



**MINUTES OF SPECIAL JOINT MEETING OF THE  
CITY COUNCIL/REDEVELOPMENT AGENCY OF  
THE CITY OF HAYWARD**  
City Council Chambers  
777 B Street, Hayward, CA 94541  
Tuesday, May 9, 2006, 8:00 p.m.

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**MEETING**

The Special Joint City Council/Redevelopment Agency Meeting was called to order by Council/RA Member Dowling at 8:00 p.m., who led the Pledge of Allegiance.

**ROLL CALL**

Present: COUNCIL/RA MEMBERS Quirk, Halliday, Ward, Dowling, Henson  
MAYOR PRO TEM/VICE CHAIR Jimenez  
Absent: COUNCIL/RA MEMBER None  
MAYOR/CHAIR Cooper

**PRESENTATIONS**

Pride in Hayward Award

Mayor Pro Tem Jimenez presented the May Pride in Hayward Award to the following residents in various neighborhoods: Ediberto and Connie Moreno from Glen Eden; Eric and Tessie Rozul from Mt. Eden; Dave and Helen Rodrigues from Southgate; Derrick and Maryann Lobo from Hayward Highlands; and Bobbit and Minnie Vaughn from Southgate. He thanked each for taking pride in their homes by maintaining their properties. He urged residents to nominate families with well-maintained homes in their neighborhoods.

**PROCLAMATIONS**

May 12 – 21 as Affordable Housing Week

Mayor Pro Tem Jimenez read a proclamation declaring May 12, 2006 through May 21, 2006 as Affordable Housing Week. Barbara Bernstein and Ollie Arnold of Eden I&R accepted the proclamation for Affordable Housing Week and thanked the Council for this proclamation. Ms. Bernstein reported on the “211” public communication program. Linda Mandolini thanked the Council for being a model in the region of providing affordable housing.

May 14 – 20 as National Police Week and  
Monday, May 15, 2006 as Police Officers’ Memorial Day

Mayor Pro Tem Jimenez read a proclamation declaring May 14, 2006 through May 20, 2006 as National Police Week in order to recognize the hazardous work, serious responsibilities, and strong commitment to our nation’s peace officers. He also declared May 15, 2006 as Police Officers’ Memorial Day in commemoration of those noble officers who have tragically sacrificed their lives in the line of duty.

**DRAFT**

## **PUBLIC COMMENTS**

There were no public comments.

## **CONSENT**

1. Approval of Minutes of the Special Joint City Council/Redevelopment Agency Meeting of May 2, 2006

It was moved by Council/RA Member Henson, seconded by Council/RA Member Halliday, and carried, with Mayor/Chair Cooper absent, to approve the minutes of the Special Joint City Council/Redevelopment Agency Meeting of May 2, 2006.

2. Measure B and Gas Tax Pavement Rehabilitation 2005-06: Award of Contract

Staff report submitted by Deputy Director of Public Works Fakhrai, dated May 9, 2006, was filed.

It was moved by Council Member Henson, seconded by Council Member Halliday, and carried with Mayor Cooper absent, to adopt the following:

Resolution 06-050, "Resolution Awarding Contract to DeSilva Gates Construction, LP for the Measure B and Gas Tax Pavement Rehabilitation 2005-06 Project, Project Nos. 5122 and 5173"

## **HEARINGS**

3. Hearing on Report and Assessment for Residential Rental Inspection Fees Past Due

Staff report submitted by Senior Housing Inspector Bragg, dated May 9, 2006, was filed.

Senior Housing Inspector Bragg described the program and the inspection activities. He reported the total liens of \$15,000 after the approval of a post dated check and adjustments that remove a number of assessments have been paid as follows: #4, #6, #9, and #13, #14 # 17, #20 and #25.

With no requests to speak, Mayor Pro Tem Jimenez closed the public hearing at 8:22 p.m.

It was moved by Council Member Ward, seconded by Council Member Halliday, and carried with Mayor Cooper absent, to adopt with adjustments to the assessment list to remove lien numbers: #4, #6, #9, #13, #14, #17, #20 and #25 from the assessment list and adopt the following:

Resolution 06-051, "Resolution Confirming the Report and Assessment of Overdue Residential Rental Inspection Fees for Calendar Year 2005"



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4. Hearing on Report and Assessment for Community Preservation Fees Past Due

Staff report submitted by Senior Community Preservation Inspector Brown, dated May 9, 2006, was filed.

Senior Community Preservation Inspector Brown made the report for the year 2005 and discussed the assessment list noting five adjustments to remove the following liens from the assessment list: #11, #12, #19, #21 and #32.

Mayor Pro Tem Jimenez opened the public hearing at 8:28 p.m.

Penny Gerrard explained her situation related to a vehicle abatement lien, noting that the vehicle was not hers, but was parked on her property. Staff responded to Council questions.

Papa Taumoepeau representing his mother, Mele, spoke on her behalf. The property on the assessment list #22 is located on Seminole Way with a total lien of \$313.05 for clearing debris on the property.

Kathy Jones, realtor and property manager, spoke on behalf of the property owner of 22531 and 22539 Alice Street, Item #15, on the assessment list. She appreciated staff for assisting her as she explained that an attorney had to be retained in order to evict the tenants who caused the problem. Because of all of the time and effort to evict the tenants and resolve the community preservation issues, she asked for a waiver of the fine of \$1,121.05. Senior Community Preservation Inspector Brown reported that there were five cases involved with this property in the past two years and a waiver was previously granted that totaled over \$1,000. She reported that all notices were sent to the owner in Garden Grove, California.

Marilyn Robinson, spoke on behalf of her deceased brother, representing property on Bahama Street, which is #14 on the assessment list. She reported that she is the administrator for the property and the fine of \$1,121.05 will be too much for her nephew to assume. She noted that the property has been cleared, but was not aware of past incidents as described by staff. Senior Community Preservation Inspector Brown showed photos of the property and responded to Council questions regarding the notification process that staff utilizes.

Jo Ann Wallace and her daughter spoke on behalf of their property at 925 Rose Street, assessment list #24. They reported that there was a fire and subsequent to that fire, there were a number of difficulties related to the re-construction of the home, insurance company issues, and personal family matters that caused delays in clearing the debris that accumulated on their property. Ms. Wallace provided a postmarked envelope indicating the notice arrived after the inspection. It was noted that the fire occurred in December 2004 and they were living in a hotel for over ten months. Staff indicated that the notice was received and signed for at delivery. It was also noticed that a letter was also posted at the site. Ms. Wallace stated that she did not always stay at the home due to

its unlivable condition, which could be the reason for not receiving the notices.

Mayor Pro Tem Jimenez closed the public hearing at 9:15 p.m.

Council Members empathized with the property owners and their sincere interest to clear up their assessments, but indicated that some staff adjustments had previously been granted. Property owners need to take responsibility for the appearance of their homes. Council Members sympathized with Ms. Wallace regarding the fire incident and strongly suggested that staff provide some type of installment plan for those hardship cases.

City Manager Armas stated that staff will contact the five property owners to make arrangements to pay the assessments.

It was moved by Council Member Ward, seconded by Council Member Dowling, and carried with Mayor Cooper absent, to remove five assessments as listed: #11, #12, #19, #21 and #32 and adopt the following:

Resolution 06-052, "Resolution Confirming the Report of the Enforcement Officer for Public Nuisance and Abatements from Certain Properties in the City of Hayward in Connection with the Community Preservation Program for 2005"

5. Hearing on Report and Assessment for Weed Abatement Fees Past Due

Staff report submitted by Senior Community Preservation Inspector Brown, dated May 9, 2006, was filed.

Senior Community Preservation Inspector Brown made the report regarding weed abatements for the year 2005, noting no adjustments to the assessment list.

With no requests to speak, Mayor Pro Tem Jimenez closed the public hearing at 9: 18 p.m.

Council Members appreciated staff for their efforts in facilitating these annual hearings.

It was moved by Council Member Dowling, seconded by Council Member Henson, and carried with Mayor Cooper absent, to adopt the following:

Resolution 06-053, "Resolution Confirming the Report of the Enforcement Officer for Weed, Rubbish, and Litter Abatement from Certain Properties in the City of Hayward in Connection with the Weed Abatement Program for 2005"

**LEGISLATIVE BUSINESS**

6. Adoption of Resolution of Necessity to Acquire a Portion of Leasehold Interest by Trans-Freight Express in 199 C Street



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Staff report submitted by Redevelopment Director Bartlett, dated May 9, 2006, was filed.

Redevelopment Director Bartlett made the report, depicting the property and noting the terms of the Agency's offer. She noted that a two-thirds vote of the Agency Board is required for approval of this action. Approval for this action requires an appropriation of \$22,000 for the purpose of acquiring the leasehold interest through eminent domain is necessary. A brief discussion ensued with staff noting that continued negotiations will occur to reach a settlement.

Mayor Pro Tem/RA Vice Chair Jimenez opened the public hearing at 9:28 p.m.

Dennis Andrade, representing Trans Freight, depicted on the map, the business entry and explained that the tenant has need for parking of its trucks. He was not opposed to the acquisition, but felt that the offer was too low. He indicated that he anticipated that some of his concerns regarding construction problems such as noise and dust would be addressed. He stated that he recognizes that progress must occur.

Mayor Pro Tem/RA Vice Chair Jimenez closed the public hearing at 9:30 p.m.

It was moved by Council/RA Member Ward, seconded by Council/RA Member Henson, and carried with Mayor/Chair Cooper absent, to adopt the following:

RA Resolution 06-08, "Resolution of Necessity Declaring a Public Need for and Authorizing the Acquisition and Immediate Possession by Eminent Domain Proceedings or Otherwise of a Portion of Real Property Located at 199 C Street in Furtherance of the Cannery Area Design Plan"

RA Resolution 06-09, "Resolution Amending Resolution No. RA 05-12, the Budget Resolution for the Redevelopment Agency of the City of Hayward for Fiscal Year 2005-2006, Relating to an Appropriation of Funds for the Acquisition of the Lease Hold of 199 C Street by Eminent Domain Proceedings"

7. Disposition of City Center Garage

Staff report submitted by City Manager Armas, dated May 9, 2006, was filed.

City Manager Armas made the report, noting the history of this property. The garage is over 25 years old and in need of retrofitting as well as substantial additional improvements. He made the recommendation for consideration of authorizing the preparation of purchase and sale of the city garage on City Center Drive, noting that Intercoastal is in agreement to remove, deconstruct and

raze the eleven story building within 90 days of close of escrow and not later than January 2007. The terms of the purchase include a timeline that must be adhered to in order to finalize the agreement. He outlined the terms of the sale and compared it to the costs of repair and upgrade. He reported that Intercoastal is ready to site a condominium project yet to be approved by the Planning Commission and the City Council.

Additionally, City Manager Armas reported that alternate parking will need to be identified for parking when large events are held at Centennial Hall and staff may need to limit events with smaller attendance. He reported that the rooftop parking over Safeway only provides for one hundred spaces. The City has "air rights" over Safeway. City Manager Armas emphasized that the Council is not deciding on the future of Centennial Hall at this time, but at the discussions on the budget there will be opportunity to discuss a future conference center. A recommendation will be an objective for Council to consider another location for Centennial Hall and a future conference facility site in proximity to BART.

Council Member Ward reminded all that this building is in the Redevelopment Agency. He estimated that there are about 4 ½ acres involved. His recommendation would be to emphasize the ongoing priority of downtown revitalization. He asked for the current appraisal of the former city hall and it was noted that the building was recently sold for more than what the City received at its initial sale. Council Member Ward agreed that the City must progress with some activity that would ultimately cause the eleven story building to be removed and creating a greater opportunity at that location. His concern was the use of the City's garage, past maintenance deficiencies and the estimated cost for retrofit. It was noted that the appraisal was at \$3.5 million, recognizing the encumbered 500 spaces that the City is obligated to provide to the adjacent office building. There was discussion on the costs of strengthening the garage to withstand future construction. Intercoastal would need to invest \$4 million to prepare the garage for construction of a condominium project.

Council Member Henson asked for clarification of the City commissioned appraisal and the timeline for the terms of the agreement. It was noted that an acre of land in Hayward for residential use is approximately a million and a quarter to a million and a half dollars for a cleared site with no encumbrances. It was noted that Intercoastal is willing to jointly solicit proposals to encompass both Centennial Hall and the eleven story parcel. Council Member Henson asked whether there had been any surveys in the past two years of the use of this garage. He felt that it was under utilized. City Manager Armas noted that its usage has been evident when large events occur at Centennial Hall and more recently, Kumbala Restaurant customers. He noted that employees of nearby businesses park in the garage areas closest to the building and has received comments on its condition and appearance.

In response to Council Member Dowling's question, City Manager Armas estimated that it could be sixty days for the preparation of the documents as there are a number of documents that need to be prepared with specific provisions. No renderings have been designed by Intercoastal as it is rather costly, but architectural discussions have occurred. This decision and action does not include any land usage; that will come forward after the agreement is approved and there is no obligation to sell Centennial Hall. City Manager Armas also suggested that some temporary additional parking could be developed when the eleven story building is razed. Council Member Dowling expressed his concern about the public's concern that there will not be Centennial Hall parking when large events are scheduled. He suggested discussions occur with the Zaballos



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Family and Mervyns to utilize parking for evening events and provide a shuttle service.

Council Member Quirk spoke in favor of the proposal. He agreed that shuttle services could occur from other parking sites for Centennial Hall events. He suggested a parking plan be prepared when the agreement is presented.

Mayor Pro Tem Jimenez opened the public hearing at 10:06 p.m.

Brian Schott, a mayoral candidate, spoke against this project. He did not see the rush in considering this at this time and asked that it be continued so that the public has more opportunity to speak in regards to this very important City asset. Centennial Hall cannot be separated from the garage. There are many non-profit agencies that rely on it for their fundraisers. He emphasized the entitlements of this property. He opposed the percentage rate. He suggested "red tagging" the building to force the owners to clear the property.

Hank Quintel appreciated that action is finally occurring at that location. He expressed his concern on the sales price. He felt that this deal is giving away two million dollars.

Ed Mullins emphasized that parking is critical in this area. He was concerned with what happens in the short term for organizations that enjoy the use of Centennial Hall. The non-profit community needs to know that there will be replacement parking in the short term.

Audrey LePell left a written correspondence requesting that the downtown parking garage not be sold, noting it as a safe and convenient place. She also suggested a new building be built on the vacant lot on A Street next to the railroad tracks.

Joan Clark Sinclair spoke in support of Centennial Hall and compared it to the removal of the Blue Dolphin in San Leandro, but was not in favor of giving a deal to InterCoastal. She was not in favor of hastily making this decision.

Christian Zaballos spoke on behalf of his family. He has seen the garage empty for over fifteen years and discussed its unsightly condition. He discussed the land use and anticipated a walking district in that area. He encouraged a superior development at this location that would improve the City's gateway.

Rob Simpson of Grandview Realty on Hayward Boulevard provided his professional opinion. He liked the progress in the downtown, knew the history of this property in a vital part of the downtown and stated that he could sell it for five times the amount of the table. He suggested there be some definite planning before its sale and asked about Intercoastal's reputation. In response to Council Member Halliday's question, he felt that a hotel and conference center could be developed on the site.

City Manager Armas reported that there was consideration for a hotel conference center at that

site. Studies were done, but the market could not support the market room rate and access to freeways was not proximate.

Bruce Albert, representing InterCoastal, responded to Council questions. He explained that the appraisal value was determined on the assumption that the garage was seismically safe. It is not up to current code seismically according to engineers studies. He has received estimates of about \$4 million dollars to retrofit the garage. There are additional costs to strengthen the garage to accommodate the additional weight of the proposed units to be constructed.

Council Member Quirk asked about the decision to build over the garage.

Bruce Albert stated that higher density is required to cover the costs of the investment recovery. Intercoastal is aware of the height of the existing garage and the additional height of the proposal. There are no definite plans and no design work has been initiated, but there is a full team including architects and engineers interested in blending that height into the area. It will be comparable and in proper scale to the office building to the west. He hoped to have the application within the 60 days.

Council Member Henson asked for further information on the reputation of InterCoastal.

Bruce Albert stated that InterCoastal is a privately owned company based in Los Angeles. It has a low profile because it is privately owned. It involves real estate investors, owns hotels, a number of senior housing facilities and has done condominium conversions in San Francisco. His company will be the project manager for Intercoastal.

Council Member Dowling asked for clarification and supported the idea of tearing down the old municipal building and replacing it with high rise condominiums.

Council Member Halliday asked about the lot, once it is vacant. She agreed with Mr. Zaballos regarding making the area a walking neighborhood.

Council Jimenez expressed his confidence in the Zaballos family and was confident that City Manager Armas has the ability to develop the terms of the agreement.

Serean Kimmel, an Urban Planning student, urged the Council to consider what the best plan would be to benefit the people. She urged additional time for considering this further action.

Mayor Pro Tem Jimenez closed the public hearing at 10:46 p.m.

Council Member Quirk agreed with trying to initiate progress to clear the site for future development in this area. This will assist in improving meeting facilities in Hayward. Since the agreement documents may not come to Council soon the new mayor will be part of this discussion. He appreciated on behalf of the Council those who spoke at this hearing.

In response to Council Member Dowling's question, why the building couldn't be "red tagged," City Manager Armas responded that there are no current violations. The owner could make some cosmetic repairs and it could remain unoccupied. He discussed potential use of eminent domain power over the middle parcel. His goal is to see that building down and replacing it with an attractive unique condominium site as it was known for its spectacular views. Centennial Hall is



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very dated and the garage is not attractive. He urged consideration of replacing the eleven story site with another one. The public wants to see the ultimate product.

Council Member Halliday expressed her views on this proposal and noted that she served on the Planning Commission when the prior development was approved. She did not see Centennial Hall as a proper venue to host events. She was willing to fall on the side of hope for the future of this vital part of the City.

Council Member Henson discussed his views on the parking garage and spoke negatively on the design of that garage. He expressed the high costs of retrofitting for seismic safety, but felt that this would more than pay off. He was confident that creative ideas would be generated.

It was moved by Council Member Quirk, seconded by Council Member Henson, and carried by the following roll call vote to adopt this resolution:

Resolution 06-054, "Resolution Authorizing Staff to Prepare a Purchase and Sales Agreement to Convey the Former City Center Garage to Intercoastal Properties and Take Any and all Prerequisite Steps Necessary for Disposition of Public Property"

AYES: COUNCIL MEMBERS: Quirk, Halliday, Dowling, Henson  
MAYOR PRO TEM: Jimenez  
NOES: COUNCIL MEMBER: Ward  
ABSENT: MAYOR Cooper  
ABSTAINED: None

## **COUNCIL REPORTS**

There were no Council Reports.

## **ADJOURNMENT**

Mayor Pro Temp/ Vice Chair Jimenez adjourned the meeting at 11:04 p.m.

## **APPROVED:**

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Matt Jimenez, Mayor Pro Tem, City of Hayward  
Vice Chair, Redevelopment Agency

**DRAFT**

**ATTEST:**

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Angelina Reyes, City Clerk, City of Hayward  
Secretary, Redevelopment Agency