



**MINUTES OF THE SPECIAL JOINT MEETING OF  
THE CITY COUNCIL/REDEVELOPMENT AGENCY OF  
THE CITY OF HAYWARD**  
City Council Chambers  
777 B Street, Hayward, CA 94541  
Tuesday, July 18, 2006, 8:00 p.m.

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**MEETING**

The Meeting of the City Council was called to order by Mayor Cooper at 8:00 p.m., followed by the Pledge of Allegiance led by Council Member Quirk.

**ROLL CALL**

Present: COUNCIL MEMBERS Quirk, Halliday, Dowling, Henson, One Vacancy  
MAYOR Sweeney  
Absent: COUNCIL MEMBERS Ward

**PRESENTATION:** Business Recognition Award

The July 2006 Business Recognition Award was presented to Thermage, Inc., a medical device company. Thermage was founded in 1995 and moved to Hayward in 1999. With 150 employees plus an additional 40 in outside sales, annual sales range in the \$45 million plus. For the contributions Thermage has made by: being a leader in cutting edge technology; growing its operations in Hayward and providing job opportunities to local residents; and contributing to the well being of the City, the City of Hayward presented Thermage with the Business Recognition Award for August 2006. Mr. Doug Heigel, Vice President of Operations, accepted the award and thanked Council for this honor.

**PUBLIC COMMENTS**

John Morra spoke regarding the appointment process and read and submitted a statement for the record.

**CONSENT**

Items 1, 3, 4 were removed for discussion.

1. Approval of Minutes of the City Council Meeting of July 11, 2006  
Mayor Sweeney held over the minutes for correction.
2. Resignation of Lisa Ringer from Economic Development Committee

Staff report submitted by City Clerk Reyes, dated July 18, 2006, was filed.

It was moved by Council Member Henson, seconded by Council Member Quirk, and carried with Council Member Ward absent and with one vacancy, to adopt the following:

Resolution 06-092, "Resolution Accepting the Resignation of Lisa Ringer from the Economic Development Committee"

**DRAFT**

3. Authorization to Execute a Commercial Aviation Site Lease with Hayward Hangers, LLC

Staff report submitted by Airport Manager Shiner, dated July 18, 2006, was filed.

Council Member Halliday asked for clarification of the termination date of the site lease, and Council Member Quirk inquired about the size of the space for additional buildings. City Manager Armas responded that the date the lease terminates is contingent on performance by Hayward Hangers and construction of the specified improvements. If Hayward Hangers is unable to construct all of the improvements, the lease date will terminate June 30, 2013, otherwise it could be in 2048. City Manager Armas confirmed that there is ample room for the improvements.

It was moved by Council Member Henson, seconded by Council Member Dowling, and carried with Council Member Ward absent and with one vacancy, to adopt the following:

Resolution 06-094, "Resolution Authorizing the City Manager to Execute a Commercial Aviation Site Lease with Hayward Hangers, LLC"

4. Skywest T-Hangar Building Construction and Paving: Rejection of Bids and Authorization to Negotiate with EPIC Aviation to Develop T-Hangar Project

Staff report submitted by Deputy Director of Public Works Fakhrai, dated July 18, 2006, was filed.

In response to Council Member Henson's inquiry, City Manager Armas elaborated on the bidding process in this matter.

It was moved by Council Member Henson, seconded by Council Member Dowling, and carried with Council Member Ward absent and with one vacancy, to adopt the following:

Resolution 06-095, "Resolution Approving Addendum No. 1, Rejecting All Bids, and Authorizing the City Manager to Negotiate with Epic Aviation to Develop the Skywest T-Hangar Project"

5. Summary Vacation of a Portion of Barn Rock Drive

Staff report submitted by Deputy Director of Public Works Fakhrai, dated July 18, 2006, was filed.

It was moved by Council Member Henson, seconded by Council Member Quirk, and carried with Council Member Ward absent and with one vacancy, to adopt the following:

Resolution 06-093, "Resolution Relating to a Summary Vacation of a Portion of Barn Rock Drive"



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**HEARINGS**

6. Maintenance District No. 1 – Storm Drainage Pumping Station and Storm Drain Conduit - Pacheco Way, Stratford Road and Ruus Lane - Approve the Engineer's Report and Order the Levy of Assessments for FY 2006-07

Staff report submitted by Development Review Engineer Anastas, dated July 18, 2006, was filed.

Development Review Engineer Anastas made the staff report.

Council Member Halliday asked what the ramifications were if the results of the vote are not in favor of raising the assessment and what would be the liability to the City. Development Review Engineer Anastas reiterated that the increased assessment is necessary to offset operating deficits incurred in previous repairs and necessary to establish a required capital replacement fund. In the event of a catastrophic occurrence, such as an earthquake, there are no funds available to replace pumps. City Manager Armas stated that the liability to the City is not certain and it would be dependent on the replacement situation.

Mayor Sweeney opened the public hearing at 8:26 p.m.

In order to allow sufficient time to count the ballots, Mayor Sweeney moved on to the next agenda item leaving the hearing open on item 6.

7. Consolidated Landscaping and Lighting District No. 96-1, Benefit Zones 1 through 11 – Approve the Engineer's Report and Order the Setting of Collection Rates for FY 2006- 07, Form Benefit Zone 11, and Annex Property to Benefit Zone 3

Staff report submitted by Development Review Engineer Anastas, dated July 18, 2006, was filed.

Development Review Engineer Anastas made the report. He responded to questions from Council for additional clarification.

Mayor Sweeney opened and closed the public hearing at 8:32 p.m., with no one wishing to speak on the matter.

Deputy City Clerk Macias reported that a ballot regarding formation of Benefit Zone 11 was received and contained a yes vote. Another ballot regarding annexation of a property to Benefit Zone 3 was also received and contained a yes vote.

It was moved by Council Member Quirk, seconded by Council Member Henson, and carried, with Council Member Ward absent and one Council vacancy to adopt the following:

Resolution 06-096, "Resolution Approving the Engineer's Report, Forming Benefit Zone 11, Annexing Property to Benefit Zone 3 and Ordering Levy of Assessment for Fiscal Year 2006-07 for Zones 1-11 of the Consolidated Landscaping and Lighting Assessment District No. 96-1"

8. Maintenance District No. 2 – Eden Shores Buffer Zone and Pre-Treatment Pond - Approve the Engineer's Report and Order Levying of Assessments and the Setting of Collection Rates for FY 2006-07

Staff report submitted by Development Review Engineer Anastas, dated July 18, 2006, was filed.

Development Review Engineer Anastas made the report.

Council Member Henson inquired about the buffer zone, if it is operating as it was intended, and if there had been any problems with cats or other domestic animals in the area. Public Works Director Bauman reported that the equipment is working, and there had been no reports from the Department of Fish and Game regarding situations with domestic animals.

Mayor Sweeney opened and closed the public hearing at 8:37 p.m., with no one wishing to speak.

It was moved by Council Member Dowling, seconded by Council Member Halliday, and unanimously carried to adopt the following:

Resolution 06-097, "Resolution Approving the Engineer's Report, Confirming the Assessment Diagram and Assessment, and Ordering Levy and Collection of Assessment for the 2006-07 Fiscal Year, Maintenance District No. 2, Eden Shores Buffer Zone and Pre-Treatment Pond (MD No. 2)"

9. Approval of Loan of HOME Funds to Eden Housing, Inc., for Renovation of Huntwood Commons Apartments

Staff report submitted by Director of Community and Economic Development Ehrental, dated July 18, 2006, was filed.

Maret Bartlett made the report. She noted that Linda Mandolini from Eden Housing was in attendance to respond to any of Council's questions.

Ms. Mandolini clarified the terms of the loan and assured Council that the loan would be repaid well before the end of the term. She gave a progress report on the other projects that have been funded with City assistance and reported successfully in all cases. She added that Council had previously



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indicated major concern for individuals who would need to be relocated and that in all situations where there might have been a displacement, everyone has been accommodated, either through use of other temporary vacant units, extended stay hotels, or with other family members.

Council Members commended Eden Housing for their efforts in providing decent housing, maintenance of the properties, and accommodating tenants during improvements.

Mayor Sweeney opened and closed the public hearing at 8:54 p.m., with no one wishing to speak.

It was moved by Council Member Quirk, seconded by Council Member Halliday, and carried, with Council Member Ward absent, and one vacancy, to adopt the following:

Resolution 06-098, "Resolution Approving a Loan of in Home Funds for Eden Housing, Inc., to Undertake Renovations at Huntwood Commons Apartments and Authorizing the City Manager to Execute Necessary Documents"

10. Approval of a Construction Loan with Eden Housing, Inc.

Staff report submitted by Redevelopment Director Bartlett, dated July 18, 2006, was filed.

Redevelopment Director Bartlett made the report. In response to a question from Council Member Halliday regarding the location of the project and the creek area, City Manager Armas provided additional information and then showed an aerial of the property, indicating the creek culvert, which curves under property, under portions of concrete and continues on east to Grand and then C Streets.

Mayor/Chair Sweeney opened the public hearing at 9:03 p.m.

Linda Mandalini, Eden Housing, thanked Council for support of the project. She noted that Eden Housing will be borrowing as little as necessary and plans to repay the loan as soon as it is possible to do so.

Mayor/Chair Sweeney closed the public hearing at 9:05 p.m.

Council Member Quirk commended Eden Housing for keeping their properties repaired and for having rules for tenants.

It was moved by Council/RA Member Henson, seconded by Council/RA Member Quirk, and carried, with Council Member Ward absent and one vacancy, to adopt the following:

RA Resolution 06-018, "Resolution Authorizing Approval of a Construction Loan with Eden Housing, Inc., for C and Grand Senior Housing Offices"

RA Resolution 06-019, "Resolution Amending Resolution No. RA 06-15, the Budget Resolution for the Redevelopment Agency of the City of Hayward for Fiscal Year 2006-2007, Relating to an Appropriation of Funds for the C and Grand Senior Housing and Office Development"

Discussion continued on item 6, Maintenance District No. 1.

Deputy City Clerk Macias read the results of the ballot count. Regarding the first question on the ballot increasing the annual base amount from \$171.60 to \$205.92, the vote was 26.03% yes, and 73.97% no. Regarding the second question on the ballot authorizing the increase of the assessment equivalent to change in the Consumer Price Index, each subsequent year, the vote was 26.67% yes, and 83.33% no.

Development Review Engineer Anastas noted the results were a majority protest, and therefore no increase could be made to the assessments this year and the amount would remain the same, \$171.60.

In response to a question from Council Member Dowling if the costs of any future repairs and the current deficits would have to be absorbed by the City, City Manager Armas replied that there needs to be discussion with the County to determine the needs.

Development Review Engineer Anastas noted that the homeowner's association is not active and that two public information meetings were scheduled. No one showed up for the first meeting and only one individual showed up for the second.

Mayor Sweeney commented about the process for counting ballots at Council as was done tonight.

City Attorney O'Toole stated that the process is mandated by State law requiring that the ballots be counted in a public meeting and which also allows for the property owner to deliver their ballot at the public hearing.

Mayor Sweeney closed the public hearing at 9:10 p.m.

It was moved by Council Member Halliday, seconded by Council Member Dowling, and carried, with Council Member Ward absent, and one vacancy, to approve the Engineer's Report, set the assessment at the current rate, and adopt the following:



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Resolution 06-099, “Resolution Approving the Engineer’s Report, Confirming the Assessment Diagram and Assessment, and Ordering Levy and Collection of Assessment for the 2006-07 Fiscal Year, Maintenance District No. 1, Storm Drain Pumping Station and Storm Drain Conduit-Pacheco Way, Stratford Road, and Ruus Lane (MD No. 1)”

**COUNCIL REPORTS**

There were no Council Reports.

**ADJOURNMENT**

Mayor/Chair Sweeney adjourned the meeting at 9:11 p.m.

**APPROVED:**

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Michael Sweeney, Mayor, City of Hayward  
Chair, Redevelopment Agency

**ATTEST:**

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Connie Macias, Deputy City Clerk, City of Hayward  
Secretary, Redevelopment Agency