



CITY OF
HAYWARD
HEART OF THE BAY

**COUNCIL ECONOMIC
DEVELOPMENT COMMITTEE**

OCTOBER 3, 2011

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CITY COUNCIL ECONOMIC DEVELOPMENT COMMITTEE MEETING
Monday, October 3, 2011
Conference Room 2A
4:00 PM

CALL TO ORDER 4:00 p. m.

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 Minutes of September 12, 2011
[Draft Summary Notes](#)
2. Hayward Police Department Update (Oral Report Only)
3. Economic Development Activities for September 2011
[Staff Report](#)

COMMITTEE MEMBER ANNOUNCEMENTS AND REFERRALS

ADJOURNMENT

NEXT REGULAR MEETING – 4 P. M. MONDAY, NOVEMBER 7, 2011

****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, 4th Floor, Hayward, during normal business hours. An online version of this agenda and staff reports are available on the City's website.*

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CITY OF
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COUNCIL ECONOMIC DEVELOPMENT COMMITTEE

SPECIAL MEETING SUMMARY NOTES – SEPTEMBER 12, 2011

CALL TO ORDER: Chair Sweeney called the meeting to order at 4:05 pm.

ATTENDANCE:

Committee Member	Present 9/12/11	All Meetings Year to Date		Meetings Mandated By Resolution	
		Present	Absent	Present	Absent
Kanti Patel	✓	1	0	1	0
Chris Lam	✓	1	0	1	0
Waseem Khan	✓	1	0	1	0
Terri Swartz	✓	1	0	1	0
Mayor Sweeney (Chair)	✓	1	0	1	0
Council Member Halliday	✓	1	0	1	0
Council Member Zermeño	✓	1	0	1	0

OTHERS IN ATTENDANCE:

- Fran David, City Manager
- Kelly Morariu, Assistant City Manager
- Robert Bauman, Director of Public Works
- David Rizk, Director of Development Services
- Sean Reinhart, Library Director
- Sean Brooks, Economic Development Manager
- Alex Ameri, Deputy Director of Public Works
- Marilyn Mosher, Administrative Analyst III, Public Works
- Sally Porfido, Economic Development Coordinator
- Kim Huggett, President, Hayward Chamber of Commerce
- Mary Thomas, City of Hayward Management Fellow
- Andy Wilson, Visitor, Hayward Resident

PUBLIC COMMENTS:

Kim Huggett, President, Hayward Chamber of Commerce, informed the committee that the last Chamber Street Party, Art and Wine Festival, will be on Saturday, September 17, from noon to 5 p.m.

Andy Wilson, Hayward resident, recommended that efforts be placed on highlighting Hayward as a destination with emphasis on Hayward's Executive Airport and three golf courses. He also suggested tying the golf courses in with Hayward Area Recreation District and children's golf lessons. Mr. Wilson also recommended efforts be placed on locating a start-up business incubator in Hayward.

- 1. APPROVAL OF JUNE 6, 2011 MEETING NOTES:** The June 6, 2011 Meeting Notes were approved.
- 2. REVIEW CITY OF HAYWARD WATER & SEWER CONNECTION CHARGES AND COMMERCIAL WATER RATES (Alex Ameri, Deputy Director of Public Works):**

Mr. Robert Bauman, Director of Public Works, introduced Mr. Alex Ameri, Deputy Director of Public Works, who gave a PowerPoint presentation overview of Utilities Development Fees to the Council Economic Development Committee and requested their feedback at the conclusion to include possible strategies to lessen the impact of utility fees on developments.

Mr. Ameri's presentation focused on:

- The role of utilities in development;
- Utility development fees;
- Types of Utility Development Fees
- Calculation of Connection Fees
- Determination of Connection Fees
- Impact of Lowering Fees Arbitrarily
- Impact of Lowering Fees in Certain Areas
- Relationship Between Utility Development Fees and Development
- Examples of New Eating Places in Hayward in Past 5 Years
- Action Taken to Reduce Fee Impact
- Examples of Newly Adopted Sewer Connection Fees, effective October 1, 2011 (not 2012)
- Other Actions That Could Be Considered
- Comparison of Sewer Connection Fees in Hayward and Neighboring Cities

Following are the Committee member feedback on Mr. Ameri's presentation:

Council Member Halliday asked for clarification about restaurant fees and would a new restaurant taking over a previous restaurant's location have to pay the sewer connection fees again? Mr. Ameri responded that if the new restaurant had a discharge greater than the old restaurant, they would have to pay for the higher discharge.

Mr. Waseem Khan asked how does Public Works calculate the fees to increase the discharge pipe from a 2” pipe to a larger size? Mr. Ameri stated that the business gets a credit for the previous size pipe. He commented that Hayward’s fees are flexible.

Council Member Zermeño asked what does “arbitrarily reduced fees” mean? Mr. Ameri said it is if the decision to change the fee is a short-term change. Mr. Bauman explained that they try to assign the cost of expanding the system to the new development.

Mayor Sweeney reminded the Committee that it is important to keep in mind that the fees have to be paid and they have to be fair. To tell the average homeowner that the fees have to go up because of a new development, raises fundamental fairness issues about charging the fees to the user that caused the increased usage.

Mr. Chris Lam asked why he had to put in another manhole at his place of business in Hayward? Mr. Ameri explained that it could be a Federal requirement for the additional manhole and that staff would be available to look into the issue.

Mr. Lam asked why many food manufacturers have such high charges and how does staff determine what to charge the food industry. Mr. Ameri explained they sample the waste water to determine which industry is closest to the waste water and that they would be happy to take another look and work with that industry.

Fran David, City Manager, explained that we cannot arbitrarily shift expenses from one customer over to another customer. Also, we do not have the Redevelopment tool to pay for the connection charges anymore. Losing Redevelopment is a huge loss because it is a flexible fund used to assist businesses with these types of charges.

Further Committee discussion involved how to market Hayward more effectively. Mayor Sweeney said the take-away message is we need to work on our marketing and do a better job on an on-going basis of marketing ourselves. He also asked the Committee to let our legislators know not to take money away from Redevelopment.

3. NORTHERN SILICON VALLEY PARTNERSHIP OVERVIEW (Sean Brooks, Economic Development Manager):

Mr. Brooks gave a PowerPoint presentation about the City of Hayward’s participation in the Northern Silicon Valley Partnership (NSVP). Participants in this group are the Cities of Hayward, Fremont, Union City, and Newark as well as the Alameda County Workforce Investment Board and the East Bay Economic Development Alliance.

This group was organized two years ago in order to cooperate to promote our goal of economic vitality, innovation, and employment growth. During that time we have hosted quarterly Venture Capital Forums, Employee Resource Forums, and started joint marketing efforts.

Our mission is to attract and retain economic development by offering more benefits than any one city can provide alone. In May 2011, the NSVP launched a website <http://www.nsvp.org> highlighting each city's strengths and updating events as scheduled.

4. THIRD QUARTER BUSINESS VISITATION REPORTS

Committee members and staff reported on the third quarter business visits as follows:

- David Rizk, Development Services Director, and Mayor Michael Sweeney visited Pepsi-Cola Company. Mr. Rizk reported on the visit results.
- CEDC Committee member Kanti Patel and Matt McGrath, Director of Maintenance Services visited Solta Medical. Mr. Patel reported on the visit results.
- CEDC Committee member Terri Swartz and Sean Reinhart, Library and Neighborhood Services Director, visited Big Joe California North. Mr. Reinhart reported that they have had a telephone visit with the company President and would follow up with a site visit prior to the next CEDC meeting. The business had some issues with signage which David Rizk will follow up on.

5. ECONOMIC DEVELOPMENT ACTIVITIES FOR JUNE, JULY & AUGUST (Sean Brooks, Economic Development Manager):

Sean Brooks gave an overview of the economic development activities for June, July and August with highlights as follows:

On June 1, 2011, the City of Hayward hosted the third annual Investor Roundtable Series, sponsored by the Northern Silicon Valley Partnership. 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.

On June 8, 2011, the City of Hayward, in collaboration with the Hayward Public Library, presented the first Taste of Hayward event. There were approximately 375 in attendance with the net proceeds going to benefit Hayward's Public Library After School Homework Support Center.

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 & 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.

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.

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.

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.

The City of Hayward formally rolled out a "Shop Hayward - Back to School" campaign the week of Monday, August 15 – Sunday, August 21, 2011. 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 a sports pack that included movie tickets and gifts from local businesses.

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 that 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.

SMALL BUSINESS REVOLVING LOAN FUND ACTIVITIES:

Seven 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.

Forty-eight businesses were provided information and assistance by staff.

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

OTHER ECONOMIC DEVELOPMENT ACTIVITIES:

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 commenced Friday, June 24 with the “Other Guise” band at 5:30 pm. They are a local rock group led by Kenny Meagher, that performed several Rock and Roll hits from the 70s, 80s, and 90s.

Economic Development staff coordinated the City of Hayward participation in the Chamber of Commerce Street Parties held on Thursday, June 16, July 21, and 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 Keep Hayward Clean and Green Committee.

Mayor Sweeney requested that future Economic Development monthly activities reports reflect the nature of the contact made to businesses listed.

6. COMMITTEE MEMBER ANNOUNCEMENTS:

Hayward Chamber of Commerce President Kim Huggett announced an upcoming Small Business Workshop at Chabot College on Wednesday, September 14, 2011 from 1 p.m. to 5 p.m.

Sean Brooks announced that 5 Guys Burgers will be opening a new facility at A St. and Hesperian Blvd. in early November 2011.

Committee Member Chris Lam would like to see a Hayward Unified School District Update on what the school district is looking for in a new Superintendent at an upcoming CEDC meeting, possibly in November 2011.

Council Member Halliday requested an update on the City Center Building and the old Mervyns Headquarters building on Foothill Boulevard. Mayor Sweeney requested this be added to the CEDC agenda for 2012.

7. ADJOURNMENT: Meeting was adjourned at 5:45 p.m.



DATE: October 3, 2011

TO: Council Economic Development Committee

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

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

BUSINESS DEVELOPMENT:

- 1) On September 7, 2011, the Northern Silicon Valley Partnership (“NSVP”) sponsored a Business Social event from 4 p.m. to 6 p.m., and invited business leaders from the member cities of Hayward, Fremont, Newark, and Union City for a networking and entertainment event. This event was held at the Union City Civic Center Park, with dinner provided by Texas Roadhouse BBQ, as well as wine, beer, soft drinks, music, and guest speakers. Over 150 businesses, elected officials, and public agencies attended the event.

The NSVP was formed to leverage the combined economic power of the four Southern Alameda County cities and two county agencies. The NSVP supports a business culture that fosters innovation across the diverse group of cities and agencies participating in the program, working with our base of existing businesses to attract new ventures to the region.

The program consisted of:

Welcoming remarks by Tony Acosta, Deputy City Manager of Union City

NSVP City Introductions by respective cities:

- Sean Brooks, Economic Development Manager, City of Hayward
- Christina Briggs, Economic Development Manager, City of Fremont
- Terrance Grindall, Economic Development Director, City of Newark

NSVP Partnering Organizations

- Marybeth McCarthy, Business Services Representative, Alameda County Workforce Investment Board
- Robert Sakai, Technology Director, Alameda County East Bay Economic Development Alliance

Closing remarks by Larry Cheeves, City Manager, City of Union City

- 2) The long awaited Grand Opening of the new Fresh and Easy at 19671 Hesperian Blvd. located within the Target anchored center will occur on Wednesday, September 28 at 9:45 a.m. The ceremony will begin with a Welcome from the Store Manager and then followed by comments from a City Official. During the ceremony, Fresh & Easy will present a \$1,000 check to a local charity of their choice and then open the doors for the new store at 10:00 a.m.

The City is excited to welcome its second Fresh & Easy to the community. Prospective shoppers will enjoy the inviting atmosphere, friendly staff, and grand opening specials. Fresh & Easy makes all their own brand products with no artificial colors, flavors, high-fructose corn syrup and no added Transfats. The grocer offers a wide variety of fresh and affordable entrees ranging from \$2.50 mini-meals to full course dinners for \$7.00. Consistent with their business model, this Fresh & Easy store has hired many employees from Hayward and surrounding communities. The City looks forward to providing the community with the grocery needs that the residents have been consistently expressing, which will aid the City in its overall sustainability and green efforts.

- 3) Small Business Revolving Loan Fun 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 food truck vendor and a Senior Services Provider.

Four businesses were provided information and assistance by staff:

- AdMail, Inc. – Small Business Loan Request
- Virtuoso Performance – Business Recognition Award Sept. 20, 2011
- Parker's Crazy Cookies – Small Business Loan Request
- Uncle Boys – Site assistance and Small Business Loan Request

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

OTHER ECONOMIC DEVELOPMENT ACTIVITIES:

- 4) On Wednesday, September 14, the Hayward Chamber in Commerce, in alliance with the Fremont and Newark Chambers of Commerce, hosted a small business tax seminar featuring John Chiang, the California State Controller. The Asian Business Alliance, in partnership with the Asian Pacific Islander American Public Affairs Association (APAPA), was instrumental in bringing this event to Hayward. The seminar took place at Chabot College in the Event Center beginning at 1:00 p.m. Various topics of the forum included: Taking Advantage of CA Resources and Opportunities; Making Sure Your Business Thrives During

Difficult Times; Growing Your International Trade Business; as well as a host of other topics.

- 5) Economic Development staff coordinated the City of Hayward participation in the fourth Chamber of Commerce Street Party held on Saturday, September 17, 2011 from 12 p.m. to 5 p.m. The City was represented by the Police Department, Fire Department, Animal Control, and Public Works.

This event had an “Art & Wine Festival” 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 classic cars and hot rods.

Seventy-four 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, performers, and several music groups, all enjoyed by attendees.

The Hayward Chamber of Commerce reported that there were approximately 6,000 attendees at the fourth and final 2011 Street Party.

- 6) The concert and movie series will conclude on Friday, September 30 with the Herd of Cats (Jazz) featured at 5:30 p.m. and the movie *Tangled* at 8:15 p.m. The community continues to embrace the movies and is excited about all the free events that the City sponsors in partnership with HARD.
- 7) On September 15, 2011, the NSVP sponsored a Career Strategy Forum at the Crowne Plaza Hotel in Union City from 8:30 a.m. to 12 p.m. The Northern Silicon Valley Partnership consists of the cities of Hayward, Fremont, Newark, Union City, and the Alameda County Workforce Investment Board. This free event was geared to assist job seekers in cultivating new skills as they relate to the career development process. This was the third annual NSVP Career Strategy Forum.

Attendance exceeded 200 as prospective job seekers took advantage of the following workshops, which included:

- Job Seeking for the Mature Worker
- Revitalize Your Job Search: Start Fresh
- Linked In
- Starting A Small Business

There were 20 resume reviewers on hand to assist candidates as they navigated through the job search process in these challenging economic times.

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

1. Alameda County Small Business Development Center (SBDC)
2. Alameda County Workforce Investment Board (WIB)

3. California State University East Bay
4. Chabot College
5. East Bay Economic Development Alliance
6. Eden Area One-Stop Career Center
7. Employment Development Department
8. Massage Envy Chair Massages
9. Northern Silicon Valley Partnership
10. Ohlone College
11. SCORE
12. Small Business Administration
13. Tri Cities One-Stop Career Centers
14. University of Phoenix
15. Wells Fargo Bank

The goal was to provide various perspectives on how to locate opportunities within this current marketplace.