Microlease</b>	334515	Electricity & Signal Testing Instruments
<b>Pacific Gas &amp; Electric Co</b>	238210	Electrical Contractor& Other Wiring Installation Contractor
<b>Pentagon Technologies</b>	333318	Other Commercial & Service Industry Machinery Manufacturer
<b>Prozyme</b>	541711	Research & Development In Biotechnology
<b>Siemens Building Tech</b>	541618	Other Management Consulting Services
<b>Solcom Inc</b>	517919	All Other Telecommunications
<b>Sound On Stage</b>	334310	Audio & Video Equipment Manufacturing
<b>Synergy Co.</b>	334513	Industrial Process Variable Instruments
<b>Therm-X Of California</b>	334512	Automatic Environmental Control Manufacturing
<b>Ultra Clean Holdings Inc</b>	334413	Semiconductors & Related Devices Manufacturing
<b>Ultrasil Corp</b>	334413	Semiconductors & Related Devices Manufacturing
<b>Wohler Technologies Inc</b>	334310	Audio & Video Equipment Manufacturing

*Source: ReferenceUSAGov, January 2015*

### 3.2.6 Transportation and Logistics

The Transportation and Logistics sector involves the planning, management and movement of people, raw materials and goods by all modes and the related support services dealing with infrastructure, logistics, equipment, and facilities. In general, this sector includes three types of companies:

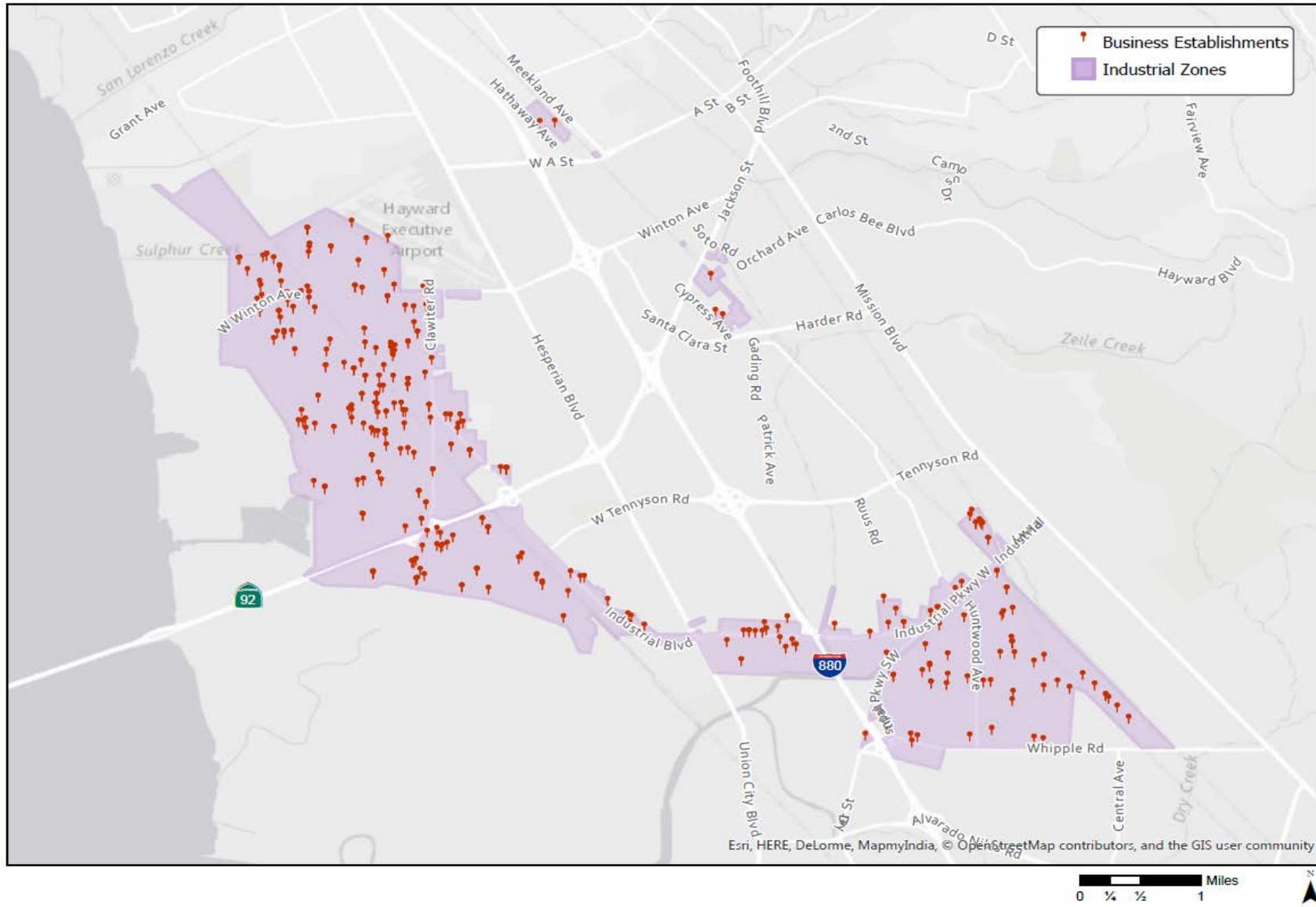
“Transportation and Logistics involves the planning, management and movement of people, raw materials and goods.”

1. Logistics service providers, such as transportation carriers, warehouses, forwarders, third party logistics companies, brokers and specialized consulting and IT operators;
2. Distributors and kitting companies; and
3. Logistics operations of industrial firms, such as the distribution operations of retailers or parts suppliers.

Hayward’s access to multiple highway and rail routes, proximity to the Port of Oakland, and inventory of over 36 million square feet of industrial space offers transportation and logistics businesses a competitive advantage. As a result, the industrial corridor is home to over 500 transportation and logistics businesses that employ an estimated 4,270 workers. A large portion of these establishments are single owner-operator trucking and towing businesses.

Exhibit 3-14 below illustrates establishment locations and Exhibit 3-15 identifies the largest employers in the transportation and logistics sector. The map shows that these establishments distributed throughout the industrial corridor.

### Exhibit 3-14 Transportation and Logistics Sector Establishments



**Exhibit 3-15: Transportation and Logistics Sector Major Employers**

<b>Company Name</b>	<b>NAICS</b>	<b>Description</b>
<b>AC Transit</b>	488210	Support Activities For Rail Transportation
<b>Angel Worldwide Transportation</b>	485510	Charter Bus Industry
<b>Brook Furniture Rental</b>	484230	Specialized Freight (Exc Used Gds) Trucking Long Distance
<b>Buffalo Distributions Svc</b>	484230	Specialized Freight (Exc Used Gds) Trucking Long Distance
<b>Central Freight Lines Inc</b>	484230	Specialized Freight (Exc Used Gds) Trucking Long Distance
<b>CEVA Logistics</b>	484230	Specialized Freight (Exc Used Gds) Trucking Long Distance
<b>Con-Way Freight</b>	484230	Specialized Freight (Exc Used Gds) Trucking Long Distance
<b>Daylight Transport LLC</b>	484230	Specialized Freight (Exc Used Gds) Trucking Long Distance
<b>Dynamex Inc</b>	484110	General Freight Trucking, Local
<b>Fedex Freight</b>	484110	General Freight Trucking, Local
<b>Golden Gate Air Freight</b>	481112	Scheduled Freight Air Transportation
<b>Hawaiian Express Svc Inc</b>	488510	Freight Transportation Arrangement
<b>Kuehne &amp; Nagel</b>	493110	General Warehousing & Storage
<b>MAG Trucking</b>	484230	Specialized Freight (Exc Used Gds) Trucking Long Distance
<b>National Tank Services</b>	484230	Specialized Freight (Exc Used Gds) Trucking Long Distance
<b>Orion Logistics Inc</b>	493130	Farm Product Warehousing & Storage
<b>Orozco Transportation</b>	484230	Specialized Freight (Exc Used Gds) Trucking Long Distance
<b>Pilot Air Freight Corp.</b>	481112	Scheduled Freight Air Transportation
<b>RJR Transportation</b>	488210	Support Activities For Rail Transportation
<b>Road Star Trucking Inc</b>	484230	Specialized Freight (Exc Used Gds) Trucking Long Distance
<b>Servex Inc</b>	493110	General Warehousing & Storage
<b>T C Transportation Inc</b>	484230	Specialized Freight (Exc Used Gds) Trucking Long Distance
<b>The MiGroup</b>	484110	General Freight Trucking, Local
<b>Tricor America Inc</b>	481112	Scheduled Freight Air Transportation
<b>YRC Freight</b>	484230	Specialized Freight (Exc Used Gds) Trucking Long Distance

Source: ReferenceUSAGov, January 2015

### 3.3 Advanced Industries

This section defines the “Advanced Industries” sector and explores its existence in Hayward. This sector is comprised of over 50 different industries that involve heavy investment in technology innovation and employ skilled technical workers that develop and apply new technologies to enhance productivity. The advanced industries concept is gaining national focus due to recent studies about its importance and impact on the American economy and workforce.

“Advanced industries are the nation’s crown jewel industries because they prime the economy with income, knowledge and technology. In doing, so they generate employment, value and progress across the entire economy.” – The Brookings Institution.

In February 2015, the Brookings Institution (Brookings) published a study entitled, “America’s Advanced Industries – What They Are, Where They Are and Why They Matter.”<sup>8</sup> This research asserts that advanced industries are an anchor for the U.S. economy and led post-recession employment recovery. The report states that, “In sum, advanced industries are the nation’s crown jewel industries because they prime the economy with income, knowledge and technology. In doing, so they generate employment, value and progress across the entire economy.”<sup>9</sup>

A discussion of the sector’s composition and economic impacts are provided detailed below. This discussion is followed by an evaluation of this sector’s prevalence in Hayward.

#### 3.3.1 Defining Advanced Industries

Exhibit 3-16 identifies the 50 different industries that comprise the Advanced Industries sector. These businesses include manufacturing, energy and service companies. Brookings selected this group of industries because they invest more in research and development (R&D) and employ a disproportionate share of “STEM” workers than other sectors. STEM is the acronym of science, technology, engineering, and mathematics. Specifically, advanced industries spend more than \$450 per worker on research and development, which equates to the 80<sup>th</sup> percentile of spending activity of industries nationwide. Advanced industries also maintain a workforce where at least 21 percent of workers have STEM-knowledge intensive occupations (the U.S. average is 20 percent).

<sup>8</sup> Brookings Institution, “America’s Advanced Industries – What They Are, Where They Are and Why They Matter” (February 2015)

<http://www.brookings.edu/research/reports2/2015/02/03-advanced-industries#/M10420> Last Accessed 2/19/15

<sup>9</sup> Ibid. pg. 15

### Exhibit 3-16: Brookings Institution Advanced Industries Definition<sup>10</sup>

The 50 Industries That Constitute the Advanced Industries Sector		
MANUFACTURING		ENERGY
Aerospace Products and Parts	Motor Vehicles	Electric Power Generation, Trans., and Distribution
Agr., Construction, and Mining Machinery	Navigation, Measurement, and Control Instruments	Metal Ore Mining
Aluminum Production and Processing	Other Chemical Products	Oil and Gas Extraction
Audio and Video Equipment	Other Electrical Equipment and Components	SERVICES
Basic Chemicals	Other General Purpose Machinery	Architecture and Engineering
Clay Products	Other Miscellaneous Manufacturing	Cable and Other Subscription Programming
Commercial and Service Industry Machinery	Other Nonmetallic Mineral Products	Computer Systems Design
Communications Equipment	Other Transportation Equipment	Data Processing and Hosting
Computers and Peripheral Equipment	Pesticides, Fertilizers, and Other Agr. Chemicals	Medical and Diagnostic Laboratories
Electric Lighting Equipment	Petroleum and Coal Products	Mgmt., Scientific, and Technical Consulting
Electrical Equipment	Pharmaceuticals and Medicine	Other Information Services
Engines, Turbines, and Power Trans. Equipment	Railroad Rolling Stock	Other Telecommunications
Foundries	Resins and Synthetic Rubbers, Fibers, and Filaments	Satellite Telecommunications
Household Appliances	Semiconductors and Other Electronic Components	Scientific Research and Development
Industrial Machinery	Ship and Boat Building	Software Publishers
Iron, Steel, and Ferroalloys	Medical Equipment and Supplies	Wireless Telecommunications Carriers
Motor Vehicle Bodies and Trailers	Reproducing Magnetic and Optical Media	
Motor Vehicle Parts		

Source: Brookings Institution, 2015

### 3.3.2 Economic Impact of Advanced Industries

Advanced Industries play a major role in economic development. The following summarizes key Brookings study findings in terms the sector’s economic impacts and implications for workers:

- 1. Advanced Industries Generate a Large Share of GDP** - In 2013, over 12.3 million or nine percent of workers in the country worked in an advance industry business. These workers generated \$2.7 trillion in value-added products. This amounted to 17 percent of all U.S. gross domestic product (GDP) in 2013, which was more than any other sector including healthcare, finance or real estate.
- 2. Advance Industries Support Other Industry Sectors** – Advanced industry firms extensively support supply chains and other economic activity including purchasing an average of \$236,000 in goods and services from other businesses per worker annually compared to \$67,000 in purchasing in other sectors.

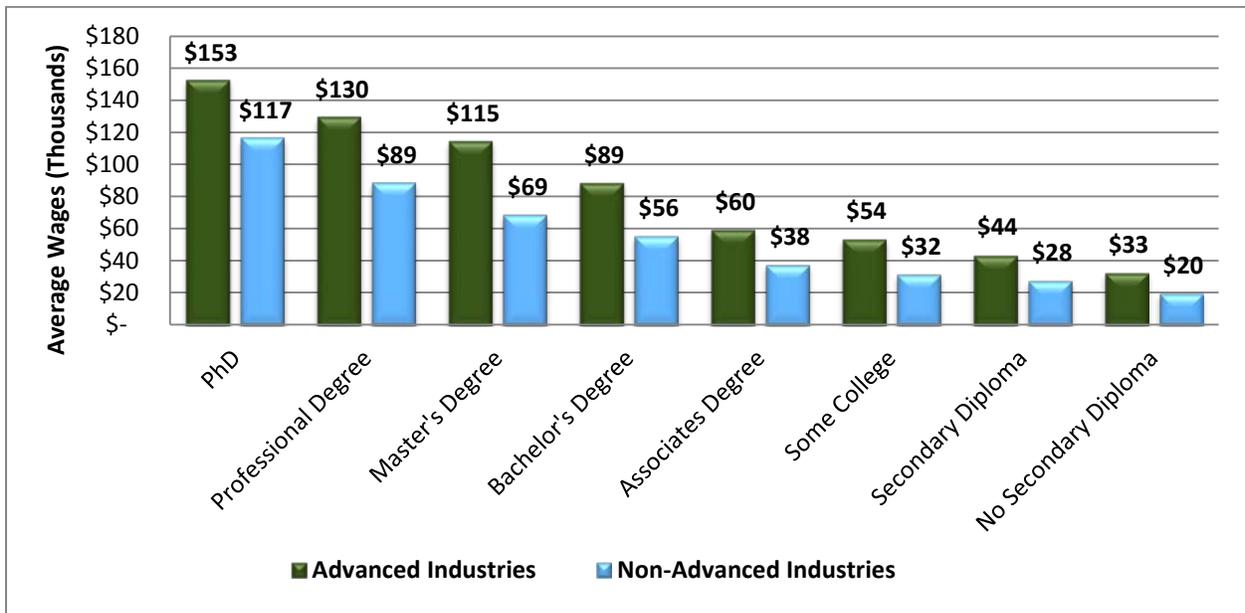
<sup>10</sup> Brookings Institution, 2015, pg. 39

3. **Advance Industry Jobs Create Additional Jobs** - Advanced industry growth has a “multiplier” effect on the economy. For every new advanced industry job, 2.2 jobs are created; 0.8 jobs are created locally and 1.4 outside the region.
4. **Advanced Industries Pay Higher Wages** - As a result of the volume and value of the goods and services produced by the advanced industries sector, these employers pay higher wages than the rest of the economy. In 2013, the average advanced industries worker earned \$90,000 in total compensation, which includes wages and benefits.
5. **Advanced Industries Offer Workers with Lower Education Levels Economic Opportunities** – While, in general, advanced industry workers have higher education levels than those in other sectors, this sector offers significant economic opportunity for workers with lower educational levels.

While the correlation between higher education levels and higher wages remains clear, advanced industries offer greater wages at every level of education compared to other industries. As shown in the exhibit below, on average a worker with an associates degree earns \$60,000 in the advanced industry sector compared to \$38,000 earned by peers outside the sector. In fact, an advanced industry worker with an associate degree can earn more than those with bachelor’s degrees in other industries.

“Advanced industries offer greater wages at every level of education compared to other industries nationwide.”

**Exhibit 3-17: Comparison of Average Annual Wage by Education Level**



Source: Reproduced using data from the Brookings Institution

Note that nationwide only half of the workers in the advanced industries sector hold less than a bachelor’s degree. The study found that nine percent of advanced industry workers earned an associate degree. However, 47 percent possess no college degree. This group includes those that have attended some college and/or received a trade or technical certificate.

### 3.3.3 Hayward’s Advanced Industries Sector

As shown in the exhibit below, the Brookings analysis found that the San Francisco-Oakland-Hayward metropolitan area ranks fifth in the nation for advanced industry share of total employment. Employment in the advance industries in the Bay area is concentrated in services and manufacturing sectors.

“The San Francisco-Oakland-Hayward metropolitan area ranks fifth in the nation for advanced industry share of total employment.”

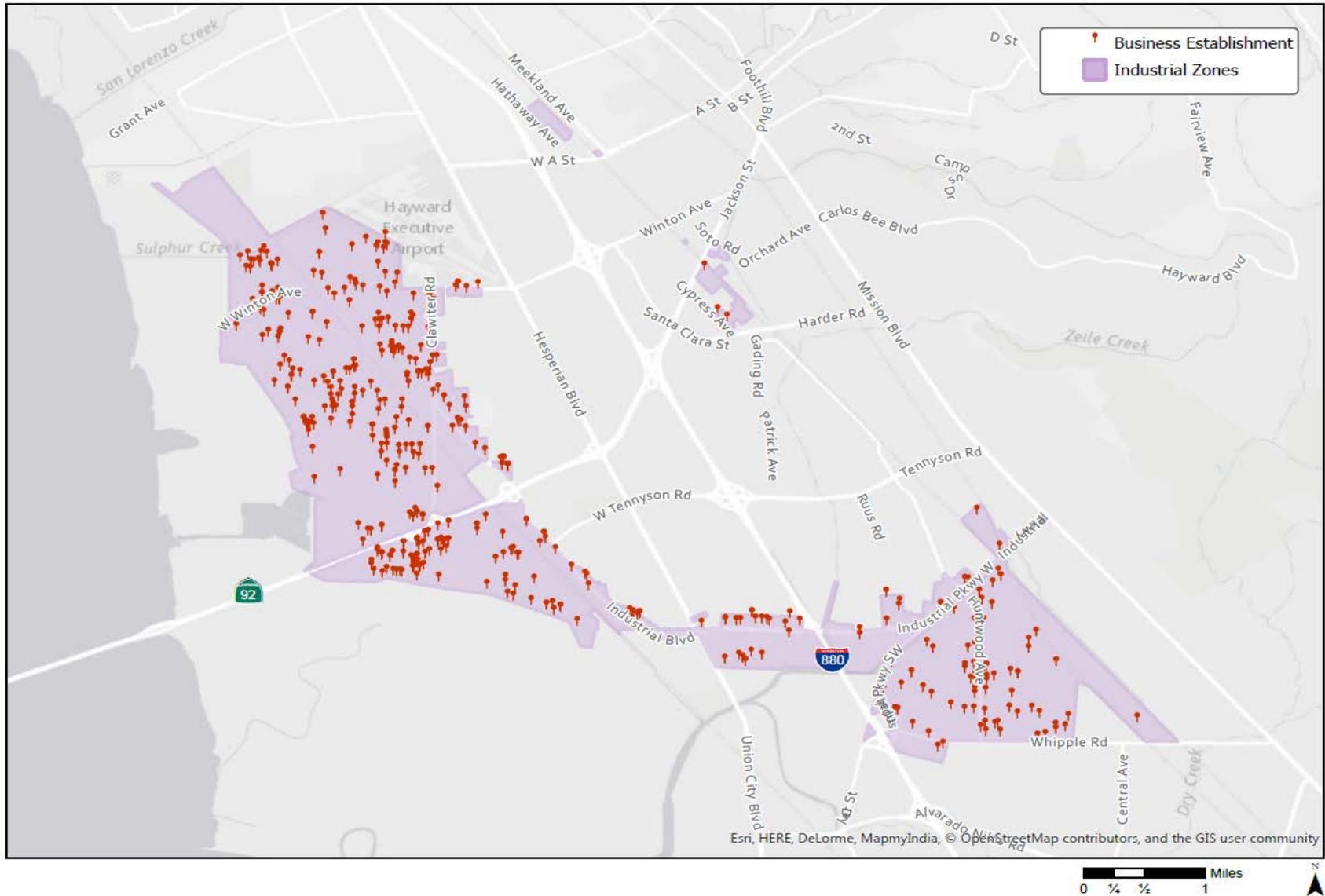
**Exhibit 3-18: Metropolitan Area Share of Advance Industry Employment**

Rank (Intensity)	Metro Area	Advanced Industry Share of Total Area Employment (Intensity) (2013)	Advanced Industry Employment (2013)	Share in Manufacturing	Share in Services	Share in Energy
1	San Jose-Sunnyvale-Santa Clara, CA	30.0%	291,700	46.1%	53.8%	0.1%
2	Seattle-Tacoma-Bellevue, WA	16.0%	295,000	44.8%	54.8%	0.4%
3	Wichita, KS	15.5%	46,800	84.6%	12.8%	2.5%
4	Detroit-Warren-Dearborn, MI	14.8%	279,400	49.4%	48.7%	1.9%
5	San Francisco-Oakland-Hayward, CA	14.0%	297,200	23.2%	76.4%	0.4%
6	Washington-Arlington-Alexandria, DC-VA-MD-WV	13.7%	503,500	6.0%	92.6%	1.4%
7	Palm Bay-Melbourne-Titusville, FL	13.4%	26,600	62.5%	36.4%	1.1%
8	Boston-Cambridge-Newton, MA-NH	13.3%	338,900	30.7%	68.0%	1.3%
9	Houston-The Woodlands-Sugar Land, TX	12.8%	361,000	38.3%	42.3%	19.4%
10	San Diego-Carlsbad, CA	12.3%	176,300	37.2%	61.5%	1.3%
11	Austin-Round Rock, TX	12.1%	106,300	35.0%	62.6%	2.4%
12	Provo-Orem, UT	12.0%	25,100	32.5%	66.9%	0.6%
13	Raleigh, NC	11.7%	64,400	26.6%	72.2%	1.2%
14	Ogden-Clearfield, UT	11.3%	26,500	63.8%	35.4%	0.8%
15	Salt Lake City, UT	11.1%	71,600	40.7%	56.0%	3.4%
	<b>United States</b>	<b>8.7%</b>	<b>12,284,000</b>	<b>44.4%</b>	<b>50.4%</b>	<b>5.2%</b>

Source: Brookings Institution, 2015

This study identified over 1,000 Hayward businesses that fall within the advanced industries sector definition. Exhibit 3-19 below illustrates locations of these establishments. Exhibit 3-20 identifies the largest employers.

Exhibit 3-19: Advanced Industries Sector Establishments



**Exhibit 3-20: Advanced Industries Sector Major Employers**

<b>Company Name</b>	<b>NAICS</b>	<b>Description</b>
<b>Amedica Biotech Inc</b>	339112	Surgical & Medical Instrument Manufacturing
<b>ATA Retail Svc Inc</b>	541613	Marketing Consulting Services
<b>Baxter Bio Pharma</b>	339112	Surgical & Medical Instrument Manufacturing
<b>California Hydronics Corp</b>	333911	Pump & Pumping Equipment Manufacturing
<b>Coast Aluminum &amp; Architectural</b>	331523	Nonferrous Metal Die-Casting Foundries
<b>Controlled Contamination Svc</b>	541611	Administrative & General Mgmt Consulting Services
<b>Davis Instruments</b>	333111	Farm Machinery & Equipment Manufacturing
<b>Delphon Industries LLC</b>	334413	Semiconductors & Related Devices Manufacturing
<b>DISH Network</b>	515210	Cable & Other Subscription Programming
<b>Du Pont EKC Technology Inc</b>	325998	All Other Misc Chemical Product & Preparation Mfg
<b>Forensic Analytical Consltng</b>	541711	Research & Development In Biotechnology
<b>GILLIG LLC</b>	336111	Automobile Manufacturing
<b>Heat &amp; Control Inc</b>	333241	Food Product Machinery Manufacturing
<b>Illumina</b>	541711	Research & Development In Biotechnology
<b>Impax Laboratories Inc</b>	325412	Pharmaceutical Preparation Manufacturing
<b>Mendel Biotechnology</b>	325411	Medicinal & Botanical Manufacturing
<b>Microlease</b>	334515	Electricity & Signal Testing Instruments
<b>Millipore Corp</b>	325414	Biological Product (Except Diagnostic) Mfg
<b>Montague Co</b>	333318	Other Commercial & Service Industry Machinery Mfg
<b>Pacific Gas &amp; Electric Co</b>	211111	Crude Petroleum & Natural Gas Extraction
<b>Pentagon Technologies</b>	333318	Other Commercial & Service Industry Machinery Mfg
<b>Plastikon Industries Inc</b>	325211	Plastics Material & Resin Manufacturing
<b>Siemens Building Tech</b>	541618	Other Management Consulting Services
<b>Solta Medical Inc</b>	339112	Surgical & Medical Instrument Manufacturing
<b>Ultra Clean Holdings Inc</b>	334413	Semiconductors & Related Devices Manufacturing

*Source: ReferenceUSAGov, January 2015*

## 4. CONCLUSION & RECOMMENDATIONS

By using the most recent data available and the U.S. Economic Development Administration’s methodology for grouping businesses into major industry sectors, this study provides a baseline profile of Hayward’s Industrial Technology and Innovation Corridor. The following chapter summarizes key findings and outlines recommendations on how to apply this information to shape and further the City’s economic development program.

### 4.1 Key Findings

In addition to the database of business establishments and employment data, this study produced the following findings:

- 1. The City’s industrial corridor is home to a mix of industrial businesses.** In general, the corridor consists of six major industry sectors:
  - Advanced Materials
  - Biotechnical, Biomedical and Life Sciences
  - Business and Financial Services
  - Food and Beverage Manufacturing
  - Information Technology and Communications
  - Transportation and Logistics
- 2. Businesses in each sector are located throughout the industrial corridor.** There is no clear geographic cluster of similar businesses. This distribution is the result of Hayward’s current and previous land use regulations, which allows a diverse mix of industrial uses to locate throughout the industrial corridor.
- 3. Advanced Industries support workforce and business development.** Advanced industries employ and continue training of STEM workers. They also conduct more B2B purchasing than other industries nationwide. This investment in people and resources produces a higher-skilled labor force and supports growth of other businesses.
- 4. Advanced Industries are employment generators.** These industries have a multiplier effect on the economy. For every new advanced industry job, 2.2 jobs are created; 0.8 jobs are created locally and 1.4 outside the region.
- 5. The Advanced Industries sector offers significant economic opportunities for workers of all education levels.** While in general advanced industry works have higher education levels than those in other sectors, this sector offers significant economic opportunity for workers with lower educational levels. The national average for an advanced industry workers with an associate degree is \$60,000 compared to \$38,000 for workers in other sectors.

## 4.2 Recommendations

*“Future changes to the Industrial Technology and Innovation Corridor are expected to include building and landscaping improvements, infill development, and the redevelopment of underutilized properties. The Corridor is expected to grow as an economic and employment center and evolve to achieve a healthy balance of traditional manufacturing and information and technology-based uses.”*

– City of Hayward General Plan 2040<sup>11</sup>

This study produced the information needed to develop strategic policies and programs that fulfill the General Plan’s vision for the industrial corridor and shape the activities established in the Economic Development Strategic Plan. The following details recommendations to apply the study’s findings.

### 4.2.1 Explore Land Use and Zoning Policies to Attract Advanced Industries

Creating an environment that attracts advanced industry firms requires the development of the type and size of facilities these operations seek. It is recommend the City support land use policies that encourage redevelopment and development of new “Class A” industrial spaces. These spaces include industrial facilities for light manufacturing and small to mid-sized “flex” space buildings used by laboratories and small urban collaboration/research operations.

Supporting increases in the supply of new facilities will help mitigate two barriers to entry into Hayward’s industrial corridor: 1) the lack of modern buildings and spaces, and 2) the time and materials cost associated with upgrading existing buildings to meet operation demands.

### 4.2.2 Develop the Infrastructure and Amenities that Attract Advanced Industries

Advanced industries use cutting-edge equipment, technology and processes to produce value-added goods and services. It is recommended that City invest in the infrastructure and amenities these firms seek during site selection.

Infrastructure, defined as the physical and organizational structures and facilities these firms need to operate, includes, but is not limited to:

- Broadband internet services (fiber);
- A Fire Department capable of addressing fire and hazardous material incidents;
- Multimodal transportation options that connect workers to the industrial corridor; and
- Wet and dry utilities including water, sewer, power, and gas.

Amenities are defined as the non-operational related features that are conducive to adding to the attractiveness and value of the industrial corridor. These include place-making elements and the retail,

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<sup>11</sup> City of Hayward, General Plan 2040, July 2014, pg. 3-22

service and accessibility options that support the needs of advanced industries' workforce. Specifically, amenities may include:

- Business servicing retail and services
- Lodging and regional conference facilities
- Restaurants
- Childcare services
- Open space and trails
- Gateway markers, landscaping and place-making elements

#### 4.2.3 Foster Industry Partnerships to Grow Major Industry Sectors

Collaboration among local businesses produces a sense of community and place, which supports business retention, expansion and attraction. It is recommended that the City apply this study's industrial business database and dedicate resources to encourage interaction between businesses. Key activities would include:

- Conducting outreach to targeted industry sectors to engage and develop relationships with new and existing businesses;
- Working closely with these business representatives to identify needs and goals; and
- Facilitating events or workshops to bring business leaders together to explore collaborative opportunities, transfer knowledge and craft solutions to common issues.

## CONCLUSION

This report establishes a baseline profile of the Industrial Technology and Innovation Corridor to guide economic development activities and fulfill the General Plan's vision. It found a diverse base of industries, many of which are considered "Advanced Industries." Advanced Industries offer opportunities for Hayward's workforce and economy.

To achieve results, this information must drive the development of policies, programs, and partnerships that support business expansion, attraction and retention in this important sector.



**DATE:** March 17, 2015  
**TO:** Mayor and City Council  
**FROM:** Director of Finance  
**SUBJECT:** FY 2015 Mid-Year Budget Review & General Fund Ten-Year Plan Update

### **RECOMMENDATION**

That the Council reviews the FY 2015 Mid-Year Budget Review and General Fund Ten-Year Plan Update, and adopts the attached resolution approving the amendment to the City of Hayward Operating and Capital Improvement Budgets for Fiscal Year 2015.

### **SUMMARY**

This is the mid-year update to the FY 2015 Adopted Budget and an update to the General Fund Ten-Year Plan. This review considers revenues and expenditures through the midpoint of the 2015 fiscal year (December 31, 2014), makes recommended changes, and projects year-end results based on current trends and data. While staff considers the entire City budget in its mid-year review – this report focuses primarily on the General Fund, providing an overview of FY 2015 General Fund revenues, expenditures, and fund balance projected through the remainder of the fiscal year.

The analysis includes adjustments to several General Fund revenue categories resulting in an increase to revenues of about \$3.58 million (of which, \$939,000 is considered one-time). Mid-year expenditure adjustments total \$6.58 million in the General Fund – some of which is offset by corresponding revenues. Overall, FY 2015 General Fund expenditures for operations are tracking fairly close to budget. However, the report does recommend a number of adjustments to the Adopted Budget based on current spending and revenue trends and planned use of available fund balance for Council priority projects. In addition, the mid-year report recommends establishing a separate General Fund Measure C Fund to discreetly track related revenues and costs, and for FY 2015 appropriates \$5 million in revenues and \$586,033 in expenditures. Adjustments to all other funds total \$9.47 million – and again are largely related to the appropriation of grants and contractual carry forwards from FY 2014.

As part of these adjustments, a total of twenty-eight FTE new positions are added to the budget: three funded by the General Fund, twenty funded by Measure C, five funded by other revenue funds.

### **BACKGROUND**

When City Council adopted the FY 2015 Budget in June 2014, the General Fund projected a deficit of \$5.06 million, with a use of the General Fund Reserve of the same amount to balance

the budget. The City has worked hard to narrow the General Fund deficit and has reduced the gap from almost \$30 million in previous fiscal years – in large part from employee wage concessions and benefit cost-sharing, supported by other cost-containment measures.

The City utilizes long-term financial planning to help navigate its fiscal challenges. Critical tools such as the General Fund Ten-Year Plan (and multi-year plans for other revenue funds) provide the framework for sound fiscal planning and decision-making. The General Fund Ten-Year Plan update refines the forecast as adopted by City Council on June 22, 2014 as part of the FY 2015 Annual Budget. The Plan confirms a structural deficit largely due to increased employee services costs, and deferred capital and maintenance needs (fleet, facilities, public safety and technology). The Plan is updated to reflect FY 2014 actuals<sup>1</sup>, current benefit rates (inclusive of significant recent CalPERS rate hikes), revised revenue projections, and FY 2015 mid-year revenue and expenditure adjustments.

## **DISCUSSION**

The economic news is certainly improving and the City of Hayward is seeing the positive impacts. The City's two largest sources of General Fund revenue, Property Tax and Sales Tax, are rebounding to pre-recession levels in terms of gross revenue. Unfortunately, as the City begins to see its revenues recover from the 2008 Great Recession, it continues to struggle with a long-term structural deficit that is driven by the growing costs of employee benefits, resource needs, and deferred capital needs.

While it is sometimes appropriate to use the General Fund Reserve (or one-time balancing measures), doing so simply continues the structural gap the City faces. The key changes for FY 2015 and influences on the General Fund Ten-Year Plan projections are discussed below.

### **General Fund Revenues and Variance Analyses**

Overall, FY 2015 General Fund revenues are projected to be \$3.58 million (2.8%)<sup>2</sup> higher than originally projected. Approximately \$939,000 is considered one-time in nature (\$689,000 in grants, and \$250,000 in plan check fees). The remaining recurring new projections will influence the General Fund Ten-Year plan forecast.

Table 1 and the following analysis highlights key revenue variances as they pertain to FY 2015 mid-year projections and the resultant impact on future year projections as included in the General Fund Ten-Year Plan. These are projections based on year-to-date data, and will be closely monitored for the remainder of the fiscal year.

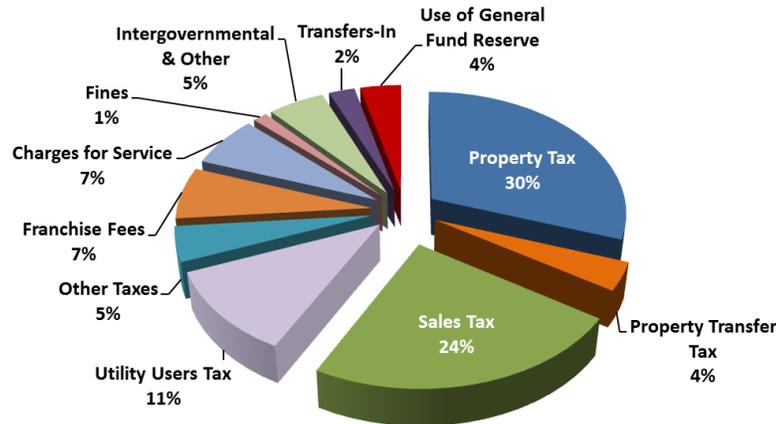
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<sup>1</sup> FY 2014 General Fund actual results differ from the preliminary results provided to City Council on December 16, 2014. Initially, preliminary results indicated a General Fund gap of \$143,000. As reflected in Attachment III, audited results indicate an FY 2014 year-end gap of \$633,000. In addition, FY 2014 includes a fund balance reduction of \$2.2 million due to the "claw-back" of prior loan repayment funds paid to the General Fund by RDA Successor Agency pursuant to the directive of the State Department of Finance.

<sup>2</sup> Industry standards establish a performance goal for annual projections of 3% - 5%; and the City of Hayward has an internal policy of staying close to a maximum 3% variance. If the \$939,000 one-time revenue is not counted, this represents a 2.1% variance from originally projected revenue in FY 2015, well within both industry and organizational standards.

Chart 1 reflects the components of the \$128.24 million in General Fund resources originally budgeted for FY 2015. This total excludes the assumed use of \$5.06 million of the General Fund Reserve – as reflected in the red pie slice in Chart 1.

**Chart 1 – FY 2015 Adopted Resources (\$128.24 million, plus \$5.06 million use of Reserve)**



Representing fifty-four percent of the total General Fund revenues, property and sales taxes are the two major revenues that influence the City’s budget and have been significantly affected by the economic recession over the past four years. Fortunately, both are seeing improvements due to the rebounding of the economy. However, even with the rebound to 2008 levels, in 2008 constant dollars, these revenues represent no growth. Expenditures have continued to grow each year and have far outpaced revenues.

**Table 1 – FY 2014 General Fund Revenue Variance Summary**

	A	B	C	D	E	
	FY 2014	FY 2015	FY 2015	Change \$	Change %	
	Actual	Adopted	Projected	(C-B)	(C/B-1)	
<i>(in the 1,000's)</i>						
<b>Revenue</b>						
1	Property Tax - recurring	36,898	39,784	39,830	46	0.1%
2	RPTTF Pass-Thru & Annual	730	730	1,000	270	37.0%
3	Property Tax - one-time	1,343	0	0	0	0.0%
4	<b>Property Tax Total</b>	<b>38,971</b>	<b>40,514</b>	<b>40,830</b>	<b>316</b>	<b>0.8%</b>
5	Sales Tax	31,019	31,421	31,719	298	0.9%
6	UUT	15,762	15,000	15,750	750	5.0%
7	Franchise Fees	9,765	9,120	9,120	0	0.0%
8	Property Transfer Tax	4,879	5,000	5,269	269	5.4%
9	Business License Tax	2,602	2,652	2,652	0	0.0%
10	Transient Occupancy Tax	1,918	1,734	1,957	223	12.8%
11	Emergency Facilities Tax	1,694	1,820	1,820	0	0.0%
12	Charges for Services	10,466	8,922	9,381	459	5.1%
13	Other Revenue	690	166	206	40	24.0%
14	Intergovernmental	6,771	6,577	7,266	689	10.5%
15	Fines and Forfeitures	2,227	1,801	2,336	535	29.7%
16	Interest and Rents	563	293	293	0	0.0%
17	<b>Total Revenue</b>	<b>127,327</b>	<b>125,020</b>	<b>128,599</b>	<b>3,579</b>	<b>2.9%</b>
18	Transfers in	3,390	3,221	3,221	0	0.0%
19	<b>Total Revenue/Resources</b>	<b>130,717</b>	<b>128,241</b>	<b>131,820</b>	<b>3,579</b>	<b>2.8%</b>

Property Tax + \$316,000 – Primary mid-year adjustments are related to disbursements from the Redevelopment Property Tax Trust Fund (RPTTF) – with an overall recommended increase of \$316,000 (.8%). Recurring basic property tax revenues are adjusted minimally (\$46,000) over the originally adopted projections; however, the FY 2015 projected recurring secured/unsecured Property Tax revenues reflect 9% growth over FY 2014 revenues.

Redevelopment Property Tax Trust Fund (RPTTF) – former RDA distribution (+\$270,000).

The RPTTF represents reallocated property tax increment previously allocated to the former Hayward Redevelopment Agency. With the dissolution of the agency, tax increment funds are now redistributed to all taxing entities in the County, including the City of Hayward. As the RDA dissolution process continues, the RPTTF distributions should stabilize after FY 2015, as many of the one-time dissolution adjustments will conclude (e.g. audits, property disposition, asset transfers, etc.).

Anticipated annual, recurring RPTTF funds (annual pass-through and redistribution funds) are increased by \$270,000 to \$1 million for FY 2015 and future years. Of this total amount, \$650,000 is for General Fund operations (including funding the Economic Development program staffing as contained in the General Fund) and \$350,000 is dedicated to economic development efforts. The allocation of these funds for Economic Development is pursuant to City Council policy and consistent with the Economic Development Strategic Plan as adopted by City Council. Staff is recommending that City Council authorize a separate Economic Development Fund to capture these recurring RPTTF and any related one-time revenues. The Ten-Year Plan identifies an annual expenditure allocation of \$350,000 to this fund.

Sales Tax + \$298,000 – While Sales Tax revenues have rebounded from pre-recession lows, this revenue category is experiencing slow growth. When adjusted for inflation, sales tax revenues are not keeping pace. There are many reasons for this, but the impact is such that sales tax is actually declining when viewed on a per capita basis. At a time that we are experiencing higher costs in municipal government and a higher demand for services from our community, we are actually collecting less sales tax per person than in the early years of the tax.

- ❑ When the Sales Tax was established in 1933, there were four exemptions identified in the enabling legislations – today there are over eighteen pages of exemptions in the California Tax Code.
- ❑ As an economy, we have shifted from a maker of goods to a service provider. The Sales Tax law remains based on goods and rarely, if ever, taxes services.
- ❑ On-line shopping is exploding and grows exponentially annually, yet laws and regulations remain far behind leaving most on-line purchases untaxed; or if they are taxed, the tax is applied, collected, and distributed where the goods are sold and not where they are delivered.

FY 2015 mid-year adjustments are related to adjustments to the Triple Flip component of the tax and the Public Safety Sales Tax of \$298,000 (.9%). The Triple Flip ends in FY 2015 and the FY 2016 projection is impacted by one-time true up payments. Overall Sales Tax growth is projected at about 3% - 4% in future years.

Utility Users Tax (UUT) + \$750,000 – UUT ended FY 2014 \$762,000 (5.1%) above original projections. While the UUT projections have been fairly stable these past couple of years, the new

Russell City Energy Center (RCEC) generated limited UUT from internal utility usage (electricity) that staff had not originally anticipated. Staff is currently engaged with RCEC to determine what the most likely future UUT revenue will be from all of RCEC's operations. As a result, FY 2015 revenues (and future years) are adjusted by \$750,000 to account for this assumed new, recurring UUT revenue. Future year growth is projected at 2% through FY 2020 and then 1% thereafter, reflective of the projected erosion of the UUT on telecommunications by the wireless and related industries.

Property Transfer Tax + \$269,000 – This revenue category demonstrates improvement over original projections of \$269,000 (5.4%) and is a reflection of increased real estate sales activity and housing prices in the Hayward market. Staff continues to study the details of the various real estate transactions (commercial and residential) to determine the recurring or one-time nature of this market-driven revenue. Real Property Transfer Tax is a highly volatile revenue source and is directly subject to market fluctuations.

The City's recent history provides a cautionary tale in this respect: after reaching a high of \$10 million in FY 2006, the revenue stream plummeted by 62% in just four years, finally settling at \$3.8 million in FY 2010 and only increasing to a projected \$5.3million in FY 2015. Staff is reviewing possible responsible and cautious adjustments to future projections of the Property Transfer Tax revenues, including establishing a "base" for recurring revenues and a policy to use all revenues above this "base" for one-time expenses such as capital or pay down of benefit liabilities.

Transient Occupancy Tax (TOT) + \$223,000 – TOT projections are adjusted by \$223,000 (12.8%) over original projections based on FY 2014 actuals and revenue received to date. This growth is a reflection of the improved economy. However, since the City is not seeing any significant improvements to its hotel market or the expansion of hotel beds in the near future, staff is not projecting continued revenue growth at this rate. Instead, future years reflect a steady 2% growth.

Charges for Service + \$459,000 – This revenue category reflects an increase of \$459,000 (5.1%) in program revenue related to plan check fees, which are offset by related expenditures (\$250,000) and overall growth in permit/building related activities (\$209,000) based on FY 2014 actuals and current receipts. Of this adjusted revenue, \$209,000 is considered recurring at this point in time.

Intergovernmental & Other Revenues + \$689,000 – Intergovernmental revenue is increased to account for new one-time grant revenue received in FY 2015 not originally included in the adopted budget and is an offset to the related mid-year expenditure increases.

Fines & Forfeitures + \$535,000 – This revenue category is adjusted to reflect an increase of \$122,874 related to In-House Parking program revenues (a direct offset to some mid-year expenditure increases) and an overall increase of \$412,126 based on FY 2014 actuals and current receipts.

## General Fund Expenditures and Variance Analyses

Overall, the FY 2015 General Fund expenditure budget is \$6.58 million (4.9%) over the Adopted Budget, inclusive of mid-year adjustments, of which many are one-time. A number of factors contribute to this increase as described below.

**Table 2 – General Fund Expenditures**

	FY 2014 Actual	FY 2015 Adopted	FY 2015 Projected	Change \$ (C-B)	Change % (C/B-1)
<i>(in the 1,000's)</i>					
20 <b>Expenditures</b>					
21 Salary	63,755	66,445	66,952	508	0.8%
22 Overtime	7,831	5,334	7,000	1,666	31.2%
23 <b>Wages Subtotal</b>	<b>71,586</b>	<b>71,779</b>	<b>73,952</b>	<b>2,174</b>	<b>3.0%</b>
24 Medical & Dental	10,090	12,007	12,007	0	0.0%
25 Retiree Medical (pay-go)	2,349	2,242	2,242	0	0.0%
26 Worker's Compensation	5,275	5,013	5,013	(0)	0.0%
27 Other Benefits	1,378	1,818	1,918	99	5.5%
28 Retirement (CalPERS)	14,736	18,359	19,183	824	4.5%
29 <b>Benefits Subtotal</b>	<b>33,828</b>	<b>39,439</b>	<b>40,362</b>	<b>923</b>	<b>2.3%</b>
30 Assumed Vacancy Savings	-	(1,250)	(2,250)	(1,000)	80.0%
31 Interdepartmental (ID) Charges	(5,120)	(5,179)	(5,179)	0	0.0%
32 Unemployment Self Insurance	-	150	150	0	0.0%
33 OPEB Liability Contribution	1,978	2,060	2,060	0	0.0%
34 Workers' Comp. Liability Contr.	310	-	-	0	0.0%
35 <b>Net Staffing Expense</b>	<b>102,582</b>	<b>106,999</b>	<b>109,095</b>	<b>2,097</b>	<b>2.0%</b>
36 Maintenance & Utilities	877	969	969	0	0.0%
37 Supplies & Services	7,605	6,838	6,838	0	0.0%
38 Internal Service Fees	9,367	11,515	11,515	0	0.0%
39 Debt Service	2,809	3,299	3,302	3	0.1%
40 Liability Insurance	2,621	2,338	2,385	47	2.0%
41 Minor Capital Outlay	-	19	19	0	0.0%
42 Capital Funding	5,489	1,925	1,925	0	0.0%
43 Economic Development Fund (from RPTTF)	-	-	350	350	0.0%
44 <b>Non-Personnel Expenses Subtotal</b>	<b>28,768</b>	<b>26,903</b>	<b>27,303</b>	<b>400</b>	<b>1.5%</b>
45 FY 2014 Mid-Year Adjustments (all other)	-	-	3,995	3,995	0.0%
46 Assumed Add'l Labor Savings	-	(600)	(515)	85	-14.2%
47 <b>Total Expenditures</b>	<b>131,350</b>	<b>133,301</b>	<b>139,878</b>	<b>6,577</b>	<b>4.9%</b>
48 <b>Subtotal Recurring Surplus/(Shortfall) (1)</b>	<b>(633)</b>	<b>(5,060)</b>	<b>(3,998)</b>	<b>1,063</b>	<b>-21.0%</b>
49 <b>Subtotal Gross Surplus/(Shortfall) (2)</b>	<b>(633)</b>	<b>(5,060)</b>	<b>(8,058)</b>	<b>(2,998)</b>	<b>59.2%</b>
50 (1) excludes 1-time mid-year adjustments (line 45)					
51 (2) includes 1-time mid-year adjustments (line 45)					

### Staffing Expense Variances

Overall, the staffing expense budget is increased by \$2.1 million or 2.0% and is attributed to four key categories.

- **Salary +\$508,000.** The Hayward Police Officers Association (HPOA) FY 2015 – FY 2019 side letter agreement with the City was approved following the adoption of the FY 2015 budget and budget changes were not included in the FY 2015 projections. Although the Agreement represents considerable savings compared to the original contract, it

results in costs to the General Fund since different cost savings assumptions were used in previous projections.

- ❑ Retirement (CalPERS) +824,000. This increase is also largely related to the HPOA contract and represents a change in the employee cost-sharing structure of the Employer portion of PERS from 8.62% (as was originally projected) to 6%.
- ❑ Vacancy Savings -\$1,000,000. Given the volume of staff vacancies in City departments, particularly in the Police and Fire Departments, staff projects an increase to the budgeted \$1.25 million in vacancy savings, bringing the total FY 2015 projected wage and benefit vacancy savings to \$2.25 million.
- ❑ Overtime +1.66 million. Projected vacancy savings is entirely offset by increases in overtime of about \$1.66 million due to the need to backfill vacancies – particularly in the police and fire departments related to minimum staffing requirements. It should be noted that Fire Department overtime related to mutual aid is fully reimbursed. Police Department mutual aid is not reimbursed.

### *Operating Expense Variances*

After reviewing programmatic expenditures with each department, there are a number of adjustments needed prior to the end of FY 2015 in order to accommodate new grant revenues received during the fiscal year, fund necessary or unexpected expenditures, and to appropriate prior year encumbrances (contractually obligated expenses) that have carried forward into FY 2015. Additionally, the mid-year expenses include adjustments in some program areas – including new positions – needed to address critical resource needs.

Economic Development Fund +\$350,000. In keeping with adopted Council policy and the Economic Development Strategic Plan, staff is recommending a separate Economic Development Fund into which Redevelopment Property Tax Trust Fund distributions (beyond those required for general operations) will be transferred.

Mid-Year Expenditure Adjustments. Within the Operating Expense category is a line-item that captures all other FY 2015 Mid-Year Adjustments, which total \$3.995 million. These changes for the General Fund and all other affected funds are detailed in Attachments II and IV.

### **Measure C**

During the June 3, 2014 municipal election, the voters of the City of Hayward passed a ballot measure (Measure C) to increase the City's Transaction and Use (Sales) Tax by half a percent for twenty years. This half cent increase became effective October 1, 2014, bringing Hayward's Sales and Use Tax to 9.5%. This is a general tax that is considered discretionary in nature. Staff estimates that the new sales tax will generate approximately \$10 million annually in locally controlled revenue that can be allocated by the City Council and will remain in place for a period of twenty years.

The City Council, as well as the ballot language, established a number of spending priorities for these funds. Attachment VI outlines the key funding priorities for the Measure C funds as identified when the Council voted to place the measure on the ballot in March 2014. These priorities include a mix of capital projects and funding allocations toward operating services. The

Measure C revenues will be used to fund debt service for construction of the new Library and Community Learning Center, completion of fire station retrofits and improvements, and rehabilitation and expansion of the existing fire training center. Of the \$10 million in annual revenue, staff estimates that debt service payments for the above defined projects will total approximately \$5.4 million annually. The remaining \$4.6 million is to be allocated among police services, maintenance services, and street repairs.

Staff presented recommendations for the use of the Measure C funds to both the Council Budget & Finance Committee and the City Council in November and December 2014<sup>3</sup>. Consistent with those discussions, staff is presenting several Measure C recommendations that require Council action as part of the mid-year budget process.

Revenue: The City began receiving allocations of the Measure C Transaction and Use (sales) Tax effective January 1, 2015. Staff anticipates receiving approximately \$5 million in revenues from Measure C for FY 2015. As such, a revenue adjustment is necessary. In addition, staff recommends establishing a new fund within the General Fund to allow for easy tracking of the revenues and expenses associated with Measure C (Fund 101). This new fund will be presented to the Council and the public as part of all future budget presentations.

Expenditures: Given the timing of the design of the Measure C funded capital projects and the timeline to hire new staff, staff does not anticipate needing to utilize all of the \$5 million in FY 2015 Measure C funds anticipated to be received. While staff is requesting an allocation of \$586,033 for FY 2015 – the balance of funds received will remain in the Measure C Fund fund balance and be available for future needs pursuant to Council priorities. Both the City Council and the Council Budget & Finance Committee and the Council considered uses of the FY 2015 Measure C revenues.

The FY 2015 mid-year report recommends the following related to Measure C:

1. Establish a new fund within the General Fund – Measure C Fund 101
2. Appropriate \$5 million in anticipated revenue for FY 2015
3. Appropriate a total of \$586,033 for prorated staffing costs for five new positions in the Maintenance Services Department as well as the purchase of a graffiti removal vehicle and a dump truck; and fifteen new positions in the Police Department. These positions are outlined in detail in the related staff reports listed in the footnotes.

## **Route 238 Projects**

As part of the FY2015 mid-year, staff is recommending a new CIP project to fund the entitlement and disposition of numerous former Route 238 corridor properties. Staff has been working with Caltrans to determine a more effective and productive mechanism for disposing of the former Route 238 properties and to maximize the sales value of these properties. Anticipating this process will commence prior to the end of the fiscal year, staff is requesting a transfer of funds to cover future expenses related to the disposition of these properties. These expenses may include: staff and consultant costs to lead and manage the entitlement process over the next five-seven years; environmental reviews and possible remediations; property management expenses

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<sup>3</sup> City Council Report, December 16, 2014, Item 10, page 251: <http://www.hayward-ca.gov/CITY-GOVERNMENT/CITY-COUNCIL-MEETINGS/2014/CCA14PDF/cca121614full.pdf>

(e.g. weed abatement, fencing, etc.); other land use feasibility studies (e.g. geotechnical analyses, traffic analyses, etc.); and other related expenses.

All of these property disposition expenses will be reimbursed to the City from the proceeds of the sale of the properties. There is existing fund balance in Fund 411 “Route 238 Settlement Fund,” which housed the project established for the Route 238 Opportunity to Purchase a Home Program. This program is now complete and the funds can appropriately be used for the disposition of other Route 238 properties. Staff recommends transferring \$1,000,000 from Fund 411 to Fund 410 and establishing a new CIP (project number 05276) for the Route 238 Property Disposition Project.

## **Ten-Year General Fund Plan Update**

The updated General Fund Ten-Year Plan projects a \$4 million recurring General Fund gap in FY 2015 (\$8.06 million inclusive of all mid-year adjustments – including one-time adjustments) that grows to over \$10 million structural deficit by FY 2024 without additional balancing measures. This Plan reflects the assumptions contained in the FY 2015 Adopted budget and is updated with the mid-year expenditure and revenue projections discussed in this report.

### Key Revenue Assumptions/Adjustments

- Property Tax (secured, unsecured, VLF) Overall FY 2015 Property Tax revenue projections are a net 8% over FY 2014 actuals, with minor adjustments to FY 2015 projections related to Vehicle License Fee (VLF) revenues. FY 2015 assessed valuation grew over FY 2014 by 6% and is projected to grow by about 6% for FY 2016. Revenue projections show growth of 5.5% in FY 2016, 5% in FY 2017 FY 2018 and 4% 2019+.
- Property Tax (Redevelopment Property Tax Trust Fund – RPTTF) Based on receipts to date, assumed recurring RPTTF disbursements are increased \$270,000 to \$1 million/year. Of these funds \$350,000 is recommended to be allocated to an Economic Development Fund.
- Sales Tax FY 2015 Adopted projections are relatively flat compared to FY 2014 actuals, with no recommended increase to Bradley-Burns basic Sales Tax projections. Current FY 2015 projections are 2.7% over FY 2014 actuals, reflective of a minimal increase to the Triple Flip allocation of \$269,000 and a slight increase to projected Public Safety Sales Tax revenues (+\$29,000). Triple Flip ends in FY 2016. Future growth is projected at 2.6% in FY 2016 (impacted by the Triple Flip true-up) and 3.9% FY 2017+.
- Utility Users Tax is up for re-authorization by the voters in 2018; projections assume it is re-authorized and reflect a 2% annual growth.
- Property Transfer Tax Projections reflect an increase FY 2015, FY 2016, FY 2017 for one-time commercial transactions (e.g., Mervyn’s building) – about 8% year-over-year growth; FY 2018 assumes 5% growth and 4% FY 2019+.
- A number of other revenue adjustments related to mid-year appropriations largely related to grant revenues.

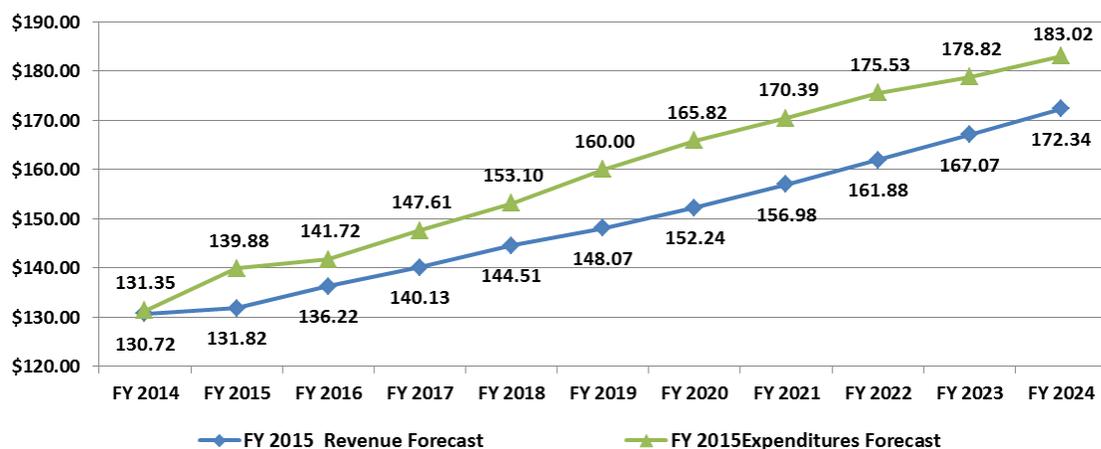
## Key Expenditure Assumptions/Adjustments

- FY 2015 Adopted includes negotiated and contracted COLAs and cost sharing for Hayward Firefighters Association (Local 1909) in 2016+; negotiated agreement with HPOA included in FY 2015 Adjusted.
- No wage growth assumed for other units until FY 2016 – then 2% each year thereafter.
- Projecting increased overtime costs in FY 2015 of \$7 million that reduces to \$6 million in FY 2016+; assumed vacancy savings of \$2.25 million in FY 2015 (partial offset to OT costs) that reduces to \$1.25 million in FY 2016+.
- FY 2015 assumes annual medical premium growth of 10%; lowering medical premium increases to 8% in FY 2016 & FY 2017 and 6% in FY 2017+; added annual \$1 million Affordable Care Act Cadillac Tax effective FY 2018.
- FY 2015 Adjusted reflects CalPERS rates per 10/2014 valuation.
- All current labor concessions carry forward as ongoing, structural change.
- Funds debt service for Fire Station #7 rehabilitation project and vehicle replacement fund.
- Partial annual allocation of City’s unfunded liability portion of the Retiree Medical (OPEB) required annual contribution (ARC), phasing in funding of the full ARC by FY 2020 (\$5 million/year)
- Does not include
  - Unfunded CIP need (e.g., 1% = \$5.1M)
  - Restoring staffing resources to prior levels
  - Paying off unfunded benefit liabilities (approximately \$380 million)

Chart 2 below depicts the revised General Fund revenues and expenditures gap. Unfortunately, even with improved revenues, rising costs associated with employee benefits (primarily medical and retirement benefits) and deferred capital maintenance continue to grow the City’s General Fund deficit.

**Chart 2: General Fund Ten-Year Forecast: Revenues & Expenditures**

*(Displayed in millions)*



While significantly reduced, and even with an assumed continuation of the UUT and additional labor concessions, the General Fund continues to face a structural gap that grows to over \$10 million by FY 2024.

## **FISCAL IMPACT**

The overall fiscal impact of the adjustments as detailed in the attachments results in an increase to General Fund revenues of \$3.58 million, of which \$2.64 million is considered recurring; and an increase to General Fund expenditures of \$6.58 million, of which \$2.58 million is considered recurring. The net General Fund changes results in a gross FY 2015 shortfall of \$8 million (inclusive of one-time expenditures) and a recurring shortfall of \$4 million (excludes one-time expenditures).

Measure C funds are recognized in a new General Fund – Measure C operating fund (101). The FY 2015 mid-year recommendation is to recognize an estimated \$5 million in revenues and appropriate \$586,033 in expenditure authority. Unspent revenues received in FY 2015 will remain in the Measure C fund balance for future use.

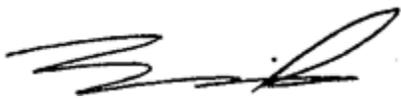
Expenditure adjustments in all Other Funds totals \$9.5 million.

## **NEXT STEPS**

Upon approval by Council of the recommendations contained herein, staff will post the budget amendments per the approved resolution. Staff will also continue to refine the General Fund Ten-Year Plan as part of the upcoming annual budget process.

*Prepared by:* Tracy Vesely, Director of Finance  
Nan Barton, Financial Analyst

*Approved by:*



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Fran David, City Manager

### Attachments:

- Attachment I: Resolution (Amending Operating Budget Resolution)
- Attachment II: Summary of Mid-Year Adjustments by Department
- Attachment III: Updated Ten-Year Plan
- Attachment IV: Detail of Revenue Adjustments
- Attachment V: Detail of Expenditure Adjustments
- Attachment VI: Measure C Spending Plan

## HAYWARD CITY COUNCIL

RESOLUTION NO. 15-

Introduced by Council Member \_\_\_\_\_

RESOLUTION AMENDING RESOLUTION 14-097, AS AMENDED, THE BUDGET RESOLUTION FOR THE CITY OF HAYWARD OPERATING BUDGET FOR FISCAL YEAR 2015, RELATING TO AN APPROPRIATION OF FUNDS

BE IT RESOLVED by the City Council of the City of Hayward that Resolution No. 14-097, as amended, the Budget Resolution for the City of Hayward Operating Budget for Fiscal Year 2014, is hereby amended by approving the General Fund changes indicated below.

BE IT FURTHER RESOLVED by the City Council of the City of Hayward that the following revenue estimate amounts are hereby amended:

## 1. CHANGE OF REVENUE ESTIMATE TO THE GENERAL FUND

<b>Fund #</b>	<b>Fund Name</b>	<b>Adopted Budget</b>	<b>Amendment</b>	<b>Adjusted Budget</b>
<b>100</b>	<b>General Fund Total</b>	<b>\$128,241,655</b>	<b>\$ 3,579,122</b>	<b>\$ 131,820,777</b>
<b>101</b>	<b>Measure C Fund</b>	<b>\$ -</b>	<b>\$ 5,000,000</b>	<b>\$ 5,000,000</b>
220	Federal Grants	\$ -	\$ 35,521	\$ 35,521
230	State Grants	\$ -	\$ 32,000	\$ 32,000
240	Local Grants	\$ -	\$ 4,000	\$ 4,000
	<b>Other Funds Total</b>		<b>\$ 71,521</b>	<b>\$ 71,521</b>

BE IT FURTHER RESOLVED by the City Council of the City of Hayward that the following revenue estimate amounts are hereby amended:

II. CHANGE OF EXPENDITURE ESTIMATE TO THE GENERAL FUND AND OTHER REVENUE FUNDS

Fund	Expenditure	Adopted Budget	Total Amendment	Total Adjusted Budget
<b>100</b>	<b>Net Change to General Fund</b>	<b>\$ 133,303,536</b>	<b>\$ 6,577,089</b>	<b>\$ 139,880,625</b>
<b>101</b>	<b>Measure C Fund</b>	<b>\$ -</b>	<b>\$ 586,033</b>	<b>\$ 586,033</b>
217	Paratransit Fund	\$ 1,590,284	\$ 227,747	\$ 1,818,031
220	Federal Grants	\$ 907,832	\$ 1,560,737	\$ 2,468,569
225	CDBG Fund	\$ 1,593,064	\$ 178,586	\$ 1,771,650
227	CDBG Small Business Loan Fund	\$ 656,609	\$ (63,000)	\$ 593,609
230	State Grants	\$ 575,349	\$ 586,681	\$ 1,162,030
240	Local Grants	\$ -	\$ 87,511	\$ 87,511
245	Housing Authority	\$ 170,324	\$ 2,433,886	\$ 2,604,210
246	Affordable Housing	\$ 184,551	\$ 24,500	\$ 209,051
265	Asset Forfeiture Fund	\$ -	\$ 373,881	\$ 373,881
266	LLD #1	\$ 5,935	\$ 820	\$ 6,755
267	LLD #2	\$ 8,765	\$ (1,965)	\$ 6,800
268	LLD #3	\$ 112,740	\$ 5	\$ 112,745
269	LLD #4	\$ 22,675	\$ 11,465	\$ 34,140
270	MD #1	\$ 35,333	\$ 56,373	\$ 91,706
271	MD #2	\$ 111,255	\$ 334	\$ 111,589
272	LLD #5	\$ 5,445	\$ 468	\$ 5,913
273	LLD #6	\$ 14,625	\$ (99)	\$ 14,526
274	LLD #7	\$ 193,690	\$ 28,698	\$ 222,388
275	LLD #8	\$ 5,375	\$ 19,085	\$ 24,460
276	LLD #9	\$ 1,805	\$ 24	\$ 1,829
277	LLD #10	\$ 191,680	\$ 49,868	\$ 241,548
278	LLD #12	\$ 47,590	\$ 26,669	\$ 74,259
279	LLD #11	\$ 211,384	\$ (17,074)	\$ 194,310
280	Downtown Business Improvement	\$ 87,000	\$ 30,000	\$ 117,000
281	LLD #13	\$ 39,890	\$ 20,649	\$ 60,539
295	So Hayward BART JPA Parking Dist	\$ -	\$ 46,834	\$ 46,834
405	Capital Improvement - Government	\$ 1,529,000	\$ 1,400,000	\$ 2,929,000
410	Route 238 Corridor Fund	\$ -	\$ 1,000,000	\$ 1,000,000
605	Water Fund	\$ 42,235,134	\$ 265,900	\$ 42,501,034
606	Water Intertie Fund	\$ 83,500	\$ 35,000	\$ 118,500
610	Sewer Fund	\$ 24,529,908	\$ 168,157	\$ 24,698,065
710	General Liability Insurance Fund	\$ 3,165,906	\$ 203,312	\$ 3,369,218
725	Facilities Management Fund	\$ 3,818,531	\$ 58,744	\$ 3,877,275
730	Information Technology Fund	\$ 5,259,213	\$ 82,250	\$ 5,341,463
735	Fleet Management Fund	\$ 5,704,791	\$ 35,000	\$ 5,739,791
810	Community Facility District Fund	\$ 574,524	\$ 500,000	\$ 1,074,524
815	Successor Agency - RDA	\$ 7,148,047	\$ 38,204	\$ 7,186,251
	<b>Net Change to Non-General Fund</b>		<b>\$ 9,469,250</b>	
	<b>Total Change to City Expenditures</b>		<b>\$ 16,632,372</b>	



## FY 2015 Mid-Year Adjustments Summary by Department

### Non-Departmental \$3.2 million (one-time)

- ❑ Route 238 transfer for Caltrans property disposition \$1M
- ❑ Dutra Enterprises Mt. Eden Benefit District payoff of \$2.2M (use of GF Fund Balance)

### City Manager (+1 FTE)

- ❑ Reclassify 1.0 FTE Secretary to 1.0 FTE Senior Secretary (Code Enforcement)
- ❑ Add 1.0 FTE Administrative Clerk (City Manager's Office)

The addition of 1.0 FTE Administrative Clerk position in the City Manager's Office is needed to support the work of the Community & Media Relations Division, the Neighborhood Partnership Program, and the Keep Hayward Clean and Green Task Force. Currently, there is no clerical or administrative support for the Community & Media Relations Officer position. This is a General Fund cost of \$21,797 in FY 2015 with a recurring annual cost of \$101,759 beginning in FY 2016.

- ❑ Contract (encumbered) and unencumbered carry forward from FY 2014 totals \$4,009,499 and is for the following: General Fund - \$267,826 - Brand Development, Marketing Strategy Services, and Graphic Design Services; Other Funds \$3,741,674 – B & Grand Senior Housing Loan, South Hayward BART Affordable Housing Loan, and Home Buyer Services.

### City Attorney – no staffing changes

The mid-year proposed adjustment of \$27,000 (General Fund) is partially offset by corresponding revenue and is to fund rent control mediation and arbitration services.

- ❑ Contract (encumbered) carry forward from FY 2014 totals \$203,312 and is for the following: Professional Legal Services (Liability Fund).

### City Clerk

In order to satisfy the changing needs and demands of the office and more closely match the tasks that need to be performed, the City Clerk's office is recommending reclassifying a Senior Secretary position to an Administrative Analyst position within the City Clerk Department. An evaluation has been conducted of the position within the City Clerk Department and its need to fulfill obligations for programs such as the City's Records Retention Program. As a result, it has been determined that the City Clerk's office warrants the reclassification of the Senior Secretary position to an Administrative Analyst position to accomplish work demands.

The reclassification will not result in a lay-off and will provide for the accomplishment of new services to the community such as civil marriage ceremonies. Giving the timing to implement this change, there will be no associated cost in FY 2015. The annual General Fund cost increase effective FY 2016 will be about \$22,000.

**Development Services Department (+2.0 FTE)**

- ❑ Add 1.0 FTE Supervising Building Inspector
- ❑ Add 1.0 FTE Senior Plan Checker
- ❑ Delete 1.0 FTE Plan Checker
- ❑ Add 1.0 Senior Planner (two-year position)

As the economy continues to improve, the department is faced with a rising workload and a reduced professional staffing compliment. These new positions will assist with the increased activity in the department. The additional cost in FY 2015 for these positions will be minimal and absorbed in the department's existing budget authority; the recurring annual cost is \$342,178 beginning in FY 2016 (General Fund).

- ❑ The mid-year proposed one-time adjustment of \$250,000 is to pay for outside plan check services and will be offset with building permit inspection and plan check fees for these services. (City Council authorized this increase in separate action on March 3, 2015.)
- ❑ Contract (encumbered) carry forward from FY 2014 totals \$107,484 and is for the following: Building and Plan Check Services.

**Finance Department – no staffing changes**

The department is requesting appropriation of new revenues to cover increased operating expenses (\$22,874). These General Fund costs are entirely offset by new General Fund revenues generated from in-house parking collections. In addition, the department requests an additional \$50,000 to cover increased bank services charges for utility billing transactions (Water Fund).

- ❑ Contract (encumbered) carry forward from FY 2014 totals \$17,159 and is for ongoing Master Fee Study consultant services (General Fund).

**Fire Department – no staffing changes**

The department is requesting appropriation of General Fund revenues generated by the Fairview Fire District of \$10,000 to cover costs associated with Fire Station #8 (Fairview) improvements.

**Human Resources Department – no changes****Information Technology Department (+2FTE)**

- ❑ Add 1.0 FTE IT Manager for Public Safety
- ❑ Reclassify 1.0 FTE Data & Systems Coordinator to 1.0 FTE IT Manager-Customer Support
- ❑ Reclassify 1.0 FTE Network System Specialist to 1.0 FTE IT Manager-Infrastructure
- ❑ Add 1.0 FTE IT Technician I for public safety

Like other City departments, the IT department is struggling to meet increasing service demands with very limited resources. The proposed mid-year adjustment will be built into the IT internal Service Fund and will cost about \$159,168 in FY 2015 and the recurring annual cost will be \$405,918 beginning in FY 2016. The department is engaged in a comprehensive staffing study and additional changes may be proposed in the FY 2016 budget. However, preliminary results of that study clearly indicate the need for the above positions.

### **Library & Community Services Department**

- ❑ Upgrade 1.0 FTE Senior Library Assistance to 1.0 FTE Lead Library Assistant
- ❑ Reallocate 1.0 FTE Community Services Manager from CDBG to the General Fund
- ❑ Reallocate 2.0 FTE Administrative Analyst I/II from CDBG to the General Fund

The reallocation moves the default charges of personnel off of the Community Development Block Grant (CDBG) fund to the General Fund and is in response to a recent Housing and Urban Development (HUD) audit. These positions will ultimately be offset by CDBG grant funding through the appropriate HUD reimbursement process and should not have a net General Fund impact.

- ❑ Contract (encumbered) and unencumbered carry forward from FY 2014 totals \$522,525 and is for a variety of State and Federal grants including the Paratransit program, Taxi Voucher program, After School Homework Centers program, School Communities Grant, and the Cities of Service grant. These are all non-General Fund funds.

### **Maintenance Services Department (+5 FTE - Measure C funded)**

As discussed in the staff report, Measure C funds the hiring of five new FTE for Maintenance Services. These new positions and the prorated FY 2015 funding are being added as part of the mid-year process. The related FY 2015 costs (Measure C Fund – 101) is \$169,073, with recurring annual cost of \$507,218 beginning in FY 2016.

- ❑ Add 2 FTE Laborer/Maintenance Workers
- ❑ Add 1 FTE Maintenance Leader
- ❑ Add 2 FTE Laborer/Groundkeeper I
- ❑ In addition, to the staffing allocation, Measure C is funding the one-time purchase of a vehicle totaling \$250,000.
- ❑ Increase General Fund Street Sweeping revenues by \$100,000 and appropriate Street Sweeping Program revenues to fund operational costs totaling \$110,075 for a new General Fund cost of \$10,075. Costs are associated with the Downtown Parking program signage and compliance staffing.
- ❑ Contract (encumbered) and unencumbered carry forward from FY 2014 totals \$23,581 and is for expenses primarily related to the Lighting & Landscaping Districts (LLDs) and the Maintenance Districts (MDs).

### **Police Department (+15 FTE-Measure C funded)**

As discussed in the staff report, Measure C funds the hiring of fifteen new FTE for the Police Department. These new positions and the prorated FY 2015 funding are being added as part of the mid-year process. The related FY 2015 costs (Measure C Fund – 101) is \$166,961 (one month of funding), with recurring annual cost of \$2,003,530 beginning in FY 2016.

- ❑ Add 1.0 FTE Crime Analyst
- ❑ Add 2.0 FTE Police Officers – Traffic
- ❑ Add 1.0 FTE Police Officer – Downtown
- ❑ Add 1.0 FTE Sergeant - Downtown
- ❑ Add 1.0 FTE Latent Fingerprint Examiner
- ❑ Add 1.0 FTE Dispatch Supervisor
- ❑ Add 8.0 FTE Call Takers/Communication Operators (Dispatch)

Subsequent to the adoption of the FY 2015 budget, the Police Department implemented a departmental reorganization in July 2014; the net impact of these changes is a General Fund savings of \$32,527.

- ❑ Delete 2.0 FTE Animal Shelter Supervisors
- ❑ Delete 1.0 Records Supervisor
- ❑ Add 2.0 Shelter Operations Supervisors
- ❑ Delete 3.0 FTE Animal Care Attendant
- ❑ Add 1.0 FTE Shelter Volunteer Coordinator
- ❑ Add 1.0 FTE Animal Control Officer
- ❑ Add 1.0 FTE Jail Administrator
- ❑ Add 1.0 FTE Property & Evidence Technician
- ❑ Delete 1.0 FTE Property & Evidence Supervisor
- ❑ Upgrade 1.0 FTE Crime Analyst to 1.0 FTE Crime Analyst Supervisor
- ❑ Salary adjustment for 1.0 FTE Animal Services Administrator
- ❑ Salary adjustment for 1.0 FTE Records Administrator

The mid-year proposed adjustment also includes several grant (General Fund) and special funds appropriations which were offset by equal revenue amounts.

- Positive Alternatives \$180,257
  - STEP Grant \$72,287
  - OTS DUI AVOID Grant \$120,204
  - Jail Telephone \$7,108 (no revenue offset)
  - Spay & Neuter \$21,294 (no revenue offset)
  - Our Kids Contract \$201 (no revenue offset)
- ❑ \$373,881 in Asset Seizure funds (local, state and federal) for the purchase of Body Worn Cameras and miscellaneous Police Department building improvements.

#### **Public Works – Engineering & Transportation Department (+1 FTE)**

- ❑ Add 1.0 FTE Survey Engineer
- ❑ Delete 1.0 FTE Associate Civil Engineer
- ❑ Add 1.0 FTYE Senior Civil Engineer

The addition of the Survey Engineer is in response to a critical need for review of parcel maps, right-of-way needs, and plats due to the influx of new development. This position was discussed during the FY 2015 budget development process and Council instructed staff to consider during the FY 2015 mid-year review based on need. Staff reviewed the demands of this workload against two alternatives: contracting as needed or re-instituting a full-time staff position. Analysis of the annual workload supports re-creating the position to handle the annual “core” work, and contracting overload as needed. The related FY 2015 costs (General Fund) is \$44,570, with recurring annual cost of \$178,281 beginning in FY 2016.

#### **Public Works – Utilities & Environmental Services Department (+2.0 FTE)**

- ❑ Add 1.0 FTE Water Pollution Control Facility (WPCF) Operator
- ❑ Add 1.0 FTE Laboratory Technician
- ❑ Reclassify 1.0 FTE Laboratory Technician to Chemist

These new WPCF Operator is needed to address staffing and succession planning challenges related to the twenty-four hour operations at the City's wastewater treatment facility; the Laboratory Technician is needed to address staffing shortfalls related to the State and Federal mandates for analyzing and testing wastewater. The related FY 2015 costs (Wastewater Fund) is \$68,157, with recurring annual cost of \$259,283 beginning in FY 2016.

- The mid-year proposed adjustment also includes \$100,000 (Sewer Fund) to fund one-time FY 2015 costs for root foaming activities to prevent sewer blockages and overflows as well as to purchase related equipment and contractor services; and \$200,000 (Water Fund) for increased water meter reading services; and \$35,000 in funding for maintenance and operations associated with the interties (fully reimbursable).
- Contract (encumbered) and unencumbered carry forward from FY 2014 totals \$438,417 and is for a variety of State and Federal grants (Recycling Grant - no General Fund impact).

General Fund Ten-Year Plan - FY 2015 Mid-Year Update March 17, 2015

	PY2	PY1	Year 1	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	Actual	Actual	Adopted	Projected	Forecast	Forecast							
	FY 2013	FY 2014	FY 2015	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>Revenue</b>													
Annual Property Tax	36,561	36,898	39,784	39,830	42,021	44,122	46,328	48,181	50,108	52,112	54,197	56,366	58,620
RPTTF Pass-Thru & Annual Remittance	650	730	730	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
One-time	1,970	1,343	-	-	-	-	-	-	-	-	-	-	-
<b>Property Tax</b>	<b>39,181</b>	<b>38,971</b>	<b>40,514</b>	<b>40,830</b>	<b>43,021</b>	<b>45,122</b>	<b>47,328</b>	<b>49,181</b>	<b>51,108</b>	<b>53,112</b>	<b>55,197</b>	<b>57,366</b>	<b>59,620</b>
Sales Tax	28,534	31,019	31,421	31,719	33,237	33,996	35,320	36,712	38,181	39,708	41,296	42,948	44,666
UUT	14,940	15,762	15,000	15,750	16,065	16,386	16,714	17,048	17,219	17,391	17,565	17,741	17,918
Franchise Fees	9,688	9,765	9,120	9,120	9,070	8,805	8,581	8,346	8,612	8,887	9,170	9,463	9,766
Property Transfer Tax	4,596	4,879	5,000	5,269	5,691	6,146	6,453	6,711	6,980	7,259	7,549	7,851	8,165
Business License Tax	2,493	2,602	2,652	2,652	2,917	2,976	3,035	3,096	3,158	3,221	3,285	3,351	3,418
Transient Occupancy Tax	1,679	1,918	1,734	1,957	1,996	2,036	2,077	2,118	2,160	2,204	2,248	2,293	2,339
Emergency Facilities Tax	1,870	1,694	1,820	1,820	1,829	1,838	1,847	1,857	1,866	1,875	1,885	1,894	1,904
Charges for Services	7,844	10,466	8,922	9,381	9,662	9,952	10,151	10,354	10,561	10,772	10,988	11,207	11,431
Other Revenue	174	690	166	206	166	166	166	166	166	166	166	166	166
Intergovernmental	5,365	6,771	6,577	7,266	6,577	6,577	6,577	6,077	5,567	5,567	5,567	5,567	5,567
Fines and Forfeitures	2,913	2,227	1,801	2,336	2,383	2,430	2,479	2,529	2,579	2,631	2,683	2,737	2,792
Interest and Rents	400	563	293	293	297	301	305	309	313	317	321	326	330
<b>Total Revenue</b>	<b>119,677</b>	<b>127,327</b>	<b>125,020</b>	<b>128,599</b>	<b>132,910</b>	<b>136,730</b>	<b>141,032</b>	<b>144,504</b>	<b>148,470</b>	<b>153,110</b>	<b>157,921</b>	<b>162,910</b>	<b>168,082</b>
Transfers in	4,064	3,390	3,221	3,221	3,315	3,397	3,481	3,567	3,766	3,868	3,962	4,162	4,262
<b>Total Revenue/Resources</b>	<b>123,741</b>	<b>130,717</b>	<b>128,241</b>	<b>131,820</b>	<b>136,225</b>	<b>140,127</b>	<b>144,513</b>	<b>148,071</b>	<b>152,236</b>	<b>156,978</b>	<b>161,883</b>	<b>167,072</b>	<b>172,344</b>
<b>Expenditures</b>													
Salary	62,986	63,755	66,445	66,952	68,579	70,352	70,918	73,543	75,009	76,505	77,999	79,555	81,143
Overtime	6,879	7,831	5,334	7,000	6,000	6,120	6,242	6,367	6,495	6,624	6,757	6,892	7,030
<b>Wages Subtotal</b>	<b>69,865</b>	<b>71,586</b>	<b>71,779</b>	<b>73,952</b>	<b>74,579</b>	<b>76,472</b>	<b>77,160</b>	<b>79,910</b>	<b>81,504</b>	<b>83,129</b>	<b>84,756</b>	<b>86,448</b>	<b>88,173</b>
Medical Benefits	10,083	9,133	10,942	10,942	11,817	12,526	14,278	15,074	15,919	16,814	17,763	18,768	19,834
Dental Benefits	-	957	1,065	1,065	1,086	1,108	1,130	1,153	1,176	1,199	1,223	1,248	1,273
Retiree Medical (pay-go only)	2,321	2,349	2,242	2,242	2,320	2,383	2,451	2,522	2,598	2,678	2,763	2,853	2,948
Worker's Compensation	5,189	5,275	5,013	5,013	5,110	5,212	5,313	5,420	5,525	5,636	5,745	5,860	5,977
Other Benefits	1,030	1,378	1,818	1,918	1,946	1,971	1,995	2,026	2,051	2,078	2,109	2,138	2,166
PERS	15,143	14,736	18,359	19,183	21,458	23,861	25,356	27,774	30,863	32,225	32,884	33,557	34,243
<b>Benefits Subtotal</b>	<b>33,766</b>	<b>33,828</b>	<b>39,439</b>	<b>40,362</b>	<b>43,737</b>	<b>47,061</b>	<b>50,523</b>	<b>53,969</b>	<b>58,131</b>	<b>60,630</b>	<b>62,487</b>	<b>64,423</b>	<b>66,441</b>
Vacancy Savings (wages & benefits)	-	-	(1,250)	(2,250)	(1,250)	(1,250)	(1,250)	(1,250)	(1,250)	(1,250)	(1,250)	(1,250)	(1,250)
Interdepartmental (ID) Charges to other funds	(5,399)	(5,120)	(5,179)	(5,179)	(5,174)	(5,174)	(5,174)	(5,174)	(5,174)	(5,174)	(5,174)	(5,174)	(5,174)
Unemployment Self-Insurance	-	-	150	150	150	150	150	150	150	150	150	150	150
<b>Salaries &amp; Benefits Subtotal</b>	<b>98,232</b>	<b>100,294</b>	<b>104,939</b>	<b>107,035</b>	<b>112,041</b>	<b>117,259</b>	<b>121,409</b>	<b>127,604</b>	<b>133,361</b>	<b>137,485</b>	<b>140,970</b>	<b>144,596</b>	<b>148,340</b>
OPEB Liability Contribution	-	1,978	2,060	2,060	3,060	4,060	5,060	5,161	5,264	5,370	5,477	5,587	5,698
Workers' Compensation Liability Contribution	310	310	-	-	-	-	-	-	-	-	-	-	-
<b>Net Staffing Expense</b>	<b>98,542</b>	<b>102,582</b>	<b>106,999</b>	<b>109,095</b>	<b>115,101</b>	<b>121,319</b>	<b>126,469</b>	<b>132,766</b>	<b>138,625</b>	<b>142,855</b>	<b>146,447</b>	<b>150,183</b>	<b>154,038</b>
Maintenance & Utilities	908	877	969	969	979	988	998	1,008	1,018	1,029	1,039	1,049	1,060
Supplies & Services	6,184	7,605	6,838	6,838	6,975	7,114	7,257	7,402	7,550	7,701	7,855	8,012	8,172
Internal Service Fees	9,300	9,367	11,515	11,515	11,632	11,751	11,871	11,992	12,114	12,238	12,363	12,489	12,616
Debt Service	2,822	2,809	3,299	3,302	3,302	3,299	3,301	3,301	3,301	3,301	3,301	3,301	3,301
Minor Capital Outlay	-	-	19	19	-	-	-	-	-	-	-	-	-
Liability Insurance	2,537	2,621	2,338	2,385	2,385	2,432	2,481	2,531	2,581	2,633	2,686	2,739	2,794
Economic Development Fund (from RPTTF)	-	-	-	350	350	350	350	350	350	350	350	350	350
Capital Improvement Program Funding	3,174	5,489	1,925	1,925	1,513	869	887	1,168	799	803	2,006	1,207	1,207
<b>Net Operating Expense</b>	<b>24,925</b>	<b>28,768</b>	<b>26,903</b>	<b>27,303</b>	<b>27,136</b>	<b>26,804</b>	<b>27,145</b>	<b>27,752</b>	<b>27,714</b>	<b>28,054</b>	<b>29,599</b>	<b>29,147</b>	<b>29,500</b>
<b>Expenditures Subtotal</b>	<b>123,467</b>	<b>131,350</b>	<b>133,901</b>	<b>136,398</b>	<b>142,237</b>	<b>148,123</b>	<b>153,614</b>	<b>160,517</b>	<b>166,339</b>	<b>170,909</b>	<b>176,046</b>	<b>179,330</b>	<b>183,539</b>
<b>Mid Year Adjustments</b>				<b>3,995</b>									
Assumed Additional Labor Concessions	-	-	(600)	(515)	(515)	(515)	(515)	(515)	(515)	(515)	(515)	(515)	(515)
<b>Total Expenditures</b>	<b>123,467</b>	<b>131,350</b>	<b>133,301</b>	<b>139,878</b>	<b>141,722</b>	<b>147,608</b>	<b>153,099</b>	<b>160,002</b>	<b>165,824</b>	<b>170,394</b>	<b>175,531</b>	<b>178,815</b>	<b>183,024</b>
<b>Total Surplus/(Shortfall)</b>	<b>274</b>	<b>(633)</b>	<b>(5,060)</b>	<b>(8,058)</b>	<b>(5,497)</b>	<b>(7,482)</b>	<b>(8,586)</b>	<b>(11,932)</b>	<b>(13,588)</b>	<b>(13,416)</b>	<b>(13,647)</b>	<b>(11,743)</b>	<b>(10,679)</b>
<b>Beginning Fund Balance</b>	<b>27,764</b>	<b>28,115</b>	<b>25,282</b>	<b>25,282</b>	<b>17,224</b>	<b>11,727</b>	<b>4,245</b>	<b>(4,341)</b>	<b>(16,273)</b>	<b>(29,861)</b>	<b>(43,277)</b>	<b>(56,924)</b>	<b>(68,667)</b>
<b>Change to Reserves</b>	<b>274</b>	<b>(633)</b>	<b>(5,060)</b>	<b>(8,058)</b>	<b>(5,497)</b>	<b>(7,482)</b>	<b>(8,586)</b>	<b>(11,932)</b>	<b>(13,588)</b>	<b>(13,416)</b>	<b>(13,647)</b>	<b>(11,743)</b>	<b>(10,679)</b>
Adjustments to fund balance	77	(2,200)	-	-	-	-	-	-	-	-	-	-	-
<b>Ending Fund Balance</b>	<b>28,115</b>	<b>25,282</b>	<b>20,222</b>	<b>17,224</b>	<b>11,727</b>	<b>4,245</b>	<b>(4,341)</b>	<b>(16,273)</b>	<b>(29,861)</b>	<b>(43,277)</b>	<b>(56,924)</b>	<b>(68,667)</b>	<b>(79,347)</b>
<b>City Council Reserve Policy (min. 20% expenditures)</b>	<b>24,693</b>	<b>26,270</b>	<b>26,660</b>	<b>27,976</b>	<b>28,344</b>	<b>29,522</b>	<b>30,620</b>	<b>32,000</b>	<b>33,165</b>	<b>34,079</b>	<b>35,106</b>	<b>35,763</b>	<b>36,605</b>
<b>Over/(Under) Reserve Policy</b>	<b>3,422</b>	<b>(988)</b>	<b>(6,439)</b>	<b>(10,752)</b>	<b>(16,618)</b>	<b>(25,277)</b>	<b>(34,961)</b>	<b>(48,273)</b>	<b>(63,026)</b>	<b>(77,356)</b>	<b>(92,031)</b>	<b>(104,430)</b>	<b>(115,952)</b>

Fund #	Fund Name	Reason for Adjustment	Adopted Budget	Amendment	Total Adjusted Budget
100	Property Tax	Increase in RDA-SA pass thorough and one-time	\$ 40,514,000	\$ 316,000	\$ 40,830,000
100	Sales Tax	Adjusted for actual VLF revenues	\$ 31,421,000	\$ 298,000	\$ 31,719,000
100	Utility Users Tax	Based on FY 2014 Actuals	\$ 15,000,000	\$ 750,000	\$ 15,750,000
100	Real Property Transfer Tax	Based on assumed/pending transactions	\$ 5,000,000	\$ 269,000	\$ 5,269,000
100	Transient Occupancy Tax	Based on FY 2014 actuals - current activity	\$ 1,734,000	\$ 223,000	\$ 1,957,000
100	Charges for Service	Increase based on FY 2014 actuals (permit activity), Technology Surcharge Revenues	\$ 2,642,000	\$ 209,000	\$ 2,851,000
100	Permits	Increase in Permit Revenues for plan checking services	\$ 1,783,000	\$ 250,000	\$ 2,033,000
100	Other Revenue		\$ 166,000	\$ 39,819	\$ 205,819
		BAYREN Revenue (Dev Svcs)		\$ 25,000	
		Rent Control Mediation & Arbitration Recovery		\$ 14,819	
100	Intergovernmental		\$ 6,577,000	\$ 689,303	\$ 7,266,303
		Grant carryforward Police Positive Alternatives		\$ 180,257	
		Grant carryforward Police OTS Avoid DUI Grant		\$ 120,204	
		Grant carryforward Police STEP Grant		\$ 72,287	
		Grant Revenue Police STEP Grant		\$ 102,700	
		Grant Revenue Police OTS Avoid DUI Grant		\$ 203,855	
		Additional Revenue from Fairview for FS8 Improvements		\$ 10,000	
100	Fines & Forfeitures		\$ 1,801,000	\$ 535,000	\$ 2,336,000
		Increase in In-House Parking Revenues (Maint)		\$ 100,000	
		Increase in In-House Parking Revenues (Finance)		\$ 22,874	
		General increase based on FY 2014 actuals		\$ 412,126	
	<b>General Fund Total</b>			<b>\$ 3,579,122</b>	
101	Measure C	Initial Revenue Posting	\$ -	\$ 5,000,000	\$ 5,000,000
	<b>Measure C Total</b>			<b>\$ 5,000,000</b>	
220	Federal Grants		\$ -	\$ 35,521	\$ 35,521
		HPN Street Lights		\$ 35,521	
230	State Grants		\$ -	\$ 32,000	\$ 32,000
		State Grant Received Adult Literacy Program		\$ 32,000	
240	Local Grants		\$ -	\$ 4,000	\$ 4,000
		Local Grant Received Adult Literacy Program		\$ 4,000	
	<b>Other Funds Total</b>			<b>\$ 71,521</b>	

Fund	Fund/ Dept.	Reason for Adjustment	Adopted Budget	Adjustment	FY 2014 Carry forwards/ Contracts	Total Amendment	Total Adjusted Budget
100	General Fund		\$ 133,304,000	\$ 5,745,807	\$ 831,283	\$ 6,577,089	\$ 139,881,089
	Non-Dept.	Debt service and liability insurance adjustments		\$ 50,000			
		Transfer to Economic Development Fund		\$ 350,000			
		Adjustment to assumed labor savings		\$ 85,000			
		Dutra Enterprises Mt. Eden Benefit District payoff		\$ 2,199,880			
	City Manager	FY14 Budget Carryforward			\$ 137,200		
		FY14 Contract Carryforward			\$ 130,626		
		Reclass 1.0 FTE Secretary to 1.0 FTE Senior Secretary (Dec-Jun) No cost for FY15, \$14,570 increase for FY16		\$ -			
		Addition of 1.0 FTE Admin Clerk I (Apr-Jun) KHCG Increase of \$87,189 for FY16.		\$ 21,797			
	City Attorney	Rent Control Mediation & Arbitration (will be offset by 2/3 revenue recovery)		\$ 27,000			
	Develop. Services	Addition of 1.0 FTE Supervising Building Inspector (Jan-Jun) Increase of \$169,363 for FY16		\$ 84,677			
		Deletion of 1.0 FTE Plan Checker (Jan-Jun) Decrease of \$135,519 for FY16		\$ (67,760)			
		Addition of 1.0 FTE Senior Plan Checker (Jan-Jun) Increase of \$146,140 for FY16		\$ 73,070			
		Addition of 1.0 FTE Senior Planner (Temp for 2 Years) (Jan-Jun) Offset by salary savings for FY15. Increase of \$162,204 for FY16.		\$ -			
		Increase in Consultant Services related to Plan Check. Will be offset by increase in Revenues.		\$ 250,000			
		On-going Training. Offset by Bayren Revenue.		\$ 25,000			
		Computer & Software Expenditures. Offset by increase to Technology Surcharge Revenues		\$ 25,000			
		FY14 Contract Carryforward			\$ 107,484		
	Finance	Additional MUNIS Support. Offset by increase in In-House Parking Collection.		\$ 6,950			
		Additional Excise Tax & Business Tax Mailing Services. Offset by increase in In-House Parking Collection.		\$ 8,924			
		Legal Services for Administrative Hearings. Offset by increase in In-House Parking Collection.		\$ 6,000			
		Business License Renewal Forms & Certificates. Offset by increase in In-House Parking Collection.		\$ 1,000			
		FY14 Contract Carryforward			\$ 17,159		

Fund	Fund/ Dept.	Reason for Adjustment	Adopted Budget	Adjustment	FY 2014 Carry forwards/ Contracts	Total Amendment	Total Adjusted Budget
	Fire	Fire Station 8 Improvements offset by additional revenues from Fairview		\$ 10,000			
		Increased Overtime		\$ 666,000			
	Library & Comm. Svcs.	FY14 Budget Carryforward			\$ 3,402		
		Relocate 1.0 FTE Community Services Manager from CDBG. Cost will be offset by charge-outs to other programs.		\$ -			
		Relocate 2.0 FTE Admin Analyst I/II from CDBG. Cost will be offset by charge-outs to other programs.		\$ -			
		Relocate 1.0 FTE Lead Library Assistant from Program 55100 to 10001 (11/14)		\$ -			
		Relocate 1.0 FTE Library Assistant from Program 10001 to 55100 (11/14)		\$ -			
		Upgrade 1.0 FTE Senior Library Assistant to 1.0 FTE Lead Library Assistant (9/14). Increase of \$7,319 in FY16		\$ 6,099			
	Maint. Services	Downtown Parking Enforcement Signs. Offset by increase to Street Sweeping Citation Revenues.		\$ 15,000			
		Downtown Parking Enforcement Temporary Employee. Offset by increase to Street Sweeping Citation Revenues.		\$ 65,075			
		Street Sweeping Additional Signage. Offset by increase to Street Sweeping Citation Revenues.		\$ 30,000			
	Police	FY14 Budget Carry Forward. Partial offset by FY14 Revenue Budget Carryforwards.			\$ 435,412		
		FY15 Budget Appropriations. Partially offset by FY15 Revenue Appropriations.		\$ 354,419			
		Salary & benefit adjustments (HPOA contract)		\$ 1,431,000			
		Increased Overtime		\$ 1,000,000			
		Increased salary savings		\$ (1,000,000)			
		Delete 2.0 FTE Animal Shelter Supervisors. Approved by Council in July as part of Reorg.		\$ (190,233)			
		Deletion of 1.0 FTE Records Supervisor. Approved by Council in July as part of Reorg.		\$ (106,483)			
		Add 2.0 FTE Shelter Operations Supervisors. Approved by Council in July as part of Reorg.		\$ 199,749			
		Delete 1.0 FTE Animal Care Attendant. Approved by Council in July as part of Reorg.		\$ (87,369)			
		Add 1.0 FTE Shelter Volunteer Coordinator. Approved by Council in July as part of Reorg.		\$ 87,369			

Fund	Fund/ Dept.	Reason for Adjustment	Adopted Budget	Adjustment	FY 2014 Carry forwards/ Contracts	Total Amendment	Total Adjusted Budget
		Delete 2.0 FTE Animal Care Attendants. Approved by Council in July as part of Reorg.		\$ (174,738)			
		Add 1.0 FTE Animal Control Officer. Approved by Council in July as part of Reorg.		\$ 105,353			
		Adjust Salary for 1.0 FTE Animal Services Administrator. Approved by Council in July as part of Reorg.		\$ 3,588			
		Adjust Salary for 1.0 FTE Records Administrator. Approved by Council in July as part of Reorg.		\$ 5,772			
		Add 1.0 FTE Jail Administrator. Approved by Council in July as part of Reorg.		\$ 165,236			
		Delete 1.0 FTE Property & Evidence Supervisor. Approved by Council in July as part of Reorg.		\$ (150,390)			
		Add 1.0 FTE Property & Evidence Technician. Approved by Council in July as part of Reorg.		\$ 109,619			
		Upgrade 1.0 FTE Crime Analyst to 1.0 FTE Crime Analyst Supervisor (Feb-Jun) 10% above Crime Analyst. Increase of \$23,119 in FY16.		\$ 9,633			
	PW-Eng & Transp	Add 1.0 FTE Survey Engineer (Apr-Jun). Increase of \$161,139 for FY16		\$ 40,285			
		Delete 1.0 FTE Associate Civil Engineer. (Apr-Jun). Decrease of \$155,758 for FY16.		\$ (38,940)			
		Add 1.0 FTE Senior Civil Engineer (Apr-Jun). Increase of \$172,900 for FY16.		\$ 43,225			
<b>101</b>	<b>Measure C</b>		<b>\$ -</b>	<b>\$ 586,033</b>	<b>\$ -</b>	<b>\$ 586,033</b>	<b>\$ 586,033</b>
		Vehicle Purchases (Roller, Trailer, Graffiti Removal Vehicle, & Dump Truck)		\$ 250,000			
		Add 2.0 FTE Laborer/Maintenance Workers		\$ 65,075			
		Add 1.0 FTE Maintenance Leader		\$ 38,923			
		Add 2.0 FTE Laborer/Groundskeeper I		\$ 65,075			
		Addition of 1.0 FTE Crime Analyst		\$ 12,732			
		Addition of 2.0 FTE Police Officer-Traffic		\$ 30,334			
		Add 1.0 FTE Police Officer - Downtown		\$ 15,167			
		Add 1.0 FTE Sergeant - Downtown		\$ 17,577			
		Add 1.0 FTE Latent Fingerprint Examiner		\$ 13,333			
		Add 1.0 FTE Dispatch Supervisor		\$ 9,181			
		Add 8.0 FTE Call Takers		\$ 68,636			
<b>217</b>	<b>Measure B Paratransit</b>		<b>\$ 1,590,284</b>	<b>\$ -</b>	<b>\$ 227,747</b>	<b>\$ 227,747</b>	<b>\$ 1,818,031</b>
		FY14 Budget Carryforward			\$ 17,966		
		FY14 Contract Carryforward			\$ 209,781		
<b>220</b>	<b>Federal Grants</b>		<b>\$ 907,832</b>	<b>\$ 218,906</b>	<b>\$ 1,341,831</b>	<b>\$ 1,560,737</b>	<b>\$ 2,468,569</b>
		FY14 Budget Carryforward			\$ 204,895		
		FY14 Contract Carryforward			\$ 1,136,936		

Fund	Fund/ Dept.	Reason for Adjustment	Adopted Budget	Adjustment	FY 2014 Carry forwards/ Contracts	Total Amendment	Total Adjusted Budget
		FY15 Budget Appropriation		\$ 35,521			
		FY15 Budget Appropriation		\$ 7,500			
		FY15 Budget Appropriation		\$ 7,500			
		FY15 Budget Appropriation		\$ 165,860			
		FY15 Budget Appropriation		\$ 2,525			
<b>225</b>	<b>Community Development Block Grant</b>		<b>\$ 1,593,064</b>	<b>\$ 63,000</b>	<b>\$ 115,586</b>	<b>\$ 178,586</b>	<b>\$ 1,771,650</b>
		FY14 Contract Carryforward			\$ 115,586		
		FY15 Budget Correction		\$ 63,000			
		Relocate 1.0 FTE Community Services Manager to General Fund. Cost will be offset by charge-outs to other programs.		\$ -			
		Relocate 2.0 FTE Admin Analyst I/II to General Fund. Cost will be offset by charge-outs to other programs.		\$ -			
<b>227</b>	<b>CDBG-Small Business Loan</b>		<b>\$ 656,609</b>	<b>\$ (63,000)</b>	<b>\$ -</b>	<b>\$ (63,000)</b>	<b>\$ 593,609</b>
		FY15 Budget Correction		\$ (63,000)			
<b>230</b>	<b>State Grants</b>		<b>\$ 575,349</b>	<b>\$ 147,000</b>	<b>\$ 439,681</b>	<b>\$ 586,681</b>	<b>\$ 1,162,030</b>
		FY14 Budget Carryforward			\$ 437,734		
		FY14 Contract Carryforward			\$ 1,947		
		FY15 Budget Appropriation		\$ 15,000			
		FY15 Budget Appropriation		\$ 32,000			
		Consulting Services for Preparation of RFP for Solid Waste and Recycling Services		\$ 100,000			
<b>240</b>	<b>Local Grants</b>		<b>\$ -</b>	<b>\$ 64,000</b>	<b>\$ 23,511</b>	<b>\$ 87,511</b>	<b>\$ 87,511</b>
		FY14 Budget Carryforward			\$ 23,511		
		FY15 Budget Appropriation		\$ 4,000			
		FY15 Budget Appropriation		\$ 60,000			
<b>245</b>	<b>Housing Authority</b>		<b>\$ 170,324</b>	<b>\$ 25,000</b>	<b>\$ 2,408,886</b>	<b>\$ 2,433,886</b>	<b>\$ 2,604,210</b>
		FY14 Budget Carryforward			\$ 2,384,060		
		FY14 Contract Carryforward			\$ 24,826		
		FY15 Budget Appropriation		\$ 2,500			
		FY15 Budget Appropriation		\$ 22,500			
<b>246</b>	<b>Affordable Housing</b>		<b>\$ 184,551</b>	<b>\$ -</b>	<b>\$ 24,500</b>	<b>\$ 24,500</b>	<b>\$ 209,051</b>
		FY14 Contract Carryforward			\$ 24,500		
<b>265</b>	<b>Asset Forfeiture</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ 373,881</b>	<b>\$ 373,881</b>	<b>\$ 373,881</b>
		FY14 Budget Carryforward			\$ 373,881		
<b>266</b>	<b>LLD #1</b>		<b>\$ 5,935</b>	<b>\$ 820</b>	<b>\$ -</b>	<b>\$ 820</b>	<b>\$ 6,755</b>
		FY15 Budget Appropriation		\$ 820			
<b>267</b>	<b>LLD #2</b>		<b>\$ 8,765</b>	<b>\$ (1,965)</b>	<b>\$ -</b>	<b>\$ (1,965)</b>	<b>\$ 6,800</b>
		FY15 Budget Appropriation		\$ (1,965)			
<b>268</b>	<b>LLD #3</b>		<b>\$ 112,740</b>	<b>\$ 5</b>	<b>\$ -</b>	<b>\$ 5</b>	<b>\$ 112,745</b>
		FY15 Budget Appropriation		\$ 5			
<b>269</b>	<b>LLD #4</b>		<b>\$ 22,675</b>	<b>\$ 11,465</b>	<b>\$ -</b>	<b>\$ 11,465</b>	<b>\$ 34,140</b>
		FY15 Budget Appropriation		\$ (2,285)			
		HARD Expenses Assumed by City		\$ 13,750			
<b>270</b>	<b>MD #1</b>		<b>\$ 35,333</b>	<b>\$ 56,373</b>	<b>\$ -</b>	<b>\$ 56,373</b>	<b>\$ 91,706</b>
		FY15 Budget Appropriation		\$ 56,373			
<b>271</b>	<b>MD #2</b>		<b>\$ 111,255</b>	<b>\$ 334</b>	<b>\$ -</b>	<b>\$ 334</b>	<b>\$ 111,589</b>
		FY15 Budget Appropriation		\$ 334			
<b>272</b>	<b>LLD #5</b>		<b>\$ 5,445</b>	<b>\$ 468</b>	<b>\$ -</b>	<b>\$ 468</b>	<b>\$ 5,913</b>
		FY15 Budget Appropriation		\$ 468			
<b>273</b>	<b>LLD #6</b>		<b>\$ 14,625</b>	<b>\$ (99)</b>	<b>\$ -</b>	<b>\$ (99)</b>	<b>\$ 14,526</b>
		FY15 Budget Appropriation		\$ (99)			
<b>274</b>	<b>LLD #7</b>		<b>\$ 193,690</b>	<b>\$ 28,698</b>	<b>\$ -</b>	<b>\$ 28,698</b>	<b>\$ 222,388</b>
		FY15 Budget Appropriation		\$ (4,852)			
		HARD Expenses Assumed by City		\$ 33,550			

Fund	Fund/ Dept.	Reason for Adjustment	Adopted Budget	Adjustment	FY 2014 Carry forwards/ Contracts	Total Amendment	Total Adjusted Budget
275	LLD #8		\$ 5,375	\$ 504	\$ 18,581	\$ 19,085	\$ 24,460
		FY15 Budget Appropriation		\$ 504			
		FY14 Contract Carryforward			\$ 18,581		
276	LLD #9		\$ 1,805	\$ 24	\$ -	\$ 24	\$ 1,829
		FY15 Budget Appropriation		\$ 24			
277	LLD #10		\$ 191,680	\$ 49,868	\$ -	\$ 49,868	\$ 241,548
		FY15 Budget Appropriation		\$ (4,726)			
		HARD Expenses Assumed by City		\$ 54,594			
278	LLD #12		\$ 47,590	\$ 26,669	\$ -	\$ 26,669	\$ 74,259
		FY15 Budget Appropriation		\$ 58			
		HARD Expenses Assumed by City		\$ 26,611			
279	LLD #11		\$ 211,384	\$ (17,074)	\$ -	\$ (17,074)	\$ 194,310
		FY15 Budget Appropriation		\$ (17,074)			
280	<b>Downtown Business Impr.</b>		\$ 87,000	\$ -	\$ 30,000	\$ 30,000	\$ 117,000
		FY14 Budget Carryforward			\$ 30,000		
281	LLD #13		\$ 39,890	\$ 20,649	\$ -	\$ 20,649	\$ 60,539
		FY15 Budget Appropriation		\$ 4,899			
		Expenses related to new tracks.		\$ 15,000			
		Expenses related to new tracks.		\$ 750			
295	<b>South Hayward BART JPA Parking District</b>		\$ -	\$ -	\$ 46,834	\$ 46,834	\$ 46,834
		FY14 Budget Carryforward			\$ 46,834		
405	<b>Capital Projects - Government</b>		\$ 1,529,000	\$ 1,400,000		\$ 1,400,000	\$ 2,929,000
		Increased appropriation for Fire Station #7 and Health Firehouse Clinic per adoption of the CIP Budget.		\$ 1,400,000			
410	Non-Dept.	<b>Route 238 transfer from Fund 410 to 411 for Caltrans property disposition</b>		\$ 1,000,000		\$ 1,000,000	\$ 1,000,000
605	<b>Water Fund</b>		\$ 42,235,134	\$ 250,000	\$ 15,900	\$ 265,900	\$ 42,501,034
		FY14 Contract Carryforward			\$ 15,900		
		Contracted Back Flow Testing		\$ 75,000			
		Contracted Meter Reading Services		\$ 125,000			
		Increase to Bank Charges (Water Billing)		\$ 50,000			
606	<b>Water Intertie Fund</b>		\$ 83,500	\$ 35,000	\$ -	\$ 35,000	\$ 118,500
		Maintenance & Operations for Intertie. Costs are 100% reimbursable from SFPUC & EBMUD		\$ 35,000			
610	<b>Sewer Fund</b>		\$ 24,529,908	\$ 168,157	\$ -	\$ 168,157	\$ 24,698,065
		Additional Tools, Contractor Services, and other Operating Costs		\$ 40,000			
		Additional Root Foaming Activities		\$ 60,000			
		Add 1.0 FTE Lab Technician		\$ 30,414			
		Reclass 1.0 FTE Lab Tech. to Chemist		\$ 6,671			
		Add 1.0 FTE WPCF Operator		\$ 31,072			
710	<b>General Liability Insurance Fund</b>		\$ 3,165,906	\$ -	\$ 203,312	\$ 203,312	\$ 3,369,218
		FY14 Contract Carryforward			\$ 203,312		
725	<b>Facilities Management Fund</b>		\$ 3,818,531	\$ 58,744	\$ -	\$ 58,744	\$ 3,877,275
		Alarm/Fire Monitoring System-City Hall & FS #1		\$ 33,107			
		Safeway Roof Parking Deck Coating Repairs		\$ 13,637			

Fund	Fund/ Dept.	Reason for Adjustment	Adopted Budget	Adjustment	FY 2014 Carry forwards/ Contracts	Total Amendment	Total Adjusted Budget
		Cinema Place Neon Sign Vandalized/Partial Cost Recovery from Cinema Place		\$ 12,000			
<b>730</b>	<b>Information Technology Fund</b>		<b>\$ 5,259,213</b>	<b>\$ 82,250</b>	<b>\$ -</b>	<b>\$ 82,250</b>	<b>\$ 5,341,463</b>
		Add 1.0 FTE IT Manager-Public Safety. Increase of \$173,000 for FY16.		\$ 43,250			
		Reclass 1.0 FTE Data & Systems Coordinator to 1.0 FTE IT Manager-Customer Support. Increase of \$8,000 for FY16.		\$ 2,000			
		Reclass 1.0 FTE Network Systems Specialist to 1.0 FTE IT Manager - Infrastructure. Increase of \$4,500 to FY16.		\$ 4,500			
		Add 1.0 FTE IT Technician I-Public Safety. Increase of \$130,000 for FY16.		\$ 32,500			
		Add 1.0 FTE Programmer Analyst (Offset by previous salary budget for P/T Temporary Analyst). Increase of \$76,918 for FY16.					
<b>735</b>	<b>Fleet Mgmt.</b>		<b>\$ 5,704,791</b>	<b>\$ 30,000</b>	<b>\$ 5,000</b>	<b>\$ 35,000</b>	<b>\$ 5,739,791</b>
		FY14 Contract Carryforward			\$ 5,000		
		Increase to Overtime Budget		\$ 30,000			
<b>810</b>	<b>Community Facility District Fund</b>		<b>\$ 574,524</b>	<b>\$ 500,000</b>	<b>\$ -</b>	<b>\$ 500,000</b>	<b>\$ 1,074,524</b>
		Community Facility District Fund Appropriation		\$ 500,000			
<b>815</b>	<b>Successor Agency - RDA</b>		<b>\$ 7,148,047</b>	<b>\$ -</b>	<b>\$ 38,204</b>	<b>\$ 38,204</b>	<b>\$ 7,186,251</b>
		FY14 Budget Carry Forward			\$ 38,204		
	<b>Change Other Funds</b>					<b>\$ 9,469,248</b>	
	<b>Change ALL Funds</b>					<b>\$ 16,632,371</b>	

**Possible Funding Priorities for Sales Tax Measure  
(Based on \$10M in annual revenue)**

<b>Capital Projects/Restoration of Services</b>	<b>Annual Debt Service Payment<sup>1</sup> or Annual Cost</b>
<b>Additional Police Services</b> (Cost per officer: \$200,000/year)	\$2,000,000 (annual cost)
<b>Library &amp; Community Learning Center</b> (Total unfunded cost: \$50,000,000)	\$3,990,000 (annual debt service)
<b>Other Fire Station Retrofits/ Improvements</b> (Total cost: \$10,000,000)	\$798,000 (annual debt service)
<b>New Fire Station #6 Training Center</b> (Total cost: \$8,200,000)	\$654,400 (annual debt service)
<b>Street Repairs<sup>2</sup></b> (2 miles of overlay and 4 miles of slurry seal)	\$1,000,000 <sup>3</sup> (TBD)
<b>Restoring 5 Maintenance Workers</b> (Cost per worker: \$100,000/year)	\$500,000 (annual cost)
<b>Total Annual Cost</b>	<b>\$8,942,400</b>
<b>Contingency</b>	\$1,057,600
<b>Total Committed Annual Revenue</b>	\$10,000,000

<sup>[1]</sup> Annual debt service payment based on 20-year amortization of bond funding

<sup>[2]</sup> Current annual gas tax/Measure B funding for overlay/slurry seal = \$4 million

<sup>[3]</sup> There may be efficiencies to be gained by issuing debt to allow for a larger number of streets to be repaired in the first few years after the revenue measure passes. Staff will evaluate these options if the measure is approved by the voters.