



CITY OF
HAYWARD
HEART OF THE BAY

**COUNCIL ECONOMIC
DEVELOPMENT COMMITTEE**

JANUARY 9, 2012

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CITY COUNCIL ECONOMIC DEVELOPMENT COMMITTEE MEETING
Monday, January 09, 2012
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 December 5, 2011

[Draft Minutes](#)

2. Southland Mall Update (Oral Report)
3. Economic Development Activities for December 2011

[Staff Report](#)

COMMITTEE MEMBER ANNOUNCEMENTS AND REFERRALS

ADJOURNMENT

NEXT REGULAR MEETING – 4 P.M. MONDAY, FEBRUARY 6, 2012

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COUNCIL ECONOMIC DEVELOPMENT COMMITTEE

MEETING SUMMARY NOTES – DECEMBER 5, 2011

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

ATTENDANCE:

Committee Member	Present 12/5/11	All Meetings Year to Date		Meetings Mandated By Resolution	
		Present	Absent	Present	Absent
Kanti Patel	✓	3	1	3	1
Chris Lam	✓	4	0	4	0
Waseem Khan	✓	3	1	3	1
Terri Swartz	✓	4	0	4	0
Mayor Sweeney (Chair)	✓	4	0	4	0
Council Member Halliday	✓	4	0	4	0
Council Member Zermeño	✓	3	1	3	1

OTHERS IN ATTENDANCE:

- Fran David, City Manager
- Kelly Morariu, Assistant City Manager
- David Rizk, Director of Development Services
- Sean Brooks, Economic Development Manager
- Kim Huggett, President Hayward Chamber of Commerce
- Donald Evans, Superintendent, Hayward Unified School District
- Stan Dobbs, Assistant Superintendent, Hayward Unified School District
- Lisa Brunner, Vice President, Hayward Unified School District Board
- Andy Wilson, Hayward Resident
- Adriana Sanchez Pilbt, Hayward Resident
- Will McGee, Hayward Resident

PUBLIC COMMENTS:

Mr. Wilson informed the committee that Chabot College has the capacity to produce short films.

1. APPROVAL OF NOVEMBER 7, 2011 MEETING NOTES: The November 7, 2011 meeting notes were approved.

2. HAYWARD UNIFIED SCHOOL DISTRICT UPDATE:

Sean Brooks introduced Dr. Donald Evans, the new Superintendent of the Hayward Unified School District (HUSD). Dr. Evans was assistant superintendent of secondary schools in Compton and worked previously with Oakland Unified where he oversaw elementary schools. Dr. Evans started his new position on November 7, 2011.

Dr. Evans stated that this is an exciting opportunity for him and there is a lot of work to do. He will focus on the following three areas:

- Transparency
- Accountability
- Professional Development

He wants to review what is working and what's not and then make changes as they move forward. His objective in attending the CEDC meeting today is to meet the committee members and hear their concerns so HUSD can be responsive to the CEDC and the community.

Mayor Sweeney opened the discussion by asking Committee members if there were any questions for Dr. Evans. Mayor Sweeney began with asking Dr. Evans how he plans to improve Hayward's academic standing. Dr. Evans stated that he is looking at being accountable and fine tuning what the district does for kids.

Council Member Halliday asked if he has formed an opinion about why the Hayward Unified School District is not performing. Dr. Evans explained that they are trying to do too many things and need to pinpoint standard performance.

Council Member Halliday spoke about Hayward's homework assistance program through the library. She asked what he thinks about volunteer programs in the schools. Dr. Evans likes the idea and would like to see more partnerships with Hayward Area Recreation Dept. and the library.

Committee Member Chris Lam said he thought the HUSD is setting their goals too low. He expressed his concern about the below par school system. Dr. Evans explained that he is looking at an academy approach and that he is going to be visiting every school. Chris Lam stated that there are many Hayward businesses that would be open to tutoring students. Assistant Superintendent Stan Dobbs explained that they would like to build collaborative partnerships with businesses, the library, and the community in order to better assist students.

Mayor Sweeney would like to have the conversation about what is not going well because, at

the end of the day, HUSD is near the bottom on their API scores.

Dr. Evans stressed working with universities and colleges on establishing partnerships. He admitted that HUSD needs some help and would appreciate suggestions from community leaders.

Committee Member Terri Swartz expressed her belief that the number one economic impediment to the Hayward community is the poor performance of the students at HUSD. She asked Dr. Evans what his 100 day plan is.

Dr. Evans plans to meet with key community leaders as well as have a business roundtable so he has a better idea of available resources and how he can better perform. He will seek answers to the things he does not know and wants multiple pathways for kids to be successful.

Council Member Zermeño explained that this is a great time and opportunity for Dr. Evans to connect with the new leadership that is coming to CSUEB and Chabot College to assist students in achieving educational success.

Committee members invited Dr. Evans to return for the February or March Council Economic Development Committee meeting to report on the School Board's revised goals as well as review the plans he has developed to improve the HUSD. Dr. Evans thanked the Committee members for their input and looks forward to continuing communication.

3. ECONOMIC DEVELOPMENT ACTIVITIES FOR NOVEMBER – SEAN BROOKS

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

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.

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.

Twelve businesses were provided information and assistance by staff.

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

OTHER ECONOMIC DEVELOPMENT ACTIVITIES:

The third annual Shop Hayward campaign will begin the weekend of December 17, with participants bringing in their receipts totaling \$150 or more of Hayward purchases in order to receive their Shop Hayward gift bag.

In November, the first Business Cooperation Program event was launched whereby Hayward businesses making large equipment purchases were encouraged to complete the proper paperwork provided by MuniServices in order for the use tax revenue to come to the City of Hayward from those purchases.

The steering committee of the Hayward Food Manufacturing Council also met to discuss ways to network and grow this industry within our community.

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.

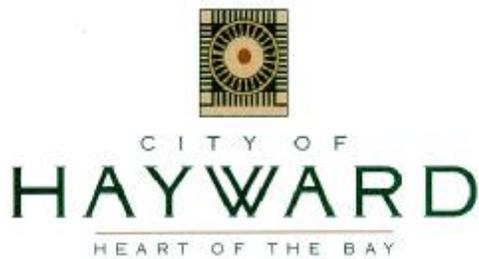
4. COMMITTEE MEMBER ANNOUNCEMENTS:

Council Member Zermeño informed the committee members about "Ella," a new Hayward magazine written in Spanish.

Mayor Sweeney summarized committee member requests as follows:

- Bring the HUSD Superintendent back after he has finalized his plans for the school district.
- Assure City attendance at East Bay Economic Development Alliance job creation meetings.
- Standardizing some of the processes and requirements within our Planning Department.

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



DATE: January 9, 2012
TO: Sean Brooks, Economic Development Manager
FROM: Sally Porfido, Economic Development Coordinator
SUBJECT: **Economic Development Activities for December 2011**

BUSINESS DEVELOPMENT:

- 1) The City of Hayward formally rolled out a “Shop Hayward” campaign just in time for last minute shopping needs. On Saturday, December 17 and Sunday, December 18, the first 150 shoppers who spent at least \$150 dollars at a Hayward retail or restaurant outlet presented their receipts on Monday, December 19 and Tuesday, December 20 between the hours of 8:00am and 5:00pm at the Hayward City Hall Information Kiosk and received the following:
 - *Shop Hayward* re-useable bag
 - 2 free movie tickets to the Downtown Hayward Theatre
 - \$10 American Express Gift Card from Southland Mall
 - \$5 gift card from Bijou Restaurant, Shark Shack, & Kraski’s Nutrition, & Me Restaurant & Lounge
 - Buy 1-Get-1 Free Coupon from Los Pericos Grill
 - Additional Gifts

- 2) The eco-friendly bags displayed SHOP HAYWARD and serve as a sign to the community that their retail purchases in the City of Hayward are important in helping to support local businesses and fund City services. This is just a continuum of events that encourage Hayward residents to spend their money in the City of Hayward. All gift bags were redeemed by 5 p.m. on Tuesday, December 20.

On Thursday, December 8th the City of Hayward in partnership with Muni Services (City’s sales tax consultant), congregated several local businesses to provide information on the City’s Business Cooperation Program, which focuses on capturing a greater portion of the use tax that is associated with large equipment purchases made by businesses. Use tax is typically allocated through a state and county pool system, authorized by the California State Board of Equalization. Muni Services educated our businesses on how use tax applies to large items, equipment, storage, use or consumption of tangible personal property. By re-allocating the use tax to the place or community, such as Hayward, where the equipment is put into service, the impact can result in increased revenue for our city.

Office of the City Manager

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City Manager Fran David began the presentation with expressing appreciation for the attendance and support of the business community and partners which included several representatives from Toyota, Calpine, Bio-Novo, industrial brokers, and many others. Over 20 local businesses had the opportunity to network and learn about how their equipment purchases for their business can help fund local City Services and ensure that the associated use tax remains within our local business community. The City looks forward to partnering with Muni Services and our local businesses to increase our use tax revenues.

- 3) As a follow up to Restaurant Walk, the City of Hayward is pleased to present “Third Thursdays.” Stroll Downtown Hayward and enjoy great food with great deals! The City of Hayward, in partnership with local restaurants, featured the first “Third Thursdays” event on Thursday, December 15th from 5pm – 8pm, which showcased our fun restaurants within the Downtown corridor. Patrons were able to enjoy selected items at each of the 6 Hayward Restaurants below for 50% OFF. The participating restaurants for December were:

- Shark Shack (871 B Street)
- Me Restaurant & Lounge (926 B Street)
- Bijou Restaurant (1036 B Street)
- Snappy’s Café (978 A Street)
- China Bistro/Chef’s Experience (22436 Foothill Blvd)
- Neumanali’s (742 B St)

No pre-purchase is necessary. Items were offered at participating restaurants at a valued price by just asking for the “Third Thursday” selections. The next Third Thursday extravaganza will take place Thursday, January 19, 2012 so mark your calendar to ensure that you do not miss out.

- 4) Economic Development staff worked at the East Bay Economic Development Alliance booth on December 7, 2011 for the Biomed Device Tradeshow at the San Jose Convention Center. This is a Northern California event for the converging medical, pharmaceutical, and biologics industries. Of the 408 exhibitors, eight Hayward companies participated. Economic Development staff paid a welcome visit to each of the following Hayward companies and invited them to attend the City’s Business Cooperation Program event on December 8, 2011:

- Bay Seal Company
- Controlled Contamination Services LLC
- Hantel Technologies, Inc.
- Melrose Nameplate & Label Co.
- Nutek Corp.
- PDCI Medical/Pacific Die Cut Industries
- Plastikon Industries
- TouchMark

5) 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.

Fifteen businesses were provided information and assistance by staff:

- Western State Design- Invited to Business Cooperation Event.
- Espresso Yogurt – Used Equipment Purchases.
- Intarcia – Business Award for December and invited to Business Cooperation Event.
- Marelich Mechanical, Inc. – Invited to Business Cooperation Event.
- Hayward Toyota – Invited to Business Cooperation Event.
- Heat & Control, Inc. - Invited to Business Cooperation Event.
- Plastikon, Inc. - Invited to Business Cooperation Event.
- Primus Power - Invited to Business Cooperation Event.
- Ultra Clean Technology - Invited to Business Cooperation Event.
- Pacific Cheese – Invited to Business Cooperation Event.
- Morgan Advanced Ceramics - Invited to Business Cooperation Event.
- Nutek Corporation – BioMedevice Tradeshow Event in S.J.
- Controlled Contamination Services - BioMedevice Tradeshow Event in S.J.
- Bay Seal Company, Inc. - BioMedevice Tradeshow Event in S.J.
- Hantel Technologies, Inc. - BioMedevice Tradeshow Event in S.J.

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

OTHER ECONOMIC DEVELOPMENT ACTIVITIES:

- 6) Fresh off a busy period where AOL and Storage Wars conducted filming activities in the City, staff continued to press forward in marketing Hayward as a place open for business for filming. On Friday, December 2, Furlined Productions filmed a Honda Pilot commercial in two locations within the City's domain. The film crew, comprised of over 55 individuals, ran various sets throughout the evening and early morning.

The first scene was conducted at the newly remodeled Giant Burgers on Mission Blvd and featured the new 2012 Honda Pilot driving into a classic burger establishment, which highlights the vehicle's versatility. The second scene filmed the vehicle going across the Hayward/San Mateo Bridge showcasing the smooth ride over a picturesque setting. The diverse settings of Hayward make it an ideal location for filming activities that call for multiple scenes and interest. The end product of the commercial will be featured on the local and national television stations beginning in January 2012.

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.

- 7) On December 8, 2011, the Northern Silicon Valley Partnership (“NSVP”) Investor Roundtable Series sponsored a free Entrepreneur Pitch event, providing entrepreneurial companies the opportunity to pitch their ideas. The Northern Silicon Valley Partnership consists of the cities of Hayward, Fremont, Newark, and Union City. This event was held at the City of Fremont, and was geared towards medical devices, platform technologies, and diagnostic tools. The NSVP sponsors the Investor Roundtable Series event on a quarterly basis.

The Venture Capital Investor Panel was composed of four angel investors from the Keiretsu Forum. The Keiretsu Forum is an organization representing a worldwide network of capital resources and deal flow. Forum members invest in high-quality, diverse and emerging companies. They reviewed several pitches and provided feedback to each entrepreneur regarding their product and presentation format.

The four presenters were:

1. Aleeva Medical, Inc., Dr. Jeff Young, C.E.O. – A disc shunt that alleviates back pain.
2. Edeixa, Lonnie Wilson, Executive Vice President – New method to increase early cancer diagnosis.
3. CPV (Concentrator Photo Voltaic), Dr. Arkadiy Farberov, C.E.O., Diagnostic Device.
4. Acculine, Inc., George Khait, Owner/Developer, a Uniservice Bed that delivers essential and quality services to the bedridden and will lower the cost of care giving.

At the end of the program, the 30 attendees took advantage of meeting with members of the Investor Panel and group networking opportunities.