

CITY COUNCIL ECONOMIC DEVELOPMENT COMMITTEE MEETING
SEPTEMBER 12, 2011
Conference Room 2A
4:00 PM – 5:30 PM

CALL TO ORDER

ROLL CALL

PUBLIC COMMENTS: *(The Public Comment section provides an opportunity to address the City Council Committee on items not listed on the agenda. The Committee 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 Committee 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.)*

1. Approval of June 6, 2011 Meeting Notes
2. Review City of Hayward Water & Sewer Connection Charges and Commercial Water Rates (Oral Report)
3. Northern Silicon Valley Partnership Overview (Oral Report/PowerPoint)
4. Third Quarter Business Visitation (Oral Reports):
 - Business Visit to Pepsi-Cola Company, Mayor Sweeney and David Rizk, Development Services Director
 - Business Visit to Solta Medical, Inc., Kanti Patel and Matt McGrath, Maintenance Services Director
 - Business Visit to Big Joe California North, Terri Swartz and Sean Reinhart, Library & Neighborhood Services Director
5. Economic Development Activities for June, July & August

COMMITTEE MEMBER ANNOUNCEMENTS AND REFERRALS

ADJOURNMENT

NEXT REGULAR MEETING – 4 P.M. OCTOBER 3, 2011

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COUNCIL ECONOMIC DEVELOPMENT COMMITTEE

SPECIAL MEETING SUMMARY NOTES – JUNE 6, 2011

1. **CALL TO ORDER:** Chair Sweeney called the meeting to order at 4:06 pm.

ATTENDANCE:

Committee Member	Present 6/6/11	All Meetings Year to Date		Meetings Mandated By Resolution	
		Present	Absent	Present	Absent
Kanti Patel	✓	11	1	11	1
Chris Lam	✓	11	1	11	1
Waseem Khan	✓	11	1	11	1
Terri Swartz	✓	11	1	11	1
Mayor Sweeney (Chair)	✓	12	0	12	0
Council Member Halliday	✓	12	0	12	0
Council Member Zermeño	✓	12	0	12	0

OTHERS IN ATTENDANCE:

Council Member Salinas
 Michael Lawson, City Attorney
 Sean Brooks, Economic Development Manager
 Sally Porfido, Economic Development Coordinator
 Kim Huggett, President Hayward Chamber of Commerce
 Simon Wong, Tri-City Voice, Visitor
 Toni Rediske, Resident Visitor

2. **PUBLIC COMMENTS:** None.
3. **APPROVAL OF MAY 2, 2011 MEETING NOTES:** The May 2, 2011 Meeting Notes were approved.
4. **FINAL REVIEW OF ECONOMIC DEVELOPMENT STRATEGIC PLAN DRAFT:**

Sean Brooks, Economic Development Manager, presented an overview of the final draft of the Economic Development Strategic Plan and asked for committee comments.

Committee Member Comments:

Council Member Zermeño said that under Goal #3 – Showcase the Intellectual Capacity of the City through Promotion & Partnership with its Universities/Colleges, he would like to see a list of the other colleges in Hayward. Mayor Sweeney and Council Member Halliday stated that they are satisfied with Goal #3.

Council Member Halliday questioned Goal #1 Enhance Hayward’s Quality of Life and Promote a Positive Image of the City. She explained that people need neighborhood serving retail and would like a stronger statement about that in #1. Mayor Sweeney suggested adding the words “continue to work to attract sustainable neighborhood serving retail, such as grocery stores.”

Terri Swartz asked if the goals are measureable? It is difficult to know if they are realistic goals unless we have a benchmark for the current year that we can build upon for the future. Per Mayor Sweeney, the HIRE Center study provided good data and we might want to have a policy that speaks to benchmarking data such as the HIRE Center study and takes it further to match up with our Economic Development Strategic Plan. It would be good to update our study to see how we rank. Dr. Swartz requested a separate call or meeting with Sean Brooks to further review her Economic Development Strategic Plan comments and concerns.

Kanti Patel spoke of visiting a plant in Oklahoma and the incentives the city gives to assist in job creation. He asked if the City of Hayward offers any incentives. Mayor Sweeney explained that sometimes an incentive is extraordinary customer service. He requested staff bring the CEDC committee members more information on what we offer in terms of incentives at a future CEDC meeting.

Chris Lam expressed concern that Hayward’s crime rate is higher than the national goal. Mayor Sweeney asked Sean Brooks and Kelly Morariu, Assistant City Manager, to invite a Police Department representative to speak to the CEDC committee about how the City of Hayward matches up to other local communities.

Mayor Sweeney requested the committee members give Sean Brooks some latitude with making changes to the Economic Development Strategic Plan and move forward to present it to City Council. After the Economic Development Strategic Plan is approved by City Council then bring it back to the CEDC members.

5. SECOND QUARTER BUSINESS VISITATION REPORTS

Business Visit to Central Concrete Supply. Michael Lawson, City Attorney and Committee Member Chris Lam reported on the business visit to Central Concrete Supply. Mr. Lam reported after rescheduling this visit with the Plant Manager Lopez they met with him and had

a productive visit. The Hayward location is one of many in the Bay Area. They have 30 employees and produce 45 truckloads of concrete per day all winter. They are quite happy with Hayward and their only complaint is with homeless people. Per Mr. Lawson, there were some significant highlights – Central Concrete owns their land. Many of their employees live outside of Hayward. They are doing a large amount of work at the 880/92 project, Calpine Power Project in Hayward, and the new San Leandro Kaiser facility. Business is good for them. Concrete is highly regulated. They consider their business an art. They can compose different kinds of concrete based upon the need, i.e. quick set or slow set. You need a degree in chemical engineering in order to fully understand concrete. A couple of concerns were expressed about vandals breaking into their vending machines and that the left turn lane for their trucks is too narrow. They asked that we speak to public works about the turn lane to widen their stacking lanes. Staff will follow up with Public Works. Council Member Halliday requested staff get back to them about their issues.

6. ECONOMIC DEVELOPMENT ACTIVITIES FOR MAY – SEAN BROOKS

Sean Brooks gave an overview of May economic development activities:

Channel 11 NBC Bay Area broadcasted their morning “Today in the Bay” show live at Buffalo Bills Restaurant & Brew Pub on Tuesday, May 10 from 5:00am to 7:00am. NBC Bay Area will be conducting live segments on 20 cities in 20 days as they showcase the fine attributes of these communities. Hayward was well-represented by some positive images ranging from our murals, history of the McConaghy House, Hayward Fault Line, success of Buffalo Bills Micro-Brewery operations, and a preview of the Taste of Hayward.

The show began with the interview with Stacey Sorensen, Neighborhood Partnership Manager, discussing Hayward’s mural program which assists in graffiti abatement. Stacey also introduced and showcased the artist of the Theatre Alley Way Mural, Suzanne Gail. The mural displays over 50 historical facts and images of the City. Myron Freedman, Executive Director of the Hayward Area Historical Society was then interviewed at the McConaghy House and discussed its interesting attributes. Other noteworthy features in the 5:00am hour included the recognition of Chabot College alum, Tom Hanks and an interview with David Schwartz from the US Geological Survey (USGS) about the Hayward Fault.

The last hour of the show featured an interview with the Buffalo Bills Brew Master as he explained the fermenting process and all the different brands. Buffalo Bills is one of the most successful micro breweries, as its brands can be found in over 16 Costco’s, and it is distributed nationwide. It was also highlighted that Buffalo Bills will be the official beer sponsor of the Taste of Hayward on Wednesday, June 8 from 5:30pm to 8:30pm at the Hayward City Hall. NBC reporter, Laura Garcia-Cannon, interviewed Sean Brooks regarding the Taste of Hayward and a few of the chefs that will be at the event were also featured, such as:

Julie McKillop
Owner and Chef of Neumanali’s Restaurant

Food Genre: New American Cuisine
Featured Item: Graham Cracker Truffle

Mercy Halim-Tambunan
Chef at Elite Catering (SkyWest & Mission Hills Golf Courses)
Food Genre: California Cuisine and a Variety of Catering Options
Featured Item: Spanish omelet with Stuffed Crab

Christian Nam-Hee
Chef at Bijou Restaurant
Food Genre: French California Cuisine
Featured Item: Organic Heirloom Tomato Bruschetta with Prosciutto DeParma

All of the items looked delicious and everyone is looking forward to a first class event.

SMALL BUSINESS REVOLVING LOAN FUND ACTIVITIES:

Two start-up businesses were provided information about the Small Business Administration's (SBA) and the Lenders for Community Development loan programs. Additionally, information regarding the Hayward Chamber of Commerce's free business counseling program and handouts regarding other services for start-up businesses were distributed. The start-up businesses were for a beauty salon/spa and a chocolate manufacturer.

Sixteen businesses were provided information and assistance by staff.

Three Commercial Brokers were provided assistance with Hayward sites that they are representing.

OTHER ECONOMIC DEVELOPMENT ACTIVITIES:

EAST BAY ECONOMIC FORECAST – MAY 5, 2011

On Thursday, May 5, Economic Development staff attended the East Bay EDA's 2011 East Bay Economic Forecast at the Oakland Kaiser Center. The forecast was presented by Christopher Thornberg, Founding Principal of Beacon Economics, research and analytics firm that provides up-to-date data on the current economic conditions. The overall prognosis is that the economic downturn/recession is behind us, but there will be slow to moderate growth in the next few years. Mr. Thornberg touched a variety of topics and sectors which are outlined below:

- **SLUGGISH LABOR MARKETS**

Even with the hardships faced by the labor markets, Beacon Economics is forecasting that things will start to pick up and labor markets will begin to improve slowly in the coming quarters. However, the unemployment rate is not projected to drop below 10% until early

2012, and total nonfarm employment is not expected to rise above one million jobs until early 2013. It will still be a while before these two variables get back to their pre-recession levels in the East Bay.

- **EAST BAY GOING CLEAN-TECH**

The East Bay is certainly carving out a niche for itself in California's economy, particularly as it finds a way to specialize, becoming the clean-tech hub of California. The region saw a much larger share of its venture capital dollars go into firms operating in the industrial energy sector, with two particularly large solar firms enhancing the region's clean-tech image. The vast sums of investment show that the East Bay is on its way to developing a strong economy that can stand alone, without depending on its neighbors for jobs and economic growth.

- **PORT OF OAKLAND CAPTURES MARKET SHARE**

The Port of Oakland continues to benefit the broader East Bay region. As the global economy continues to heal and as the dollar remains depressed, activity at the port will continue to propel the East Bay economy. Look for rising shipments of both agricultural products and technology products and equipment. This should stimulate new job creation in the wholesale and transportation and warehousing sector, and will stimulate additional demand for the goods and services of local businesses over the coming years.

- **RESIDENTIAL REAL ESTATE—ARE WE THERE YET?!**

Given the current challenges faced by the housing market, Beacon Economics expects that the recovery in home prices and sales will remain slow. Although building permits have not yet shown much growth in the single-family markets, it is expected that there will continue to be an increased need for multi-family housing in the near future. They expect permit increases to continue in the multi-family market.

- **SLOW PROGRESS IN COMMERCIAL MARKETS**

Unlike building permits for the residential market, permits for nonresidential properties in the East Bay have increased by 10.3% since hitting a trough in August of 2010. Interestingly, 70% of total recent nonresidential construction has been in the nonresidential alterations portion of the market. This is still good news, as permit values have continued to increase for the last few months; however, because a larger proportion of this spending is on alterations than in the past, the outlook for new nonresidential structures is still uncertain.

- **EAST BAY CONSUMERS BOUNCE BACK**

The good news is that the East Bay's taxable sales have seen a definite turn toward growth, and although some of its cities are not quite there yet, the overall outlook this year in taxable sales is much better than it was last year. Looking forward, forecasts suggest taxable sales will continue their ascent, with strong growth in 2011 and 2012, reaching their respective pre-recession peaks at the beginning of 2014 in the East Bay. However, please be cautioned that internet sales, which are mostly non-taxable, will continue to rise as well and pose a risk for the forecasted increase in taxable sales.

- **EAST BAY POPULATION GROWTH OUTPACES THE BAY AREA**

According to recently released numbers by the U.S. Census Bureau for 2010, the East Bay has grown 7% since 2000. Growth in Contra Costa County (10.6%) was much stronger than in Alameda County (4.6%). Looking ahead, Beacon Economics currently forecasts that the East Bay will continue to grow, reaching 2.8 million residents in mid-2013. The population is expected to grow at a constant rate of between 1% and 1.5% per year throughout the life of the forecast, which ends in the fourth quarter of 2015.

- **EDUCATION MATTERS: SCHOOLING AND INCOME**

Overall, Beacon Economics is currently forecasting that incomes will keep improving as the economy recovers, increasing between 4.5% and 6% throughout the life of the forecast. However, maintaining a highly educated workforce might be a struggle moving forward due to proposed budget cuts. This is not good news for the East Bay, as it is home to the University of California, Berkeley and California State University East Bay, as well as various community colleges. The long awaited Grand Opening of the new Fresh and Easy at 31049 Mission Blvd.

Staff interviewed Anthera Pharmaceuticals, Inc., on Industrial Boulevard in Hayward for the June Business Recognition Award. They are a biopharmaceutical company focused on developing and commercializing products to treat serious diseases associated with inflammation, including cardiovascular and autoimmune diseases. They have three late stage clinical products.

7. COMMITTEE MEMBER ANNOUNCEMENTS:

Chair Mayor Sweeney announced that the July and August meetings will be cancelled. The next Council Economic Development Committee meeting will be September 12, 2011.

Chris Lam asked for a moratorium on apartment buildings because of the transient problems in the city. He also requested a business card to use as a City representative from the Council Economic Development Committee when he goes on business visits. Mayor Sweeney explained that the housing issue should be added as an agenda item to review at a later meeting. He requested staff add it as a future agenda item.

Council Member Halliday invited the committee members to attend the first Taste of Hayward event on June 8, 2011 from 5:30 to 8:30 p.m.

Hayward Chamber of Commerce President Kim Huggett announced that Dr. Terri Swartz will be Chairman of the Board of the Chamber of Commerce effective July 1, 2011.

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



NORTHERN SILICON VALLEY

P A R T N E R S H I P

Council Economic Development
Committee Presentation

September 12, 2011

HAYWARD
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NEWARK



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Participants

- Hayward
- Fremont
- Union City
- Newark
- Alameda County Workforce Investment Board
- East Bay Economic Development Alliance

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History

- City staff met and discussed how we could cooperate to promote our goal of economic vitality, innovation, and employment growth
- For the past two years we have hosted Quarterly Venture Capital Forums, Employee Resource Fairs and started joint marketing efforts

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Mission

- Capitalize on regional cooperation in order to favorably compete with Silicon Valley and major metros.
- Our mission is to attract and retain economic development by offering more benefits than any one city can provide alone.
- Our goals are economic vitality, innovation, and employment growth.

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Business / Groups

- Technology and sciences companies
- Non-tech industry / manufacturing
- Investors – venture capital
- Developers
- Unique resources with potential for catalysis

Target Markets

Geographic Areas

- Regional
 - Bay Area
 - East Bay
 - Silicon Valley
- National outreach
- Some international interest; not primary market.

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Objectives

- Attract investment to and within the region.
- Develop identity of the region as the Northern Silicon Valley with companies who may not know a city by its name and location.
- Overcome the perception gap caused by a void of information.
- Gain economic traction as a region.
- Bring together resources from education, economic development, and employment.
- Market the quality of the local workforce.

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Challenges

■ Awareness

- Struggle to stand out and build awareness of our mission.
- Impression is fuzzy or non-existent.

■ Perception

- The region is seen as a less relevant part of Alameda County /Silicon Valley.

■ Boundaries

- There is limited space/land in certain vicinities in which to grow.

■ Budget

- The partnership is not a funded entity on its own, so progress is made through the commitment of the members.

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Surrounding Areas



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■ San Jose

- Attracts businesses from other cities because of its size.
- A regional approach may be a better tactic to compete with San Jose for business location/relocation.

■ San Mateo / Peninsula

- Considers themselves to be Northern Silicon Valley.
- There is competition to claim the designation.

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Value Proposition

- Excellent location within the greater Bay Area.
- Proximity to transportation, transit and shipping.
- More affordable. Lease rates are lower than major metros.
- Regional technology cluster.
- Regional workforce development initiatives.
- Collaboration to attract and retain business in the region.
- Ability to cross-reference programs and benefits of the participating agencies.
- Regional labor market – skilled workers.
- Offer creative solutions to barriers to growth.
- Strong educational infrastructure.

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Key Messages

- Together, we offer much, much more.
- Wide variety of resources available in the region.
- Common mission: attract business to the area.
- Cooperative: consortium of cities working together to bring companies to the AREA.
- Collaboration between strategic partners.
- Hub of technology, innovation, and creativity.
- Ability to incorporate industry diversification across cities.

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Call-Out Features

- Located in northern *Silicon Valley*.
- A business culture that fosters innovation.
- The diverse group of cities and agencies participating in the program.
- Ability to leverage the base of existing businesses to attract new companies to the area.

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Differentiators

■ Local:

- Cities and schools are partnering together to develop the area and the workforce.
- Proactive business support.

■ Regional:

- Region is a center for higher learning, with collaborative opportunities with Cal State, Ohlone, Chabot...
- East Bay Economic Development Alliance.

■ County:

- Involvement of Alameda County agencies.
- Workforce investment board.

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Next Steps

- Continue to plan quality quarterly events to attract capital to our region.
- Launch outreach program to the business community.
- Formal launch of our website in May 2011
<http://www.nsvp.org/>

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Questions?

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DATE: June 30, 2011

TO: Sean Brooks, Economic Development Manager

FROM: Sally Porfido, Economic Development Coordinator

SUBJECT: **Economic Development Activities for June 2011**

BUSINESS DEVELOPMENT:

- 1) The City of Hayward in collaboration with the Hayward Public Library presented the 1st ever “Taste of Hayward” event on Wednesday, June 8, 2011 from 5:30pm to 8:30pm at the City Hall Rotunda. Attendees enjoyed the opportunity to savor an evening of exclusive culinary cuisine from some of the best restaurants and caterers in Hayward paired with elegant wines from over 20 local wineries.

Confirmed restaurateurs included: Bert’s Desserts, Bijou, Buffalo Bills (Beer only), Buon Appetito, Carmen’s BBQ, China Bistro/Chef’s Experience, Me Restaurant, Neumanali’s, Pepsi (water/soda only) Pho Phuong Nam Restaurant, Shark Shack, Simple Elegance Catering & Bistro 92, Skywest Restaurant, Snappy’s Café (Coffee/Espresso only), Swiss Delices, & Tacos Uruapan.

The list of wineries included: Wente, Lone Oak, Gallo, Lockwood, Epic, Hannah Nicole, Titan Wines, Eden Canyon, & Fenestra.

Overall, there were approximately 375 in attendance for a celebratory event which included a silent auction, raffle prizes, and entertainment by the jazz band, “Caravan of All-Stars”. Most importantly, 100% of the net proceeds from the Taste of Hayward will go to benefit Hayward’s Public Library After School Homework Support Center. The proceeds will have a direct impact and connection to our local youth who attend the Hayward Unified School District’s Public Schools. Economic Development staff will be presenting a check for the net proceeds to the Hayward Public Library at the July 26, 2011 City Council meeting.

- 2) On June 01, 2011, the City of Hayward was pleased to host the third annual Investor Roundtable series, sponsored by the Northern Silicon Valley Partnership (“NSVP”). This event gave entrepreneurs an opportunity to present their products and business ideas to make connections with angel investors for green technology, biotechnology, information technology, and sustainable products or services.

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Hayward, Fremont, Union City and Newark have collaborated to form the Northern Silicon Valley Partnership (NSVP), in efforts to allocate their resources and highlight the advantages businesses have by moving to our neighborhoods. The NSVP sponsors the Investor Roundtable event on a quarterly basis rotating hosting the event among the member cities.

Fran David welcomed the 70 attendees and spoke about some of the proactive measures the City of Hayward is taking to become more business friendly for start-up concepts. Claire Kinlaw of the Keiretsu Forum then introduced the Northern Silicon Valley Partnership, a regional economic development partnership. The attendees included the 3 members of the Angel Investor Panel, John Matthesen, Eric Johnson, and David Dembitz, all members of the East Bay Chamber of Keiretsu Forum. Keiretsu Forum is the world's largest angel investor network with 750 investor members in 18 chapters on 3 continents. They reviewed 6 pitches and provided feedback to the entrepreneurs regarding their presentations and ideas.

From the many applications received, the NSVP selected the following six applicants to make their presentations:

- Liten Engineering Corporation (Engineering), Iouri Balachov, Founder
- Treedom (Green Technology),Lorenzo Martelletti, Founder
- Building Clouds (Engineering), Bob Wallace, CEO
- EnFocus Engineering Corporation (Engineering), Jason Lu, CEO
- nLiten (Green Technology), Dr. Alan Chin, Ph.D.
- ECS Design (Green Construction), Richard Wong, Founder & CEO

Subsequent to the entrepreneur presentations, all attendees were able to meet the Investor Panel and network with other attendees. As a prospect city and a member of the NSVP, the City of Hayward hopes to attract businesses and business opportunities with these events. This event was a success in creating opportunities for future business developments in our community. The City of Hayward looks forward to hosting this event in the future to encourage local business development.

- 3) Hayward based company, Primus Power, has raised \$11 million in its latest round of funding. Startup Primus Power, a maker of utility-scale batteries recently moved into a new home at the Britannia Point Eden Business Park located at 3967 Trust Way. The company is leasing 22,000 square feet of office and research and development space. Primus is scheduled to be fully operational in the upcoming months and ideally would like to expand within two to three years, according to their Founder & CEO, Rick Winter.

According to the SF Business Times, "Primus power is trying to develop giant liquid batteries called flow batteries to store power for the electric grid." The company believes it can capitalize on this technology and produce electricity at low costs. The company in November 2009 received a \$14million grant from the Department of Energy to build a 25

megawatt battery test with the Modesto Irrigation District and has received an additional grant for their battery development research within the past year.

Hayward is an ideal home due to its location and the ability to grow in the City once Primus develops further. The City remains excited about this new business and the influx of companies focused on clean-tech and sustainable energy.

4) SMALL BUSINESS REVOLVING LOAN FUND ACTIVITIES:

Two start-up businesses were provided information about the Small Business Administration's (SBA) and the Lenders for Community Development loan programs. Additionally, information regarding the Hayward Chamber of Commerce's free business counseling program and handouts regarding other services for start-up businesses were distributed. The start-up businesses were for a photo book business and a car provider.

Nineteen businesses were provided information and assistance by staff:

- Buon Appetito
- Golden Peacock Banquets & Restaurant
- Suroor, Inc.
- Montero's Market
- Buffalo Bill's
- Le Paradis & La Patisserie
- Virtuoso Performance
- Bijou Restaurant
- East Bay Economic Development Alliance
- Small Business Administration
- Plastikon
- MuniServices
- Swiss Delices
- Solta Medical
- Pepsi Bottling Group
- Aramas Consulting
- Hayward Chamber of Commerce
- Western State Design
- Alameda County Workforce Investment Board

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

- Colliers
- Cassidy Turley, BT Commercial

OTHER ECONOMIC DEVELOPMENT ACTIVITIES:

- 5) Staff interviewed Plastikon Industries, Inc. for the July Business Recognition Award. Plastikon Industries, Inc. is one of the top suppliers of precision tools and plastic parts for medical, diagnostic, automotive, electronics, and industrial/consumer industries. They own six commercial buildings in Hayward, and have 400 employees.
- 6) This summer is shaping up to be action packed again at the Hayward City Hall Plaza area with over 7 concerts, and 4 movies running from June 24 through October 28. The Concert Series will commence Friday, June 24 with the “Other Guise” band at 5:30pm. They are a local rock group led by Kenny Meagher that performed several Rock and Roll hits from the 70’s, 80’s, and 90’s.
- 7) On June 23rd, 2011, the Hayward Chamber of Commerce was proud to host their annual membership business luncheon at La Quinta Inn & Suites. Kim Huggett, Chamber of Commerce President and CEO presented the outgoing board members, incoming board members and the 20th anniversary graduate class of Leadership Hayward. Kim Huggett and Ronald Peck from Schenone and Peck Law Offices welcomed the 70 attendees explaining how the Hayward Chamber of Commerce and the Leadership Hayward program encourage business owners and city residents to develop community leadership skills. Approximately 15-20 individuals enroll in Leadership Hayward each year, participating in eight sessions to broaden their perspective and community awareness.

Mayor Sweeney and Kim Huggett concluded the luncheon with the presentation of certificates to the graduating Class of 2010-2011. The City of Hayward is pleased to have community leaders that dedicate their time to becoming more knowledgeable about the greater Hayward area, its residents, and overall well-being. A special thanks to the graduate class of Leadership Hayward and the Hayward Chamber of Commerce for enhancing the development of our prosperous City.



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DATE: July 31, 2011
TO: Sean Brooks, Economic Development Manager
FROM: Sally Porfido, Economic Development Coordinator
SUBJECT: **Economic Development Activities for July 2011**

BUSINESS DEVELOPMENT:

- 1) On July 21, 2011, Mayor Sweeney and the City of Hayward were pleased to celebrate the Grand Opening of Columbus Foods' new slicing and packaging facility. This ribbon cutting ceremony took place at the new packaging location on 30977 San Antonio Road. Columbus CEO, Tim Fallon, introduced Mayor Sweeney and many of the City's executive team members to mark nearly a century of crafting Italian-style salami in the Bay Area. Columbus brings its old traditions into a new era of food safety and innovation, as the new facility encompasses several of the safest and most sterile methods used in packaging facilities in Europe.

Subsequent to the ribbon cutting ceremony, attendees went behind-the-scenes on a tour of the new state-of-the art facility. During the tour, attendees were able to examine the sanitary tactics and levels of sanitation required for each procedure and precise room monitoring conditions (i.e. room floors are color coded for the level of sanitation required). Food safety and sanitation is crucial for Columbus, as is time and efficiency. The turnaround time for a product that is assembled at the facility and then taken to a grocery store is generally 3 to 7 days. With Costco, Trader Joes and Safeway being the leading clients, Columbus produces 100,000 pounds of meat daily.

The company is a leader in the industry due to their high tech machinery and a superior food safety plan. Columbus boasts approximately 120 employees in Hayward and will be working on future plans to decrease and recycle waste. The millions invested in this company have gone a long way, and they anticipate continued market share growth. Columbus Foods has been successful in creating job opportunities and improving the quality of business development in our City. The City of Hayward looks forward to many prosperous years with Columbus Foods.

- 2) On Friday, July 15, the "Run for Cover" band, led by Michael Sanchez, featured their classic renditions to well over 150 attendees throughout the evening. Even though the climate was temperate, their sounds registered triple digits on the Fahrenheit scale. At the conclusion of the show, the crowd encouraged an encore and proclaimed, "Let Them Play, Let Them Play,"

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and the band performed one last song. Michael Sanchez and his band look forward to playing at the Plaza again.

The Concert Series continues next week with Sunny Gunn, (Country/Rock/Pop band), who will be making their Plaza debut at 5:30pm. The concert will be followed by the movie “Despicable Me” at 8:15pm. For a listing of all events, please see the attached schedule:

There is something for the whole family, and all the events are free with ample free parking across the street at the City Hall Garage at B & Watkins. There will also be several food vendors on hand at these events as well. You are encouraged to arrive early and stay late for what will be an entertainment filled evening. Please feel free to circulate to family, friends, and others.

- 3) Hayward based company, C3Nano, located at 26225 Eden Landing Road has closed a \$3.2 million Series-A financing round from a venture capital fund from GSR Ventures. C3Nano is an early stage venture startup company that has developed a new transparent electrode material for applications. The transparent electrode is sustainable and consists of a proprietary hybrid carbon nanotube (CNT) based electrode ink and film, for the use of touch screens, solar cells, smart windows and much more. This promising startup was founded in 2010, and has concurrently focused on green and clean energy, as it has won the 2010 MIT Clean Energy Prize, and the 2010 NASA Game Changer Technology Award. According to Cliff Morris, Chief Executive Officer of C3Nano, “C3Nano’s revolutionary inks and films are poised to meet the industry’s growing demand for a viable, low cost alternative to the predominantly used—but increasingly scarce—indium tin oxide (ITO)”. C3Nano’s productions will deliver a cost effective and robust remedy to the scarcity of ITO.

C3Nano’s \$3.2 million came from a venture capital fund from GSR Ventures, a company that invests primarily in early stage high-tech companies. GSR currently has \$700 million under management, with significant operations overseas and offices in Beijing and Silicon Valley. C3Nano is developing global partnerships overseas (primarily Asia), which enticed GSR to make their investment.

The City of Hayward is pleased to be the home of C3Nano’s headquarters and leaders, with aspirations for future growth in our City. The City remains excited about this new business and the influx of companies focused on clean-tech and sustainable energy.

- 4) On July 21, 2011, Economic Development Staff attended a Leadership Breakfast hosted by the Alameda County Food Bank. The City of Hayward provides critical funding to the Alameda County Food Bank through its CDBG resources. The Food Bank provides needed food products to over 49,000 Bay Area families weekly.

One of the highlights of the Leadership Breakfast was a segment featuring Christina Romer, Professor of Economics at the University of California, Berkeley and a former Chair of the Council of Economic Advisers in the Obama Administration. Romer highlighted that in the

short term she believed the debt ceiling would be raised and the US would be able to make good on its upcoming financial commitments. However, the real problem rests in finding a long-term solution that will be further exacerbated with an increasing amount of baby boomers retiring and the increasing cost of health care for all Americans. She identified three possible solutions that need to take place to address the fundamental crisis:

- Combinations of payroll tax cuts and job tax credits
- Absolutely have to cut spending
- Increases in tax revenue has to be a part of any plan

Professor Romer concluded by indicating that she enjoyed her time in Washington and the opportunity to advise the President on economic policy. She is hopeful that strategically America can solve its fundamental debt problems as opposed to kicking the can down the road which is what administrations in the past have done.

5) Staff attended the Semicon Intersolar Trade Show on July 13, 2011 to assist in staffing the East Bay Economic Development Alliance booth. This Tradeshow was held at Moscone Center July 12-14, 2011. Semicon Intersolar Trade Show is the venue for exhibitors focused on manufacturing equipment, materials, and services related to the semiconductor industry. This year they included a large solar section. Staff visited the following four Hayward businesses exhibiting at this event:

- Ultra Clean Technology (manufacturing semiconductors and related devices)
- EnFocus Engineering Corp (early stage, sunlight for commercial buildings)
- ProTech Materials, Inc. (thin film materials, sputtering solutions)
Sunowe Solar America (Zhejiang Sunflower Light; PV cells, modules)

6) **SMALL BUSINESS REVOLVING LOAN FUND ACTIVITIES:**

Four start-up businesses were provided information about the Small Business Administration's (SBA) and the Lenders for Community Development loan programs. Additionally, information regarding the Hayward Chamber of Commerce's free business counseling program and handouts regarding other services for start-up businesses were distributed. The start-up businesses were for a machine shop, an energy efficiency company, a tutoring service, and a mobile flooring contractor.

Sixteen businesses were provided information and assistance by staff:

- Golden Peacock Banquets & Restaurant
- Suroor, Inc.

- Buffalo Bill's
- California Wholesale Material Supply
- Guest Supply
- Hayward Toyota
- Central Concrete Supply
- Neopost
- Solta Medical
- Golden Tea Garden
- Primus Power
- Northern Silicon Valley Partnership
- East Bay Economic Development Alliance
- Small Business Development Center
- Hayward Chamber of Commerce
- Alameda County Workforce Investment Board

Two Commercial Brokers from Colliers were provided assistance with Hayward sites that they are representing.

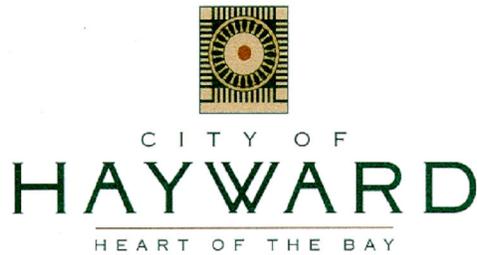
OTHER ECONOMIC DEVELOPMENT ACTIVITIES:

- 7) Economic Development staff coordinated the City of Hayward participation in the Chamber of Commerce Street Party held on Thursday, July 21, 2011 from 5:30 to 8:30 p.m. The City was represented by the Police Department, Fire Department, Animal Control, Library, Public Works, and Hayward Clean and Green Committee.

This event had a Wild West theme, with special participation from the Rowell Ranch Rodeo that provided a horse carriage ride, a children's pony ride, and a saddle vendor selling Western hats, belts, etc. A huge crowd-pleaser on Main Street between A and C Streets was the showcasing of over 120 classic cars and hot rods.

Fifty-nine vendors participated in this event, including a beer garden supplied by Buffalo Bill's, and food vendors featuring kettle corn, barbeque, teriyaki, funnel cakes, soft drinks, and sweets. Various forms of entertainment included face painting, balloon artist, performers, and several music groups were enjoyed by attendees. Our own Cinema Place Theater gave out popular Smurf bean bags to highlight the new, upcoming movie "The Smurfs."

Susan Ojeda-Cobos of the Hayward Chamber of Commerce said that attendance at the Street Parties is growing and they are reviewing expanding the activity options for the younger attendees.



DATE: August 31, 2011
TO: Sean Brooks, Economic Development Manager
FROM: Sally Porfido, Economic Development Coordinator
SUBJECT: **Economic Development Activities for August 2011**

BUSINESS DEVELOPMENT:

1) The City of Hayward formally rolled out a “Shop Hayward - Back to School” campaign the week of Monday, August 15 – Sunday, August 21. The first 100 shoppers who spent at least \$100 dollars at a Hayward retail or restaurant outlet and presented their receipts on Monday, August 22 or Tuesday, August 23 between the hours of 8:00am and 5:00pm at the Hayward City Hall Information Kiosk received the following:

- Back to School Shop Hayward Sports pack
- 2 free movie tickets to the Downtown Hayward Theatre
- \$10 Gift Card from Southland Mall
- \$5 gift card from Bijou Restaurant & Shark Shack
- Additional Gifts

This is a continuum of events that encourage Hayward residents to spend their money in the City of Hayward.

2) SMALL BUSINESS REVOLVING LOAN FUND ACTIVITIES:

One start-up businesses were provided information about the Small Business Administration’s (SBA) and the Lenders for Community Development loan programs. Additionally, information regarding the Hayward Chamber of Commerce’s free business counseling program and handouts regarding other services for start-up businesses were distributed. The start-up business was for a restaurant and bar.

Thirteen businesses were provided information and assistance by staff:

- Suroor, Inc.
- Applebee’s
- Berkeley Farms
- Northern Silicon Valley Partnership
- East Bay Economic Development Alliance

Office of the City Manager

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Tel: 510-583-4300 • Fax: 510-583-3601 • Website: www.hayward-ca.gov

- Small Business Development Center
- Hayward Chamber of Commerce
- Alameda County Workforce Investment Board
- Small Business Administration
- Virtuoso Performance
- Bijou Restaurant & Bar
- Hagan Chiropractic
- Uncle Boys

One Commercial Broker from Colliers was provided assistance with Hayward sites he is representing.

OTHER ECONOMIC DEVELOPMENT ACTIVITIES:

- 3) Economic Development staff coordinated the City of Hayward participation in the third Chamber of Commerce Street Party held on Thursday, August 18, 2011 from 5:30 to 8:30 p.m. The City was represented by the Police Department, Fire Department, Animal Control, Library, Public Works, and Hayward Clean and Green Committee.

This event had a “California Dreaming” theme, with participation from a popular pony ride and a large slide for children. A huge crowd-pleaser on Main Street between A and C Streets was the showcasing of over 125 classic cars and hot rods.

Sixty-five vendors participated in this event, including a beer garden supplied by Buffalo Bill’s, and food vendors featuring tacos, barbeque, kettle corn, teriyaki, funnel cakes, soft drinks, and sweets. Various forms of entertainment included face painting, balloon artist, strolling magician, performers, and several music groups, including the Latin Rock group Lava, were enjoyed by attendees.

Susan Ojeda-Cobos of the Hayward Chamber of Commerce said that there were approximately 5,000 attendees at the third Street Party and the Chamber continues to review expanding activity options for children.

- 4) General Growth Properties Inc. (GGP: News) announced on Tuesday, August 2 that its board approved a plan to spin-off a 30-mall portfolio, totaling 21.1 million square feet, to stockholders of GGP in the form of taxable special dividend. This special dividend is anticipated to be declared during the fourth quarter of 2011. Southland Mall in Hayward is one of the thirty malls will make up this new portfolio, which also includes other local malls such as Newpark in Newark, and West Valley in Tracy. According to the CEO of Rouse Properties, Michael McNaughty, the malls in this new portfolio will finally get the attention that they deserve.

Southland Mall represents the largest mall on a square footage basis within this group, totaling nearly 1.4 million square feet of leasable square footage. As General Manager, Veronica Curley noted, "Southland will now be one of thirty malls as opposed to being one of one-hundred and eighty." Prior to the transaction, Southland was vying for limited capital resources among the large portfolio of properties that GGP held. The spin off in theory will enable this new group to act quicker and meet the specific needs of these properties. The management team at Southland is optimistic and believes this will enable them to have access to needed capital and resources in order to do the right thing for the trade area. The spinoff creates a smaller company and can provide more focus on addressing the retail needs of the City of Hayward.

In the interim, Southland will continue to work to fill its existing vacancies, provide cosmetic upgrades, as well as backfill the former Marie Callender's building and find a potential grocer for the former Lucky's site. This transaction should not have any impact to their current inertia and short-term developments. The City looks forward to the potential upside that can result once the proper capital is deployed to revamp this center.

- 5) On Friday, August 19, 2011, summer music at the City Plaza, Hayward's official entertainment destination, continued with the August Music Festival featuring:
- Caravan of All-Stars (Blues) – 4:00pm
 - LAVA (Latin Rock) – 5:30pm
 - Lenny Williams (R&B Soul) – 7:15pm

The entertainers' names speak for themselves and each have an established following throughout Hayward and the Bay Area. There were various food vendors on site and a beer and wine garden available. The weather was perfect for the approximately 1,100 attendees enjoying this event.

- 6) On Friday, August 26, 2011 the music continued with the rock group "Jack da hat Luna" followed by a movie "Toy Story 3." This was a perfect evening for a smooth Rock band like Jack "da hat" Luna. Jack Luna and band associates set the mood for a relaxed evening with music entertainment and a car show full of old classics. Several patrons were singing along, dancing to the music or strolling around the car spectacle.

Following the 5:30pm concert series, families began to set up their low chairs and blankets for a movie extravaganza. The City of Hayward and the Hayward Area Recreation and Park District (HARD), jointly hosted another successful movie on the plaza at 8:15pm. The featured presentation for August was "Toy Story 3". Over 200 patrons of all ages were able to enjoy a night full of free family fun, with the convenience of delicious coffee, kettle corn and BBQ snacks steps away.