



CITY OF  
**HAYWARD**  
HEART OF THE BAY

**COUNCIL ECONOMIC  
DEVELOPMENT COMMITTEE**

**DECEMBER 5, 2011**

---

## Table of Contents

Agenda . . . . .	2
Meeting Summary Notes - November 7, 2011	
Draft CEDC Minutes . . . . .	3
Economic Development Activities for November 2011	
Staff Report . . . . .	7



---

**CITY COUNCIL ECONOMIC DEVELOPMENT COMMITTEE MEETING**  
**Monday, December 5, 2011**  
**Conference Room 2A**  
**4:00 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 Minutes of November 7, 2011

**[Draft CEDC Minutes](#)**

2. Hayward Unified School District Update (**Oral Report**)
3. Economic Development Activities for November 2011

**[Staff Report](#)**

**COMMITTEE MEMBER ANNOUNCEMENTS AND REFERRALS**

**ADJOURNMENT**

**NEXT REGULAR MEETING – 4 P.M. MONDAY, JANUARY 9, 2012**

---

*Materials related to an item on the agenda submitted to the Council after distribution of the agenda packet are available for public inspection in the City Clerk's Office, City Hall, 777 B Street, 4<sup>th</sup> Floor, Hayward, during normal business hours. An online version of this agenda and staff reports are available on the City's website.*

---

*Assistance will be provided to those requiring accommodations for disabilities in compliance with the Americans Disabilities Act of 1990. Interested persons must request the accommodation at least 48 hours in advance of the meeting by contacting the Assistant City Manager at (510) 583-4300 or TDD (510) 247-3340.*

---



CITY OF  
**HAYWARD**  
HEART OF THE BAY

**COUNCIL ECONOMIC DEVELOPMENT COMMITTEE**

**MEETING SUMMARY NOTES – NOVEMBER 7, 2011**

**CALL TO ORDER:** Chair Sweeney called the meeting to order at 4:10 pm.

**ATTENDANCE:**

Committee Member	Present 11/7/11	All Meetings Year to Date		Meetings Mandated By Resolution	
		Present	Absent	Present	Absent
Kanti Patel	✓	3	0	3	0
Chris Lam	✓	3	0	3	0
Waseem Khan	✓	3	0	3	0
Terri Swartz	✓	3	0	3	0
Mayor Sweeney (Chair)	✓	3	0	3	0
Council Member Halliday	✓	3	0	3	0
Council Member Zermeño	✓	2	1	2	1

**OTHERS IN ATTENDANCE:**

Fran David, City Manager  
 David Rizk, Director of Development Services  
 Robert Bauman, Director of Public Works  
 Sean Brooks, Economic Development Manager  
 Sara Buizer, Senior Planner  
 Andy Wilson, Hayward Resident

**PUBLIC COMMENTS:**

Mr. Wilson cited examples of third party advertising he has seen for other East Bay cities. He asked the committee to look into third party advertising as a way of obtaining positive public notice for Hayward.

- 1. APPROVAL OF OCTOBER 3, 2011 MEETING NOTES:** The October 3, 2011 meeting notes were approved.

## 2. DOWNTOWN PLAN:

Sean Brooks introduced Sara Buizer, Senior Planner, Development Services and David Rizk, Director of Development Services for an overview of the Downtown Plan currently in the process of being updated. Mr. Rizk asked the committee for feedback on the future development and design of Downtown Hayward. Ms. Buizer explained that the City of Hayward is working with fourth year undergraduate students from the City and Regional Planning Department at Cal Poly, San Luis Obispo to prepare an update to the Downtown Plan. The focus of the plan area will be the downtown core bounded by A, D, Second and Grand Streets. The project includes opportunities for community involvement with planned workshops in early November 2011 and early February 2012. The project is expected to be completed in March 2012.

The existing plan documents include 6 documents with the Downtown Hayward Redevelopment Plan adopted in 1975 and revised in 2001, and the Downtown Hayward Design Plan adopted in 1987 and revised in 1992. The other documents were adopted in the early 1990's. The community, including all agencies, businesses, and other stakeholders will have an opportunity to create the direction and vision for updating the Downtown Hayward Plan.

The students will pursue a grant opportunity through the Strategic Growth Council. AC Transit and BART will participate in the grant application process. If the grant request is not successful, then resources for this project are more limited. At this time Development Services staff requested Committee feedback.

Committee discussion ensued with Council Member Halliday asking how much time the students are spending on this project? Ms. Buizer responded that they work exclusively on this project during class time, 3 days a week.

Chris Lam asked if the Hayward demographics support the development of this Downtown Plan. Ms. Buizer explained that this analysis is long overdue because of the length of time since the Plan was last updated.

Waseem Khan stated the need to increase the day time traffic in the downtown vs. night time traffic. He suggested a performing arts building that combines art, culture, entertainment, and food as we need more things for families and young people to do in Hayward.

Mayor Sweeney spoke about the obstacles of safety. In particular the downtown has a number of vagrants and mentally challenged individuals that congregate on public streets, benches, and parks. He proposed having the feeding programs removed out of the downtown entirely so as not to encourage vagrants to congregate in the downtown area. Mayor Sweeney asked Fran David, City Manager, to put it on the Council Agenda to move the feeding programs off of City owned properties such as the library and park, and off of City streets. The Mayor suggested that the feeding program providers need to use their own property for this type of use.

Council Member Zermeño suggested talking to local, long-time business owners such as Cobbler's and Cycle Path, to see what they suggest as to how a business can be successful in the downtown. He would like to see the downtown encourage unique businesses and be attractive for the community to visit. Chris Lam also would like to see the image of Hayward improve and use this opportunity for Downtown revitalization to create a unique, family friendly environment.

Waseem Khan suggested attracting small users to the downtown such as accountants, lawyers, medical professionals, etc. He also suggested foot patrol officers in the downtown so people feel safer.

Ms. Buizer thanked the members for their suggestions and asked that they add any further opinions and comments about the Downtown Plan through the City's website and Blog.

### **3. FOURTH QUARTER BUSINESS VISITATION REPORTS:**

Robert Bauman, Director of Public Works, and Council Member Halliday reported on their business visit to Metric Equipment Sales on October 26, 2011.

### **4. ECONOMIC DEVELOPMENT ACTIVITIES FOR OCTOBER – SEAN BROOKS**

Sean Brooks gave an overview of the economic development activities for October with highlights as follows:

The City of Hayward in partnership with the Hayward Chamber of Commerce and the Hayward Public Library put on the first annual "Restaurant Walk" event on Thursday, October 20 from 5pm – 9pm. This event showcased the City's fine restaurants within the Downtown corridor. Participants enjoyed dining at 11 of Hayward's Fun Restaurants for the price of \$20.00. The following restaurants participated:

- Shark Shack (871 B Street) – Enchiladas with rice and beans
- Me Restaurant & Lounge (926 B Street) – Crab & Salmon Deviled Eggs
- Bijou Restaurant (1036 B Street) - Jalapeno Croquettes
- Something Sweet (1049 B Street) – One mini cupcake
- Buffalo Bills (1082 B Street) – One pint of world famous Buffalo Bills Beer
- Crepes de Art (22254 Foothill Blvd.) – One Dessert Crepe
- Sunflower Café 2 (1213 A Street) – Spring Rolls
- Snappy's Café (978 A Street) – One cup of coffee or tea
- Swiss Delices (978 A Street) – One seasonal dessert
- Buon Appetito (917 A Street) – Bruschetta di Pomodoro or Eggplant Involtini Appetizer
- Taqueria Los Pericos (792 B Street) – Bean and cheese burrito

This first annual event was a sell-out. The net proceeds benefited the Hayward Public

Library's After School Homework Support Center and the Leadership Hayward program.

**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 metal works business and a restaurant.

**Twenty-three** businesses were provided information and assistance by staff.

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

**OTHER ECONOMIC DEVELOPMENT ACTIVITIES:**

Staff attended the Silicon Valley Leadership Group's Local Government Days to participate in a forum about Silicon Valley issues that relate to transportation, housing, education, safety, and health. The group recognizes the nexus between Silicon Valley and Southern Alameda County cities such as Fremont, Newark, Union City, and Hayward. This was the first time Hayward was invited to participate in the discussion.

Each City had a few minutes to talk about their top 2 or 3 priorities with Hayward emphasizing Council's 3 priorities - Safe, Clean, & Green. The Bay Area region overall is rich in talent and attractive for business development, but can sometimes be a difficult place to grow your business based on the regulatory bodies and agencies. This group recognized the need for better schools, improved infrastructure, and collaborative partnerships as ways to strengthen our economy. These topics and other related items will be further developed at the next Silicon Valley Leadership Group meeting.

**5. COMMITTEE MEMBER ANNOUNCEMENTS:**

Council Member Zermeño invited committee members to attend the November 18, Spanish Food & Wine night at Skywest Golf Course Restaurant.

The Hayward Unified School District (HUSD) Superintendent has been invited to give an update at the December 5, 2011 CEDC meeting. The HUSD School Board will also be invited to attend this meeting.

**6. ADJOURNMENT:** Meeting was adjourned at 5:30 p.m.



**DATE:** December 5, 2011  
**TO:** Sean Brooks, Economic Development Manager  
**FROM:** Sally Porfido, Economic Development Coordinator  
**SUBJECT:** **Economic Development Activities for November 2011**

**BUSINESS DEVELOPMENT:**

- 1) On October 12, 2011, Economic Development staff met with the Southland Mall Manager, Veronica Curley. Mrs. Curley noted that mall activity is still good, with year over year sales being up slightly. The growth is largely attributable to the department stores (Macy's, JC Penney's, Kohl's, Sears), as well as the normal mall stalwarts - Forever 21, Victoria's Secret, Bath & Body Works, and Hometown Buffet.

General Growth, owner of Southland Mall, has agreed in principle to a spin-off of Southland to Rouse Properties. Southland would become the largest mall within the Rouse Properties portfolio, which will be comprised of 30 malls. The deal is scheduled to be finalized in late fall. The new CEO of Rouse Properties has visited Southland and recognizes the need for immediate cash infusion and thus has assembled a new leasing team with renewed focus. Best Buy Mobile, an offshoot of Best Buy, recently opened up and actual sales are exceeding expectations by 50%, which are largely attributable to the I-Phone, tablets, and I-Pads.

The Mall is very thankful to the City for allowing utilization of its energy efficient American Recovery & Reinvestment Act ("ARRA") funds. The Mall utilized \$30,000 and in combination with another \$32,000 in rebates, they have been able to reduce their energy bills by 25% and provide more efficient lighting. These measures should help in providing for a more inviting atmosphere.

- 2) **SMALL BUSINESS REVOLVING LOAN FUND ACTIVITIES:**

**One** start-up business was 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 landscape contractor.

**Eleven** businesses were provided information and assistance by staff:

- AdMail, Inc. – Small Business Loan Request
- Espresso Yogurt – Used Equipment Purchases

**Office of the City Manager**

777 B Street • Hayward • CA • 94541-5007  
Tel: 510-583-4300 • Fax: 510-583-3601 • Website: [www.hayward-ca.gov](http://www.hayward-ca.gov)

- California Acupuncture – Used Equipment review.
- Serpico Landscaping – Business Recognition Award for December.
- Bio Novo – Assisted with permitting process.
- Dream Courts – Provided technical assistance.
- Hantel Technologies – Small Business Loan Request assistance.
- Merrill Lynch – Business Directory Questions.
- Shark Shack – Provided technical assistance.
- East Bay Economic Development Alliance – Discussion and analysis of City Member benefits.
- Northern Silicon Valley Partnership – Finalizing upcoming events.

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

### **OTHER ECONOMIC DEVELOPMENT ACTIVITIES:**

- 3) Staff attended the Third Quarter East Bay Economic Update facilitated by the East Bay Economic Development Alliance (“East Bay EDA”) on November 9, 2011 at the Kaiser Center in Oakland. The featured speakers included Christopher Thornberg, Beacon Economics; Brian Pretti, Sr. Vice President, Mechanics Bank; and Karen Engel, Executive Director of East Bay Economic Development Alliance. A summary of the economic update highlights are as follows:
  - Clean-Tech is still strong in the East Bay, despite Solyndra. The future outlook for the clean-tech industry remains positive in the U.S. overall and the picture is even brighter in the East Bay. Over the past decade the East Bay has done an impressive job of growing firms in the clean-tech industry. For the past three years, East Bay companies have received over \$1 billion annually in total venture funding. The East Bay is highly specialized in several key industries related to clean-tech and high-tech. The East Bay remains attractive for solar and clean tech. While solar does face difficulties with increasing competition from abroad and there’s pressure to keep prices down, the industry is expected to be able to meet these challenges. All indications are that the East Bay is exceeding expectations in this arena.
  - Labor markets are inching forward. Beacon Economics forecasts that job growth in the East Bay will continue through the end of this year and accelerate into 2012 and beyond. By mid-2012 the unemployment rate is expected to fall into the single digits but will remain above 8% until mid-2015. It will be slow going at first, but the pace of growth will increase as the economy improves.
  - Ports and trade hold strong. The majority of the East Bay’s job growth has been driven by the strengths of the region itself. For example, the Port of Oakland is a major asset to the region and with the dollar at its weakest level in decades; the Port has seen increased activity. Strong commodity prices have helped boost agricultural exports through the Port of Oakland by double digit percentages for two years running.

- The East Bay's proximity to wineries and farms along the Central Coast and Central Valley helps the region take advantage of consumer's appetite for agricultural products. High tech products, optic and electrical machinery are also posting solid gains, highlighting the diversity of the state's economy overall.
- Barring a disaster in Europe associated with sovereign debt issues in Greece and the spread of the financial crisis to other countries, the dollar is expected to remain weak, making U.S. goods and services increasingly attractive to overseas customers. This bodes well for the East Bay as these sectors will continue to lead the recovery in the region.
- Taxable sales in the East Bay were up by more than 13% in the third quarter relative to last year thanks in large part to healthier balance sheets on the part of households in the region. The recent downturn forced significant deleveraging in terms of both mortgage and consumer debt. Additionally, savings rates have rebounded.
- While consumers feel more comfortable spending again, retailers have yet to add many jobs. Today retailers are generating more in taxable sales per retail worker in the East Bay. They have learned how to do more with less during the downturn. Beacon Economics forecasts that consumer spending will continue to improve in the region and Retail Trade will see job growth begin to accelerate as we enter 2012. Increased employment and income growth will fuel this trend as the economy heals.
- The housing picture remains tough but is improving. Beacon Economics is forecasting that the housing market in the East Bay will gradually begin to improve in the remainder of 2011 and into 2012. Prices that align with incomes help prevent prices from falling much further. Later in 2012, and into 2013, the East Bay will start to see modest increases in the growth of home prices.

The overall prognosis is that the worst has passed and the East Bay can begin to grow in a sustainable way, however, not as quickly as the region would like it to, but there should be a steady uptick.

- 4) Danger Film Company filmed an AOL Commercial at the former Mervyn's building on Foothill Boulevard. The film crew comprised of over 45 individuals ran various sets throughout the day. The former Mervyn's building is ideal for an office scene since it still has the furniture, fixtures, & equipment inside. The location scout manager, Katherine Bruens, knew this would be the ideal site once she saw it. The end product of the commercial will be featured on the internet and cable stations beginning in January 2012.

Also, on hand at the filming were the Daily Review, Hayward Times, and Tri-City Voice reporters. These are exciting times in Hayward as the City is receiving unprecedented requests for these types of activities. Anytime you can have a commercial or an ad filmed in your City, it increases exposure and places you on the map for future productions.

Hayward is becoming a popular Bay Area destination for filming, which is aiding in our efforts of attracting even more of these productions. The City looks forward to increasing its filming presence and becoming a permanent destination for these types of activities.

- 5) On October 28, 2011, the Hayward Chamber of Commerce sponsored the 3<sup>rd</sup> annual Mariachi Mexicanismo Festival at the City Hall Plaza beginning at 5:30pm. Hundreds of attendees enjoyed the sounds of multiple Mariachi bands, as well as the food vendors and vendors selling specialty items.
- 6) On November 11, 2011 Councilmember Barbara Halliday and staff attended the Silicon Valley Leadership Group's ("SVLG") Annual Lunch regarding regional issues that relate to transportation, housing, education, safety, and health. The group recognizes the nexus between Silicon Valley and Southern Alameda County cities such as Fremont, Newark, Union City, and Hayward. The Annual Lunch provides an opportunity for the group to reflect on recent successes and to provide a preview of upcoming initiatives.

The SVLG recognizes the limited resources that the respective cities and the state has, but continued to emphasize the ongoing need to leverage those resources and strategically partner as never before. The organization is big on philanthropy as its member are active in "1,000 Hearts for 1,000 Minds" Tutoring Initiative, where companies and their employees have weekly commitments to assist youth. The luncheon concluded with a segment on Jobs, the Economy, & Global Competitiveness, highlighting that the technology and communication industry is booming with opportunities, but the region has to do a better job at educating the workforce to meet this demand. These topics and other related items will be further developed at the next Silicon Valley Leadership Group meeting.