



CITY OF
HAYWARD
HEART OF THE BAY

**COUNCIL ECONOMIC
DEVELOPMENT COMMITTEE**

FEBRUARY 11, 2013

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CITY COUNCIL ECONOMIC DEVELOPMENT COMMITTEE MEETING
Monday, February 11, 2013
Conference Room 4A
4:00 PM – 7:00 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 January 28,2013

[Council Economic Development Committee Meeting Summary Notes January 28 2013](#)

2. Approval of Minutes of February 4, 2013

[Council Economic Development Committee Meeting Summary Notes February 4 2013](#)

3. Review of the Economic Development Strategic Plan Final Draft (**Staff Report**)

[Staff Report](#)
[Attachment I](#)

4. Land Uses for Catalyst Sites in the Economic Development Strategic Plan Located within the Mission Boulevard Corridor Specific Plan Area (**Staff Report**)

[Staff Report](#)
[Attachment I](#)
[Attachment II](#)
[Attachment III](#)
[Attachment IV](#)
[Attachment V](#)
[Attachment VI](#)

5. Economic Development Activities for January 2013 (Oral Report)

[Economic Development Activities for January 2013](#)

COMMITTEE MEMBER ANNOUNCEMENTS AND REFERRALS

ADJOURNMENT

NEXT REGULAR MEETING – 4:00 P.M. MONDAY, MARCH 4, 2013

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.

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.

HAYWARD CITY COUNCIL, 777 B STREET, HAYWARD, CA 94541
[HTTP://WWW.HAYWARD-CA.GOV](http://www.hayward-ca.gov)





CITY OF
HAYWARD
HEART OF THE BAY

COUNCIL ECONOMIC DEVELOPMENT COMMITTEE

MEETING SUMMARY NOTES – January 28, 2013

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

ATTENDANCE:

Committee Member	Present 1/28/13	All Meetings Year to Date		Meetings Mandated By Resolution	
		Present	Absent	Present	Absent
Kanti Patel	No*	5	1 excused	5	1 excused
Chris Lam	✓	3	3	3	3
Waseem Khan	No*	5	1 excused	5	1 excused
Al Parso	✓	5	1	5	1
Mayor Sweeney (Chair)	✓	6	0	6	0
Council Member Jones	✓	6	0	6	0
Council Member Salinas	✓	6	0	6	0

*Kanti Patel, excused absence, out of the country.

*Waseem Khan, excused absence due to medical emergency.

OTHERS IN ATTENDANCE:

- Fran David, City Manager
- Kelly McAdoo, Assistant City Manager
- Fran Robustelli, Human Resources Director
- David Rizk, Development Services Director
- Tracy Vesely, Director of Finance
- Erik Pearson, Senior Planner
- Mary Thomas, Management Fellow
- Doug Svensson, Applied Development Economics
- Dennis Erokan, The Placemaking Groyp
- Jesus Armas, Armas Consulting Group
- Bob Berndt, Hayward Resident

PUBLIC COMMENTS:

Mr. Jesus Armas, Armas Consulting Group, explained that the State is moving towards a different method of measuring student scores and recommended the City have a conversation with someone at the State level so that the metric used to measure average test scores is in line with what the State is proposing.

Mr. Armas also encouraged a dialogue between the City and the School District to engage all concerned with moving towards improving student test scores and facilitation of the education-to-job bridge.

Mr. Armas asked that the City reinstate the Small Business Revolving Loan Fund Program. In the past these loans provided a valuable source of funding for the Hayward small business community.

1. APPROVAL OF DECEMBER 17, 2012 MEETING NOTES: The December 17, 2012 Minutes were approved.

2. UPDATE AND DISCUSSION OF ECONOMIC DEVELOPMENT PERFORMANCE MEASURES:

Ms. Robustelli, Human Resources Director, presented an overview of the purpose of today's Economic Development Strategic Plan (EDSP) Update to the Council Economic Development Committee (CEDC) members and summarized the Economic Development Performance Measures.

At the December 17, 2012 CEDC meeting Ms. Robustelli noted that the EDSP Team will work with two consultants, one from Applied Development Economics, who is currently working with the General Plan update team, and also a branding and marketing specialist from The Placemaking Group. Representatives from these two groups will give presentations at today's meeting.

Ms. Robustelli introduced Mr. Dennis Erokan, President of The Placemaking Group, who gave a presentation on Branding and Marketing the City of Hayward. The branding and marketing goals were identified as follows:

1. Identify and develop a brand that showcases Hayward's strengths.
2. Develop and execute a comprehensive marketing program.
3. Strengthen and expand events and opportunities for community members, businesses, and visitors to engage with Hayward businesses.
4. Identify and develop a brand that showcases Hayward's strengths.
5. Develop and execute a comprehensive marketing program.
6. Strengthen and expand events and opportunities for community members, businesses, and visitors to engage with Hayward businesses. i.e. an example was given of the positive results of the Napa Cajun Festival.

Ms. Robustelli presented an update and discussion of Economic Development Performance Measures. She reviewed tables with recommended updates to each performance measure and requested the CEDC review and finalize the proposed updates to the draft performance measures for the five-year EDSP.

Committee Member Comments:

CM Jones expressed concern with the number of measurements and the ability of staff to collect all the data required to measure them. He believes the Branding and Marketing Goal BM1, citizen satisfaction measure of 85% of the citizens have a positive image of Hayward should be higher. While this is good information, there's a lot involved in measuring it.

Mayor Sweeney asked the Economic Development Strategic Plan Team (EDSPT) to review the measurements, shorten the list, and prioritize them in order to determine which measurements will provide the most beneficial information.

Al Parso stated that the addition of social media is a good measurement tool that is not overly time-consuming. This is an excellent way to obtain up-to-date information about what Hayward residents are thinking. Mr. Parso would also be interested in statistics that show what residents are shopping for outside of Hayward.

Next, Ms. Robustelli introduced Doug Svensson, President of Applied Development Economics (ADE). ADE provides a broad range of integrated economic consulting services. Mr. Svensson's presentation highlighted the following:

- An overview of City of Hayward taxable sales trends FY 2003 to 2012.
- Per Capita and total sales tax receipts, Hayward and Alameda County (Oct. 2011 to Sept. 2012).
- Summary of potential new store attraction/expansion supportable by existing retail leakage (2nd quarter, 2012).
- Hayward subarea taxable sales trend, FY 2005 to 2012.
- Unemployment rates for Hayward and Alameda County.
- Employment trends for selected industrial and office sectors in Hayward.
- City strengths, weaknesses, opportunities, threats (SWOT) characteristics affecting potential target industries.
- Updates to performance measures –
 - Foundational measures
 - Themes for both Industrial Sector and Service Retail Industry
 - Themes for the Service/Retail Industry

ADE used the data to develop a list of businesses with expansion potential that the City should target as they represent a good fit for the Hayward community.

Ms. Robustelli reviewed the updates to the performance measures. Mayor Sweeney asked for clarification of a living wage vs. a good paying job.

CM Jones stated that under Foundation Goals, he would like to see a measurement of private investment in Hayward. It would be important to determine how people want to invest in their Hayward business. CM Jones also would like to see the year-to-year retention of the top 25 industrial/retail employers be increased from 90 to 100%.

Mayor Sweeney stated that the priority should be to retain the top 25 businesses. He requested the team work to prioritize measurements on the retail and industrial sectors as well as to set boundaries in terms of incentives.

Mayor Sweeney also referred to SR6 and IS6 and asked the team for a better way to measure the increases in the API scores.

Mayor Sweeney would also like to see a way to measure business shrinkage levels. From information gained through business visits, shrinkage continues to be a problem.

3. REVIEW AND DISCUSSION OF A STAFFING AND FUNDING MODEL FOR THE ECONOMIC DEVELOPMENT STRATEGIC PLAN:

Kelly McAdoo, Assistant City Manager, reviewed the EDSP Team's updated timeline and finalized staffing model and funding sources. The Team believes that the proposed staffing model is appropriate and reasonable in order to achieve the goals of the EDSP and continues to support the original staffing model presented.

Ms. McAdoo explained that the only amount of new money for this staffing proposal is \$350,000 that would come from projected new General Fund revenue from previous Redevelopment Agency revenue. Ms. McAdoo introduced Tracy Vesely, Director of Finance, who further explained that the \$350,000 represents property tax funds coming back to the City and is not part of the current budget projections. The City of Hayward did not count on this money.

The revenue projection assumptions were developed from a review of the optimal use of four of the twelve vacant Catalyst sites. Total projected additional revenue from these four Catalyst sites would be \$530,000 annually.

Mayor Sweeney summarized committee comments, expressing the caveat that the proposed funding be within the confines of the City's budget. The CEDC members gave the EDSP team approval to move forward to the next stage.

4. BUSINESS VISITATION REPORTS:

CM Salinas reported on the January 22, 2013 visit with Alex Ameri, Director of Public Works, Utilities & Environmental Services, to Alphabet Energy located at 26225 Eden Landing Road. They met with Matthew Scullin, Founder and CEO and Randy McDaniel, Facility/Equipment Manager. This company is commercializing a breakthrough, inexpensive waste heat recovery technology.

Sally Porfido, Economic Development Coordinator, reported for Kim Huggett, President, Hayward Chamber of Commerce, on the January 14, 2013 business visit to MS International located at 22300 Hathaway Avenue. Mr. Huggett met with Sunil Etha, Senior Branch Manager, and Charles Bowden, Outside Sales Manager. MS International is the largest distributor of natural stone slabs in the United States.

Economic Development staff will follow up with both Alphabet Energy and MS International on areas of concern as reported.

5. ECONOMIC DEVELOPMENT ACTIVITIES FOR DECEMBER 2012:

The City of Hayward rolled out the fourth annual “Shop Hayward” campaign just in time for last minute shopping needs. On Saturday, December 15 and Sunday, December 16, the first 150 shoppers who spent at least \$150 dollars at a Hayward retail or restaurant outlet and presented their receipts on Monday, December 17 and/or Tuesday, December 18, at the Hayward City Hall Information Kiosk received the following:

- Shop Hayward re-useable bag
- 2 free movie tickets to the Downtown Hayward Theatre
- \$10 Gift Card from Southland Mall
- \$5 gift card from Shark Shack and Mimi’s Cafe
- Discount Coupons from Yogurt Hill and Sizzler
- Free Gallon of Milk from Berkeley Farms
- Stuffed toy & book from Kohl’s
- Energy Saver light bulb from Hayward Ace

Ads ran in the local newspapers (Daily Review & Tri-City Voice). The campaign expanded from 100 bags to 150 bags, to offset the demand in the previous years. As there were only 150 gift bags available for this program, they were distributed on a first come, first served basis beginning on Monday, December 17. Bag distribution ended Tuesday, December 18 at 5:00 pm. Patrons traveled from as far as Oakland and San Leandro to participate in the Shop Hayward Campaign.

The eco-friendly bags display 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 one on a continuum of events that will encourage Hayward residents to spend their money in the City of Hayward.

Three 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 a Mobile Gourmet Food Truck business, a cubicle installation business, and a Salon Spa.

Fourteen businesses were provided information and assistance by staff:

- Honda of Hayward – regarding Business Recognition Award for January 2013.
- Golden Tea Garden – regarding lease issue.
- The Cobbler’s Shoe Repair – regarding the upcoming Shop Hayward event.
- Hayward ACE – regarding donation to Shop Hayward event.
- Kohl’s – regarding donation to Shop Hayward event.
- Southland Mall – regarding donation to Shop Hayward event.
- Annabelle Candy Company - regarding donation to Shop Hayward event.

- Yogurt Hill - regarding donation to Shop Hayward event.
- Mimi's Café - regarding donation to Shop Hayward event.
- Sizzler Restaurant - regarding donation to Shop Hayward event.
- Cinema Place – regarding movie tickets for Shop Hayward event.
- Le Paradis & La Patisserie – regarding question on small business revolving loan.
- Off-The-Grid Mobile Good Truck business – regarding Hayward trucks.
- Primus Power – regarding a tentative upcoming event on Dec. 20.

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

On December 14, staff presented an overview of Doing Business with the City of Hayward to the Leadership Hayward group. This presentation included an economic update, current business outreach efforts, and discussion about on-going meetings with commercial brokers, developers, property owners, and Southland Mall. In addition, an overview of the many partnership groups that staff currently works with to leverage limited staff and financial resources available was provided. This presentation also included an overview of the events sponsored by the Economic Development team to engage the community. The presentation concluded with an overview of the draft elements of the Economic Development Strategic Plan that will guide future Economic Development efforts.

COMMITTEE MEMBER ANNOUNCEMENTS:

None.

ADJOURNMENT: Meeting was adjourned at 6:13 p.m.



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COUNCIL ECONOMIC DEVELOPMENT COMMITTEE

MEETING SUMMARY NOTES – February 4, 2013

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

ATTENDANCE:

Committee Member	Present 2/4/13	All Meetings Year to Date		Meetings Mandated By Resolution	
		Present	Absent	Present	Absent
Kanti Patel	✓	6	1 excused	6	1 excused
Chris Lam	✓	3	4 (1 excused)	3	4 (1 excused)
Waseem Khan	No*	5	2 (1 excused)	5	2 (1 excused)
Al Parso	✓	6	1	6	1
Mayor Sweeney (Chair)	✓	7	0	7	0
Council Member Jones	✓	7	0	7	0
Council Member Salinas	✓	6	1**	6	1**

*Chris Lam, excused absence due to illness.

*Waseem Khan, excused absence due to medical emergency.

**CM Salinas teaches class on Monday that starts at 4:15 p.m.

OTHERS IN ATTENDANCE:

- Kelly McAdoo, Assistant City Manager
- Fran Robustelli, Human Resources Director
- David Rizk, Development Services Director
- Tracy Vesely, Director of Finance
- Sean Reinhart, Library & Community Services Director
- Kim Huggett, President Hayward Chamber of Commerce
- Richard Patenaude, Planning Manager
- Erik Pearson, Senior Planner
- Mary Thomas, Management Fellow
- Bob Berndt, SRS Real Estate Partners, Representing Auto Nation
- Michael Emerson, Hayward Resident
- Mark Sawicki, Berkeley Resident

PUBLIC COMMENTS:

- Mr. Michael Emerson, Hayward resident, explained that he was invited to speak to the Council Economic Development Committee (CEDC) by Council Member Greg Jones. He would like to build a 911 Memorial in Downtown Hayward. He gave an overview of the memorials he has built in other cities and cited support he received from several public officials. He is asking for the City's support and land. Mayor Sweeney requested more project details such as where he wants to build it, what it will look like, a breakdown of all project costs, and where the money will come from to fund it.

CM Jones stated that it is important for the community to recognize the service. This project has to be privately funded and we will need to work through the appropriate process.

- Mr. Robert Berndt, Senior Vice President SRS Real Estate Partners, representing Auto Nation, referred to a letter dated January 23, 2013 that was included in the CEDC meeting packet. He stated that there has been no interest from retail at the former Ford site. He restated his recommendation in the letter to allow for some high-density residential development at the former Ford site to drive demand for future retail.
- Mr. Kim Huggett, President of the Hayward Chamber of Commerce, invited CEDC members to attend a luncheon with AMB. Carlos Felix Corona, Consul General of Mexico, on Thursday, February 21 from 11:30 a.m. to 1 p.m. at the Golden Peacock Banquet Hall.
- Mayor Sweeney commented that CM Salinas, a member of the CEDC, is now teaching a class on Monday that begins at 4:15 p.m. He requested a review of an alternative start time or different meeting day to enable CM Salinas to attend meetings.

1. OVERVIEW OF THE PROCESS FOR DETERMINING DESIRED USES FOR THE CATALYST AND OPPORTUNITY SITES:

Ms. Robustelli, Human Resources Director, summarized the process for determining desired uses for Catalyst and Opportunity sites and asked for CEDC member feedback. To summarize the presentation:

- CEDC Timeline to Review Catalyst Sites (February through June, 2013).
- Data to be presented.
- Work tasks related to the Catalyst and Opportunity sites.
- Next steps:
 - February 4, 2013, review of the first site – former Ford Dealership
 - February 11, 2013, review Catalyst sites in the Mission Boulevard Corridor Specific Plan area.

CM Jones suggested that, recognizing that the CEDC has an opinion about what they would like to see at these sites, do we need more outreach into the community about these sites?

David Rizk, Development Services Director, responded that there have been community outreach meetings about design issues throughout the City. However, there are no formalized plans yet to do outreach about these sites at this time. They may need to revisit this outreach effort in the future.

2. LAND USES FOR CATALYST SITES IN THE ECONOMIC DEVELOPMENT STRATEGIC PLAN LOCATED WITHIN THE FORMER AUTO ROW AREA:

David Rizk explained that the purpose of this review is so that the CEDC members can read and comment on the report included in their packet and provide direction regarding desired land use(s) for the former Ford dealership site, which is identified as a Catalyst site in the draft Economic Development Strategic Plan (EDSP) and located within the draft Mission Boulevard Corridor Specific Plan/Form-Based Code (MBCSP) area.

Mr. Rizk explained the PowerPoint presentation map describing this MBCSP area, highlighting the former Ford dealership site. The former Ford site is nine acres in size. The EDSP team asked for CEDC input on the following three options for this site:

- 1) Make no changes. This would allow for residential and retail.
- 2) Create an overlay zone that would limit uses for the properties on the ground level for the first 250'. This would require commercial uses for the properties on the ground level for the first 250 feet measured from Mission Boulevard.
- 3) Revise the draft MBCSP to require all portions of all the properties to be developed with a commercial land use on the ground floor and either prohibit multi-family residential development or allow residential development only with approval of a Conditional Use Permit on the ground floor.

Committee Member Comments:

Kelly McAdoo, Assistant City Manager, spoke on behalf of CM Salinas regarding his desire that certain commercial uses, such as check cashing stores, pawn shops, and tattoo parlors, be prohibited on this site.

Ms. Robustelli spoke on behalf of Chris Lam that he would like to see the former Ford site used for commercial/retail and not residential.

Al Parso pointed out that the number one need in the City is for jobs. He suggested talking to California State University East Bay (CSUEB) about their viewpoint on businesses that create jobs for Hayward residents. Mr. Parso raised an objection to putting residential housing on a busy street. He leans toward option 2 but would like to find out what businesses would create good jobs.

Kanti Patel believes this area has enough grocery stores. He would like option 2 with commercial uses on the ground level and residential above or behind.

CM Jones would like to see major corridors, such as Mission Boulevard, preserved for business purposes. He also does not like the idea of putting housing on busy streets. Option 2 is ok but he would like to see it preserved for commercial use. Hayward does not have enough available land for new commercial use. He recommended putting a good hotel on this site that would serve the needs of CSUEB or Stonebrae for their golf tournament events. Therefore, his choice would be option 2.

Mayor Sweeney agreed with Al Parso's comment about discussing this with CSUEB. He agrees that option 2 is closest to the best option. Thought needs to be given about how to create a livable neighborhood. What would be the things that make you want to live in a neighborhood? Mayor

Sweeney agreed with CM Salinas about prohibiting certain types of undesirable retail and service uses on this site.

CM Jones pointed out that CSUEB could possibly use this site as a center for University related retail.

Mr. Rizk said that Attachment III, T4-2 could include research and development.

Mayor Sweeney asked the EDSP team to make sure this site does not turn into a housing complex and asked if the EDSP team had any questions.

Mr. Rizk asked if they should reserve some of the site for residential on the back side. He can put this into the Form Based Code.

Al Parso is in favor of restricting the site to commercial/retail.

CM Jones is not opposed to going vertical for residential and keeping commercial and retail on the ground floor.

Kanti Patel asked what would happen to the existing housing at this site. David Rizk responded that they would remain until such time as they were torn down and then they would be converted to commercial/retail.

COMMITTEE MEMBER ANNOUNCEMENTS:

Mayor Sweeney asked the CEDC members to consider choosing an alternative date and/or time for the CEDC meeting, at least through May 2013, to accommodate CM Salinas. He teaches a new class on Mondays and Wednesdays that begins at 4:15 p.m., thereby making it impossible for him to attend the CEDC meetings as they currently stand.

Kelly McAdoo will review the current CEDC meeting schedule and send members an option survey to change the CEDC meeting to a date and/or time that will work for all members.

Note: the next CEDC meeting will be Monday, February 11, 2013, at 4 p.m., in room 4A.

ADJOURNMENT: Meeting was adjourned at 4:56 p.m.

DATE: February 11, 2013
TO: Council Economic Development Committee
FROM: City Manager
SUBJECT: Review of the Economic Development Strategic Plan Final Draft

RECOMMENDATION

That the Council Economic Development Committee (CEDC) receives, and provides feedback on, the Final Draft of the Economic Development Strategic Plan (Plan).

SUMMARY

The purpose of this report is to present a final draft of the Plan, explain the changes made to the Plan in response to feedback received at the CEDC's January 28, 2013 meeting, and finalize the draft Plan before it is presented to the City Council at the February 26, 2013 work session.

BACKGROUND

At the January 28, 2013 meeting of the CEDC, staff presented revisions to the staffing and funding model and updates to the performance measures. The Committee Members expressed support for the revised staffing and funding model, with a recommendation that the revenue projection be expanded to include all of the catalyst and opportunity sites. The CEDC provided the following comments on the updated performance measures:

- Increase the target for the biennial resident satisfaction survey to be that 90% or more of residents have a positive image of Hayward (rather than 85%)
- Increase the target for industrial and retail business retention to retain 100% of the top 25 employers and sales tax generators (rather than 90%)
- Include a measure that tracks private investment in Hayward
- Include a task or measure that connects academic performance to employment outcomes
- Break out retail shrinkage (such as shoplifting) when measuring and reporting crime rates
- The City's living wage ordinance should not be the basis for measuring "good-paying, quality jobs"
- The performance measures should be reduced and/or prioritized to focus staff efforts

DISCUSSION

In response to CEDC feedback, staff has made the following changes to the Plan, which have been incorporated into the attached final draft:

- Applied Development Economics is expanding the scope of the revenue projection. The updated projections are not yet ready, but will be included in the draft Plan that will be presented at the February Council work session.
- A priority level has been assigned to each performance measure. The three priority levels are “Greatest Importance,” “Very Important,” and “Important.” These levels will help staff focus on the most important measures in case it is not feasible to track all of the measures. This will be especially helpful in the first two years of the Plan.
- The language that referred to Hayward’s living wage ordinance has been removed, and staff has returned to the previous placeholder measure, which reads, “X% increase in the number of good-paying, quality jobs.” Staff believes that further policy discussion and data gathering is needed in the first year of the Plan in order to define good-paying, quality jobs and identify an appropriate quantitative target. This will be one of the work tasks for the new Economic Development Manager.
- A work task has been added to identify metrics that will track private investment and will connect academic performance to employment outcomes. In order to prioritize the measures that are already included in the plan, these work tasks appear in year three of the Plan.
- The targets for the resident satisfaction survey and business retention were increased as suggested (respectively from 85% to 90% and from 90% to 100%)
- The measure related to crime rates was updated to read, “Year over year decrease in crime, broken down by crime category.” The crime categories will include shoplifting and other crimes related to retail shrinkage.

Attachment I to this report is the final draft of the Plan. Staff is seeking CEDC feedback on the final draft before it is presented to the City Council at a work session on February 26, 2013.

ENVIRONMENTAL IMPACT

Adoption of the EDSP will not have a binding effect on future City actions and is statutorily exempt from review under the California Environmental Quality Act (CEQA) guidelines, Section 15262, Feasibility and Planning Studies. Use of this exemption does, however, require a “consideration of environmental factors”. Most of the implementation tasks identified in the EDSP are not actions that qualify as a “project” per the California Environmental Quality Act (CEQA). However, to the extent that implementation of the EDSP results in changes to zoning or zoning regulations, or any other action that qualifies as a “project”, appropriate CEQA analysis will be completed at that time.

FISCAL IMPACT

The team has identified a recommended staffing and operations model that would support the implementation of the Strategic Plan recommendations and seeks CEDC input on the

recommendations. At this point, the net new cost to the General Fund (that is not offset by new revenues) would be \$150,000 in the first year of the plan. Approximately \$350,000 of the cost of the plan in the first year will be offset by new property tax revenues from the dissolution of Redevelopment. The recommendations in this report will be presented to the City Council for consideration both as part of the Strategic Plan adoption and the General Fund budget adoption this spring.

It is difficult to place a specific value on the impact that implementation of the Strategic Plan may have on General Fund revenues. As mentioned above, an updated revenue projection will be provided in the draft Plan that will be presented at the Council work session on February 26, 2013. One of the key tasks in the first year of the plan is to further refine performance measures that would allow staff and the Council to evaluate the effectiveness of the program and make adjustments accordingly if program goals are not achieved as presented.

ECONOMIC IMPACT

Without the funding support and organizational focus as suggested herein or something equally robust, economic development may languish at the very time that it needs to have a strong presence to leverage the economic rebound. Economic development has the potential to be among the largest contributors to a healthy Hayward community. In order to make any significant progress on economic development, the City must have a focused strategy and the resources with which to carry out the strategic plan. The funding and staffing proposal defined through this process is suggested as a cost effective and reasonable approach that will maximize the economic return from the implementation of the Strategic Plan.

As the economy continues to improve in the coming years, it is essential that Hayward is recognized for its assets and is known as a welcoming and effective city in which to conduct business. The Economic Development Strategic Plan is a purposeful, concentrated effort to achieve this vision with an efficient use of the City's resources. Staff will, of course, continue to promote and integrate economic development activities and perspectives into their regular work throughout the organization.

NEXT STEPS

The Team is presenting the draft Plan to the City Council at a work session on February 26, 2013. The Team will then return to the CEDC on March 4, 2013 to present the feedback received from the Council and, if necessary, make any final changes to the Plan. Once the CEDC has reviewed the finalized document, the Team will return to the Council with the goal of adoption of the final plan in late March.

Prepared by: Mary Thomas, Management Fellow
Fran Robustelli, Economic Development Project Team Leader
Kelly McAdoo, Assistant City Manager

Approved by:



Fran David, City Manager

Attachments:

Attachment I: Final Draft Economic Development Strategic Plan

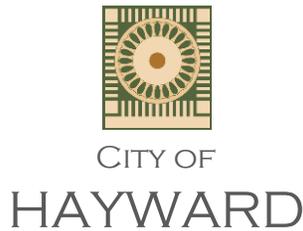


CITY OF
HAYWARD



Economic Development Strategic Plan

FY 2014 – FY 2018



Economic Development

VISION

The City of Hayward is recognized as the most desirable and business-friendly place in the East Bay in which to locate and conduct business.

Economic Development

MISSION STATEMENT

We will achieve our vision by:

- 1) Ensuring efficient and predictable business permitting processes;
- 2) Creating and sustaining a safe, clean, green, and fiscally sound business environment that benefits residents, businesses, and the region;
- 3) Promoting Hayward for its central location, prime business sites, great climate, and excellent transportation, water, and public safety services; as well as for other strengths that distinguish Hayward from other municipalities, such as its international community, civic participation, and history;
- 4) Actively recruiting and retaining businesses, especially supporting emerging sectors that create quality, good-paying jobs like biotech industries and food processing businesses; and
- 5) Fostering an educated and job-ready local workforce by driving the improvement of the academic performance of Hayward students and by connecting businesses, learning institutions, and community agencies.

STRATEGY AT A GLANCE

This Strategic Plan takes a three pronged approach to Economic Development. The three Focus Areas and associated goals are shown below. Each goal is supported by work tasks and performance measures, which are listed on pages four through eighteen. The work tasks include a shaded timeline that indicates the year in which each task will be executed. The performance measures are listed by priority in order to focus staff’s efforts on the most important metrics during the first years of the Plan.

The Plan includes a staffing and funding model, shown on pages nineteen and twenty, which was created to match the needs of the three Focus Areas. Each work task has been assigned to a lead Economic Development staff person. This person will be responsible for overseeing the completion of the task, including coordinating efforts with other departments when needed.

The Plan also identifies opportunity sites in Hayward’s industrial areas and catalyst sites in Hayward’s retail areas, which are shown on pages twenty-one through twenty-three. The purpose of the sites is to focus limited city resources on the areas that will provide the most immediate positive economic results.

Focus Area 1	
BRANDING AND MARKETING	
Goal BM1	Identify and develop a brand that showcases Hayward’s strengths
Goal BM2	Develop and execute a comprehensive marketing program
Goal BM3	Strengthen and expand events and opportunities for community members, businesses, and visitors to engage with Hayward businesses

Focus Area 2	
INDUSTRIAL SECTOR	
Goal IS1	Support existing business, especially in the area of safety
Goal IS2	Recruit and secure new businesses in priority locations/industries that are a good fit for Hayward
Goal IS3	Maintain and expand the public infrastructure that businesses need to thrive
Goal IS4	Create proactive, site-specific land use policies that clearly convey information to potential businesses
Goal IS5	Ensure a timely and predictable permit process
Goal IS6	Improve Hayward’s education-to-job bridge through an active community partnership

Focus Area 3	
SERVICE & RETAIL INDUSTRY	
Goal SR1	Support existing business, especially in the area of safety
Goal SR2	Recruit and secure new businesses in priority locations/industries that are a good fit for Hayward
Goal SR3	Maintain and expand the public infrastructure that businesses need to thrive
Goal SR4	Create proactive, site-specific land use policies that clearly convey information to potential businesses
Goal SR5	Ensure a timely and predictable permit process
Goal SR6	Improve Hayward’s education-to-job bridge through an active community partnership

FOUNDATIONAL TASKS and MEASURES

The tasks and measures listed below apply to the whole plan. The foundational tasks lay the groundwork for the Plan, and are therefore all scheduled to be completed in the first year. The foundational measures pertain to all three Focus Areas and will be monitored on an ongoing basis throughout the five years.

WORK TASKS	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	Lead ED Staff*	Other Departments
Measure baselines and set targets for all metrics						ED Manager, Industrial Specialist, Retail Specialist	
Create a master flowchart for all surveys and future data collection						ED Manager, Industrial Specialist, Retail Specialist	
Secure funding and staffing						ED Manager	City Manger
Build on current successful economic development activities						ED Manager	City Manager

PERFORMANCE MEASURES	Baseline	Priority**
An annual sales tax growth above the sum of population growth and inflation	\$25,777,000 in FY 2012	G
An annual increase in the number of business licenses that is half of the increase in the labor force	Data available through Revenue, new staff will establish baseline during first year	G
95% occupancy rate of non-residential space	Measure baseline during first year	G
5% annual increase in property tax, both commercial and residential	\$35,960,000 in FY 2012	G
X% increase in the number of good-paying, quality jobs	Define good-paying, quality jobs and measure baseline during first year	G
The employment rate increases year over year	91.6% in November, 2012 ¹	G

***Key for Lead Economic Development Staff**
See the Staffing Model on page nineteen description of each of the positions

ED Manager	Economic Development Manager
C & M Relations	Community & Media Relations Officer
Industrial Specialist	Economic Development Specialist (Industrial Focus)
Retail Specialist	Economic Development Specialist (Service & Retail Focus)

****Key for Prioritization of Performance Measures**

G	Greatest Importance
V	Very Important
I	Important

¹ Source: Bureau of Labor Statistics

BRANDING AND MARKETING

GOAL BM1: Identify and develop a brand that showcases Hayward's strengths

WORK TASKS	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	Lead ED Staff	Other Departments
Complete the recruitment process and hire the Community and Media Relations position						ED Manager	City Manager
Obtain consultant services to complete a brand assessment and identify opportunities to maximize the effectiveness of the City's communication materials (logos, website, brochures, signage, etc)						ED Manager, C & M Relations	City Manager
Complete a comprehensive training program for key staff in marketing activities and on how to promote the brand through the everyday performance of duties						C & M Relations	All Departments

PERFORMANCE MEASURES	Baseline	Priority
90% or more residents members have a positive image of Hayward in the Resident Satisfaction Survey	79% in the 2012 Resident Satisfaction Survey	G
100% of materials in the City's annual portfolio demonstrate unified messaging and images that reinforce and are consistent with the City's brand	Need to compile portfolio, then measure baseline during first year	G
90% or more of customers taking customer surveys state that that staff is embodying the themes of the City's brand	Need to do brand assessment, then measure baseline during following year	V
Three of the top five positive characteristics listed by residents in the Resident Satisfaction Survey are reflective of the City's brand	Need to do brand assessment, then measure baseline during next survey	V

BRANDING AND MARKETING

GOAL BM2: Develop and execute a comprehensive marketing program

WORK TASKS	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	Lead ED Staff	Other Departments
Obtain consultant services to create a marketing plan including development of specific tasks to be included in the annual work plan						ED Manager, C & M Relations	
Compile an annual communications portfolio of material utilized by all departments and measure how well the messaging and images reflect the City's brand						C & M Relations	All Departments
Create and complete a biannual survey of brokers, developers and business organizations to measure awareness of Hayward and its attributes						Retail Specialist, Industrial Specialist	
Update the marketing plan annually in coordination with the economic development annual work plans based on outcomes from the prior year						ED Manager, C & M Relations	

PERFORMANCE MEASURES	Baseline	Priority
By the end of year two, a 30% increase in inquiries from external businesses and developers that are interested in locating or doing projects in Hayward	Data currently being tracked manually, new staff will establish baseline during first year	G
By the end of year two, a 100% increase in social media activity and a 200% increase in website click-throughs	Measure baseline during first year	G
By the end of year two, a 50% increase in the number of positive media stories	Measure baseline during first year	V
By the end of year three, a 30% increase in awareness about Hayward's attributes, as measured through a biannual survey of brokers, developers and business organizations	Measure baseline during first year	I

BRANDING AND MARKETING

GOAL BM3: Strengthen and expand events and opportunities for community members, businesses, and visitors to engage with Hayward businesses

WORK TASKS	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	Lead ED Staff	Other Departments
Conduct an effectiveness assessment of all City sponsored events and implement identified changes						ED Manager	
Develop mechanisms to measure event attendance and vendor sales during events						Retail Specialist	
Identify and grow signature events that the region associates with Hayward						Retail Specialist, C & M Relations	
Expand the events volunteer program to increase the number of events that are community led with staff support, rather than staff led						Retail Specialist	
Increase advertising of City and community partner events in accordance with the marketing plan						Retail Specialist, C & M Relations	
Review the community promotions grant program and develop a strategy to direct money to the promotions that have the most impact on economic development						ED Manager	Library & Community Services
Develop and execute a survey of Chamber members, BIA members, and other business owners to identify new events that would increase their exposure to community members						Retail Specialist	
Develop and execute a survey of key community consumer groups, such as student unions and parent organizations, to identify new events that would increase their exposure to Hayward businesses						Retail Specialist	

PERFORMANCE MEASURES	Baseline	Priority
By the end of year four, a 100% increase in the retail sales of adjacent businesses during event days	Measure baseline during first year	G
By the end of year four, a 100% increase in the total annual attendance of events	Data currently being tracked manually, new staff will establish baseline during first year	V
By the end of year four, a 100% increase in the total annual event attendees that live in Hayward	Measure baseline during first year	V
By the end of year four, a 200% increase in the number of businesses taking part in Hayward events, through sponsorship, advertising, or participation	Measure baseline during first year	I

INDUSTRIAL SECTOR

GOAL IS1: Support existing business, especially in the area of safety

WORK TASKS	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	Lead ED Staff	Other Departments
Identify key safety concerns and crime patterns in the industrial area, utilizing information from the new CADRMS and anecdotal evidence collected from businesses over a 12 month period						Industrial Specialist	Police
In partnership with the Police Department and Code Enforcement, establish an industrial crime prevention and beautification program that will work with property managers to implement strategies based on the concerns identified						Industrial Specialist	Police, Code Enforcement
Design and offer incentives to existing industrial businesses for expansions and improvements						ED Manager, Industrial Specialist	
Establish a comprehensive retention program for existing businesses						ED Manager, Industrial Specialist	
Expand the business visitation program						Industrial Specialist	
Complete a transit and amenity needs assessment for employees that are commuting to the industrial areas and create an implementation plan based on recommendations from the assessment						Industrial Specialist	Public Works E&T
Explore a Facilities Maintenance District to fund amenities in the industrial areas						ED Manager	Public Works

PERFORMANCE MEASURES	Baseline	Priority
Retain 100% of the top 25 industrial employers year-to-year	List available	G
Retain 100% of the top 25 industrial sales tax generators year-to-year	List available	G
Year over year decrease in crime in the industrial areas, broken down by crime category	Data available through Police Department, new staff will establish baseline during first year	G
Year over year decrease in external code violation in the industrial areas	Data available through Code Enforcement, new staff will establish baseline during first year	V
Maintain current level of employment at existing industrial businesses	Data available through Revenue, new staff will establish baseline during first year	V
Maintain an annual increase in gross revenue by existing businesses equal to Bay Area wide growth, by industry category	Data available through Revenue, new staff will establish baseline during first year	V

INDUSTRIAL SECTOR

GOAL IS2: Recruit and secure new businesses in priority locations/industries that are a good fit for Hayward

WORK TASKS	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	Lead ED Staff	Other Departments
Establish a comprehensive attraction program for key business types						ED Manager, Industrial Specialist	
Design and offer incentives to new industrial businesses for site preparation and for those that offer good paying jobs						ED Manager	
Develop relationships with the property owners of the opportunity sites in the industrial area						ED Manager, Industrial Specialist	
Develop a Bioscience Council						ED Manager	
Expand the Food Manufacturing Council membership						Industrial Specialist	
Expand venture capital forums and investor round tables						ED Manager	
Develop marketing material for the opportunity sites in the industrial area that can be used by brokers						Industrial Specialist, C & M Relations	
Identify metrics to measure private investment in Hayward						Industrial Specialist, Retail Specialist	

PERFORMANCE MEASURES	Baseline	Priority
95% occupancy rate of industrial sites	Quarter 2, 2012 ² : Manufacturing 93.4% Warehouse 87.4% R&D 80.6%	G
Maintain an annual growth in industrial jobs at new businesses at least equal to Bay Area wide growth, by industry category	Data available through Revenue, new staff will establish baseline during first year	V
Maintain an annual growth in the number of new businesses at least equal to Bay Area wide growth, by industry category	Data available through Revenue, new staff will establish baseline during first year	V
Incentives are utilized by new businesses at least 50% of the time	Need to establish incentive program, then measure baseline	I

²Source: Cassidy Turley Commercial Real Estate Services, www.ctbt.com

INDUSTRIAL SECTOR

GOAL IS3: Maintain and expand the public infrastructure that businesses need to thrive

WORK TASKS	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	Lead ED Staff	Other Departments
Complete an assessment of infrastructure deficiencies in the industrial area, as well as strengths that could be used for marketing, such as rail access and water supply						Industrial Specialist	Multiple Departments
Ensure water/sewer main capacity, especially for opportunity sites						ED Manager	Public Works U&ES
Explore a public/private partnership to secure broadband/fiber optic network in the industrial area						ED Manager	
Complete the Whitesell/Cabot extension						Industrial Specialist	Public Works E&T
Create an implementation plan to address infrastructure deficiencies, especially the quality of roads						ED Manager	Public Works E&T
Create and implement a plan to link and expand existing biking and walking trails in the industrial area						Industrial Specialist	Public Works E&T

PERFORMANCE MEASURES	Baseline	Priority
Necessary sewer capacity available 100% of the time for opportunity sites	Need to identify desired uses for opportunity sites, then measure baseline during first year	G
Maintain a pavement index at 65 or above	In 2011: Industrial West = 61.4 Industrial Pkwy Mixed-Use Area = 60.3	V
Link all existing biking/walking trails and establish a 26.2 mile loop	Measure baseline during first year	I

INDUSTRIAL SECTOR

GOAL IS4: Create proactive, site-specific land use policies that clearly convey information to potential businesses

WORK TASKS	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	Lead ED Staff	Other Departments
Identify desired uses for the opportunity sites in the industrial area with the CEDC and ensure that current zoning allows for the desired uses						ED Manager	Development Services
Confirm the City's zoning assessment with commercial brokers						ED Manager	
Update the City's Hazmat policies to address advances in the biotech industry						Industrial Specialist	Fire
Develop preferential zoning areas that support the desired business types						Industrial Specialist	Development Services
Assess opportunities for recreational uses in sections of the industrial area that are near retail areas						Industrial Specialist	Development Services

PERFORMANCE MEASURES	Baseline	Priority
Zoning for opportunity sites is appropriate for desired uses 100% of the time	Need to identify desired uses for opportunity sites, then measure baseline during first year	G
For new users, opportunity sites are used by desired business types 100% of the time	Need to identify desired uses for opportunity sites, then measure baseline during first year	G
Land use is a critical element in all marketing material that is targeted at industrial businesses	Need to create marketing material, then measure baseline	V

INDUSTRIAL SECTOR

GOAL IS5: Ensure a timely and predictable permit process

WORK TASKS	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	Lead ED Staff	Other Departments
Develop an ombudsperson program to streamline industrial business applications and permits						ED Manager	Development Services, Fire, Public Works
Optimize the permit process by utilizing online technology and other available tools						Industrial Specialist	Development Services, Fire, Public Works, Police, Technology Services
Expand the permit performance measures to include other departments that are involved in permitting and inspections						Industrial Specialist	Development Services, Fire, Public Works, Police
Streamline the bioscience permitting						ED Manager	Development Services, Fire, Public Works

PERFORMANCE MEASURES	Baseline	Priority
100% of new businesses open by their target date	Measure baseline during first year	G
100% of permits are processed within the target timeframe	Currently being tracked for all projects, measure baseline for industrial projects in the first year	G
100% of planning applications are processed within target timeframe	Currently being tracked for all projects, measure baseline for industrial projects in the first year	G
100% of next day inspections scheduled before 4:00 pm are conducted the next day	Currently being tracked for all projects, measure baseline for industrial projects in the first year	G
100% of survey responses are excellent or good	Currently being tracked for all projects, measure baseline for industrial projects in the first year	V

INDUSTRIAL SECTOR

GOAL IS6: Improve Hayward’s education-to-job bridge through an active community partnership

WORK TASKS	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	Lead ED Staff	Other Departments
Encourage and support HUSD efforts to develop a mentoring/internship/skill-development program for students that are interested in specific careers						ED Manager	
Explore corporate sponsorships and employee volunteer programs to grow the City’s existing afterschool programs						ED Manager, Industrial Specialist	Library & Community Services
Complete an inventory of desired skills from Hayward industrial businesses						Industrial Specialist	
Create an annual award to recognize businesses that support schools						C & M Relations	
Facilitate an adopt-a-classroom and employee volunteer program in partnership with HUSD, starting with the Promise Neighborhood middle and high schools						ED Manager, Industrial Specialist	Library & Community Services
Facilitate school tours of industrial businesses						Industrial Specialist	
Design and launch an annual Career Day at Chabot and Cal State that highlights the skills needed to work in Hayward industries						All	
Partner with the Chamber to incorporate a job fair element at the annual Business Expo						ED Manager	
Identify metrics that connect academic achievement to employment, such as job placement after graduation						Industrial Specialist, Retail Specialist	

PERFORMANCE MEASURES	Baseline	Priority
By year three, 10% of classrooms are adopted by businesses	Measure baseline during first year	G
By year three, 10% of middle and high school students are involved in mentoring or internship programs	Measure baseline during first year	G
Average district wide API scores of 900 or above	718 Average API Score in 2012	G

SERVICE & RETAIL INDUSTRY

GOAL SR1: Support existing business, especially in the area of safety

WORK TASKS	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	Lead ED Staff	Other Departments
Identify key safety concerns and crime patterns in the retail areas, utilizing information from the new CAD/RMS and anecdotal evidence collected from businesses over a 12 month period						Retail Specialist	Police
In partnership with the Police Department and Code Enforcement, establish a retail crime prevention and property improvement program that will work with property managers to implement strategies based on the concerns identified						Retail Specialist	Police, Code Enforcement
Establish a comprehensive retention program for existing businesses						ED Manager, Retail Specialist	
Design and offer incentives to existing service/retail businesses for expansions and improvements						ED Manager, Retail Specialist	
Assist the Chamber and BIA with starting a mentoring/consulting program for small businesses						ED Manager, Retail Specialist	

PERFORMANCE MEASURES	Baseline	Priority
Retain 100% of the top 25 industrial employers year-to-year	List available	G
Retain 100% of the top 25 industrial sales tax generators year-to-year	List available	G
Year over year decrease in crime in the retail areas, broken down by crime category	Data available through Police Department, new staff will establish baseline during first year	G
Sales tax in the downtown area grows at a higher rate than the citywide retail sales tax	Data available through Revenue, new staff will establish baseline during first year	G
Maintain current level of employment at existing retail businesses	Data available through Revenue, new staff will establish baseline during first year	V
Maintain an annual increase in gross revenue by existing businesses equal to Bay Area wide growth, by retail/service category	Data available through Revenue, new staff will establish baseline during first year	V
Year over year decrease in external code violation in the retail areas	Data available through Code Enforcement, new staff will establish baseline during first year	V
Year over year increase in Chamber-led events that are targeted at small business skill development	Measure baseline during first year	I

SERVICE & RETAIL INDUSTRY

GOAL SR2: Recruit and secure new businesses in priority locations/industries that are a good fit for Hayward

WORK TASKS	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	Lead ED Staff	Other Departments
Establish a comprehensive retail attraction program for desired retailers						ED Manager, Retail Specialist	
Increase proactive code enforcement efforts around catalyst sites						Retail Specialist	Code Enforcement
Design and offer incentives to new retail businesses, such as small business loans and fee waivers						ED Manager	
Update psychographic data (example: Buxton Study)						Retail Specialist	
Grow relationships with retail brokers						ED Manager, Retail Specialist	
Develop relationships with the property owners of the catalyst sites in the retail area						ED Manager, Retail Specialist	
Develop marketing material for the catalyst sites that can be used by brokers						Retail Specialist, C & M Relations	
Identify metrics to measure private investment in Hayward						Industrial Specialist, Retail Specialist	

PERFORMANCE MEASURES	Baseline	Priority
Maintain an annual increase in the number of new businesses at least equal to Bay Area wide growth, by retail category	Data available through Revenue, new staff will establish baseline during first year	G
95% occupancy rate of retail sites	Measure baseline during first year	G
Close sales tax leakage year over year in each retail category	2.4 – 21.4 stores leakage, depending on the category ³	V
Incentives are utilized by new retail businesses at least 50% of the time	Need to establish incentive program, then measure baseline	I

³ Source: ADE, Inc 1/22/2013 Report for the City of Hayward; data from MuniServices LLC, and U.S. Economic Census

SERVICE & RETAIL INDUSTRY

GOAL SR3: Maintain and expand the public infrastructure that businesses need to thrive

WORK TASKS	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	Lead ED Staff	Other Departments
Complete an assessment of infrastructure deficiencies in the retail area, as well as strengths that could be used for marketing, such as Hayward's unique downtown						Retail Specialist	Multiple Departments
Complete the way-finding sign program for the 238 Corridor						Retail Specialist	Public Works E&T
Complete parking study for downtown retail area						Retail Specialist	Public Works E&T
Create an implementation plan to address deficiencies identified in the infrastructure assessment						ED Manager	Public Works
Pre-install grease traps and other infrastructure to support restaurant development						Retail Specialist	Public Works U&ES
Work with Southland Mall to identify and address infrastructure needs						ED Manager	
Develop gateway program						C & M Relations	City Manager, Development Services

PERFORMANCE MEASURES	Baseline	Priority
By year three, 100% of way-finding signs are installed citywide	Need to establish way-finding program, then then measure baseline during first year	G
Maintain a pavement index at 65 or above in retail areas	Data available through Public Works, new staff will establish baseline during first year	V

SERVICE & RETAIL INDUSTRY

GOAL SR4: Create proactive, site-specific land use policies that clearly convey information to potential businesses

WORK TASKS	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	Lead ED Staff	Other Departments
Identify desired uses for the catalyst sites with the CEDC and ensure that current zoning allows for the desired uses						ED Manager	Development Services
Confirm the City's zoning assessment with commercial brokers						ED Manager	
Revise the Sign Ordinance						ED Manager	Development Services
Monitor developments at Airport Land Use Commission and improve process to ensure appropriate influence						ED Manager	Development Services, Public Works E&T
Modify/create dining entertainment districts that include owner accountability systems						ED Manager	Development Services
Complete the Downtown Plan update						ED Manager	Development Services

PERFORMANCE MEASURES	Baseline	Priority
Zoning for catalyst sites is appropriate for desired uses 100% of the time	Need to identify desired uses for opportunity sites, then measure baseline during first year	G
For new users, catalyst sites are used by desired business types 100% of the time	Need to identify desired uses for opportunity sites, then measure baseline during first year	G
Land use is a critical element in all marketing material that is targeted at retail businesses	Need to create marketing material, then measure baseline	V

SERVICE & RETAIL INDUSTRY

GOAL SR5: Ensure a timely and predictable permit process

WORK TASKS	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	Lead ED Staff	Other Departments
Develop and promote an ombudsperson program to streamline retail business applications and permits						ED Manager	Development Services, Fire, Public Works
Optimize the permit process by utilizing online technology and other available tools						Retail Specialist	Development Services, Fire, Public Works, Police, Technology Services
Update/review fire connection requirements						Retail Specialist	Fire
Facilitate the streamlining of ABC review while developing equally balanced accountability measures for problem users						Retail Specialist	Development Services, Fire, Public Works
Streamline restaurant permitting						Retail Specialist	Development Services, Fire, Public Works
Expand the permit performance measures to include other departments that are involved in permitting and inspections						Retail Specialist	Development Services, Fire, Public Works, Police

PERFORMANCE MEASURES	Baseline	Priority
100% of new businesses open by their target date	Measure baseline during first year	G
100% of permits are processed within the target timeframe	Currently being tracked for all projects, measure baseline for retail projects in the first year	G
100% of planning applications are processed within target timeframe	Currently being tracked for all projects, measure baseline for retail projects in the first year	G
100% of next day inspections scheduled before 4:00 pm are conducted the next day	Currently being tracked for all projects, measure baseline for retail projects in the first year	G
100% of survey responses are excellent or good	Currently being tracked for all projects, measure baseline for retail projects in the first year	V

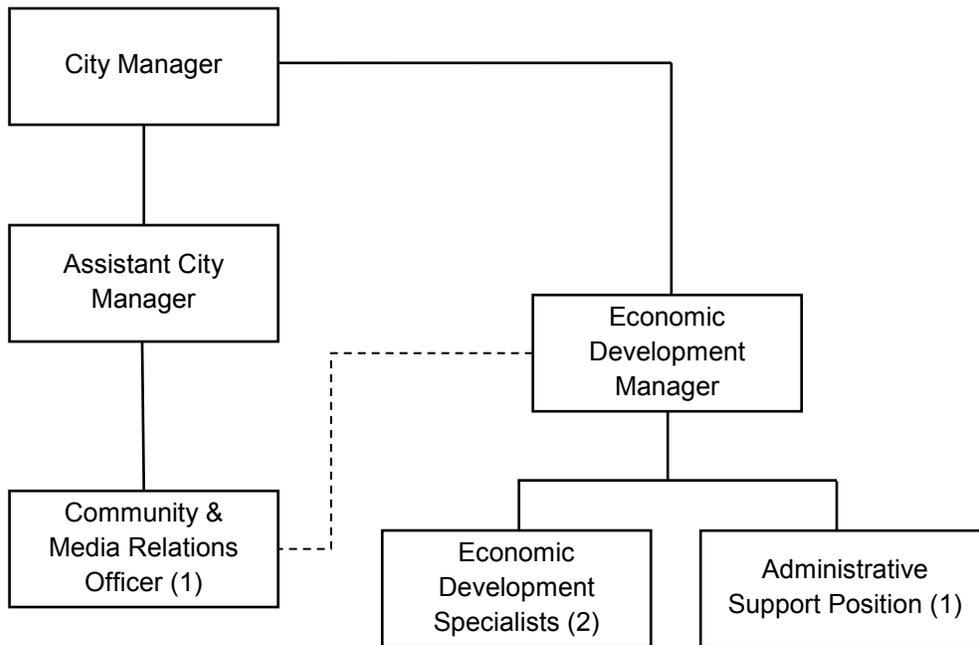
SERVICE & RETAIL INDUSTRY

GOAL SR6: Improve Hayward’s education-to-job bridge through an active community partnership

WORK TASKS	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	Lead ED Staff	Other Departments
Partner with applicable community organizations to create a job connection program for seasonal and part time entry jobs						Retail Specialist	
Expand the adopt a classroom and employee volunteer programs to service/retail businesses						Retail Specialist	Library & Community Services
Identify metrics that connect academic achievement to employment, such as job placement after graduation						Industrial Specialist, Retail Specialist	

PERFORMANCE MEASURES	Baseline	Priority
By year three, 10% of classrooms are adopted by businesses	Measure baseline during first year	G
By year three, 10% of middle and high school students are involved in mentoring or internship programs	Measure baseline during first year	G
Average district wide API scores of 900 or above	718 Average API Score in 2012	G

STAFFING MODEL



Economic Development Manager – The Manager will direct, supervise, and coordinate the work of the Division in accordance with the five-year plan, including monitoring performance measures and preparing the budget. The Manager will be the lead for efforts related to the catalyst and opportunity sites, as well as tasks that involve coordination with outside groups and agencies and other City departments.

Community & Media Relations Officer – Half of the Officer’s hours will be dedicated to Economic Development efforts, the other half will be dedicated to public information, legislative, and neighborhood outreach efforts. The Officer will be the lead on all tasks related to branding and marketing. In addition, the Officer will work with the ED Specialists to develop and promote events and to recognize businesses that support schools.

Economic Development Specialist (Industrial Focus) – The Industrial Specialist will design, implement, and monitor programs that encourage economic development in the industrial area, including playing an ombudsman role and providing support for existing businesses. In addition, the Industrial Specialist will be the lead for many of the tasks related to improving Hayward’s education-to-job bridge.

Economic Development Specialist (Service & Retail Focus) – The Retail Specialist will design, implement, and monitor programs that encourage economic development in the retail areas, including playing an ombudsman role and providing support for existing businesses. In addition, the Retail Specialist will be the lead on assessing and expanding City-sponsored events.

Administrative Support Position – The Administrative Support Position will provide specialized clerical support for all Economic Development Programs. In addition to routine administrative duties, this person will assist with assembling the annual communications portfolio, compiling results of surveys and needs assessments, administering programs in the schools, and preparing for events.

FUNDING SOURCES

Proposed Operating Expenses for the Five-Year Plan (\$ in 1,000s)						
Uses:		FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
	Employee Services	680	680	680	680	680
	Events	168	168	168	145	145
	Marketing Materials	70	70	70	70	70
	Memberships	35	35	35	35	35
	Supplies	30	30	30	30	30
	Travel and Trainings	10	10	10	10	10
	Planning Studies and Other Analyses	30	30	30	30	30
	One-Time Startup Costs	150	120	90	0	0
	Total:	1,173	1,143	1,113	1,000	1,000

Proposed Operating Funding Sources for the Five-Year Plan (\$ in 1,000s)						
Sources:		FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Existing Sources	General Fund (Current)	595	595	595	595	595
	Community Promotions	23	23	23	0	0
	DBIA Fees	55	55	55	55	55
New Sources	Projected Revenue from Previous RDA Tax Increments	350	350	350	350	350
	General Fund (New)	150	120	90	0	0
	Total:	1,173	1,143	1,113	1,000	1,000

Revenue Projections

[To be included in final draft for the Council Work Session]

KEY GEOGRAPHIC AREAS

The Strategic Plan includes two maps that identify and prioritize economic development areas and specific parcels. The purpose of the key geographic areas is to focus limited city resources on the sites that will provide the most immediate positive results related to the City’s business attraction and retention efforts.

Both maps are fluid documents that may be modified as needed, including the addition and removal of sites to account for ownership, the economic climate, and changes in interest from developers and businesses.

OPPORTUNITY SITES – Industrial Sector

See map on page 22, **Opportunity Sites in the Industrial Areas**
 The opportunity sites were selected using the following criteria:

- Vacant or underutilized parcel/building
- Greater than five acres
- Single or few owners
- Proximity to major corridors/arterials
- Minimal CEQA concerns

CATALYST SITES – Service & Retail Sector

See map on page 23, **Key Retail Areas and Catalyst Sites**
 The catalyst sites were selected using the following criteria:

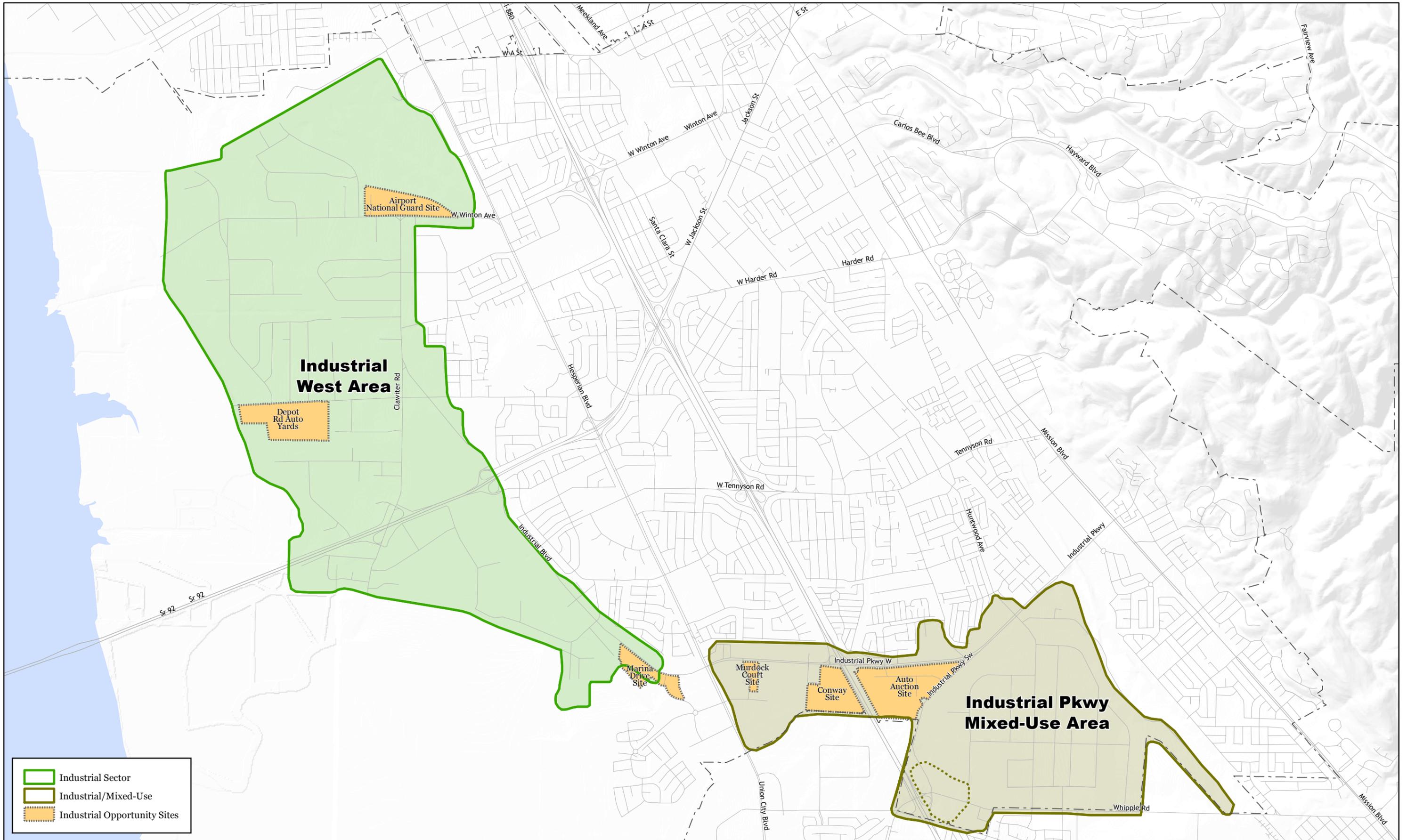
- The potential impact on the associated retail area
- High visibility
- Vacant or underutilized parcel/building
- Single or few owners
- Acreage

Summary of Work Tasks Related to the Catalyst and Opportunity Sites

Land Use	<ul style="list-style-type: none"> * Identify desired uses for the sites with the Council Economic Development Committee • Ensure that zoning allows for the desired uses, including confirming with brokers • Develop preferential zoning areas that support the desired business types
Relationships & Marketing	<ul style="list-style-type: none"> • Develop relationships with property owners • Grow relationships with retail brokers • Develop marketing material specific to the sites that can be used by brokers
Infrastructure & Site Readiness	<ul style="list-style-type: none"> • Complete an assessment of infrastructure deficiencies around sites, as well as strengths that could be used for marketing • Increase proactive code enforcement efforts around sites • Ensure water/sewer main capacity for the sites • Design and offer incentives to new businesses for site preparation



Opportunity Sites in the Industrial Area

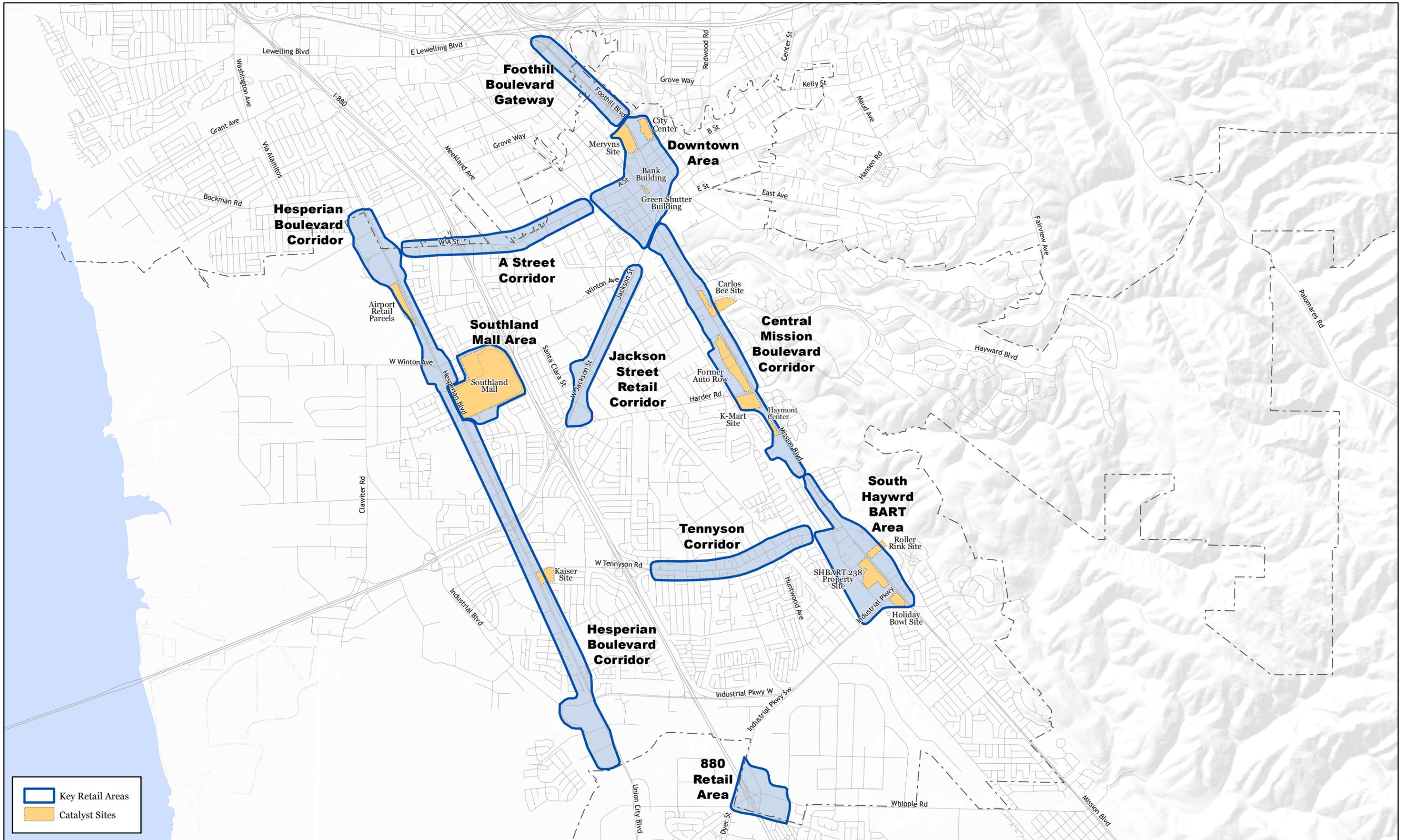


	Industrial Sector
	Industrial/Mixed-Use
	Industrial Opportunity Sites



Key Retail Areas & Catalyst Sites

0 1/2 1 2 Miles



 Key Retail Areas
 Catalyst Sites



DATE: February 11, 2013

TO: Council Economic Development Committee

FROM: Development Services Director

SUBJECT: Land Uses for Catalyst Sites in the Economic Development Strategic Plan
Located within the Mission Boulevard Corridor Specific Plan Area

RECOMMENDATION

That the Committee reads and comments on this report and provides direction regarding desired land use(s) for properties identified as catalyst sites in the draft Economic Development Strategic Plan (SP), and which are located within the draft Mission Boulevard Corridor Specific Plan/Form-Based Code (MBCSP) area.

BACKGROUND

On February 4, 2013, staff presented the Committee with options for possible revisions to the draft MBCSP so that the document would align with the intentions of the draft Economic Development Strategic Plan and the Council Economic Development Committee¹. The focus of the report and discussion during the meeting was regarding the former Ford dealership property; however, other catalyst sites in the Specific Plan area were also considered.

During the February 4, 2013 meeting, Committee members commented that, at a minimum, the front portion of the Ford site should be reserved for commercial uses and that it would be even more desirable to see commercial development on the entire site. Similar comments were made regarding the properties fronting Mission Boulevard between Torrano Avenue and Harder Road. The Committee directed City staff to engage Cal State University staff to ascertain what uses the University would support or desire on these properties and to revise the draft MBCSP for the former Ford dealership property and other vacant dealership properties to prohibit residential uses at the ground level. Staff has initiated these discussions.

DISCUSSION

The purpose of this report is to seek the Committee's direction regarding all of the properties that are identified as catalyst sites in the SP and are also located within the MBCSP area. The subject properties include those previously discussed and located along Mission Boulevard between Berry

¹ See Item #2 at <http://www.hayward-ca.gov/CITY-GOVERNMENT/COUNCIL-STANDING-COMMITTEES/COUNCIL-ECONOMIC-DEVELOPMENT-COMMITTEE/2013/CSC-CEDC020413full.pdf>

Avenue and Harder Road, and also on the east side of Mission Boulevard at the intersection with Carlos Bee Boulevard.

In response to direction from the Committee, staff will be making changes to the draft Regulating Plan of the Mission Boulevard Form-Based Code that was presented on February 4 (see Attachment I). Attachment II shows proposed changes to the Regulating Plan, including a Commercial Overlay zone matching the boundaries of the catalyst site located between Berry Avenue and Harder Road. In addition, Table 9 from the draft MBCSP, which lists the allowable land uses, has been revised to reflect the Commercial Overlay zone and includes a footnote to prohibit residential units on the ground floor within the Commercial Overlay. Staff also revised Table 9 in response to Committee comments (see yellow highlights) to prohibit Check Cashing & Loan Stores, Dance/Nightclubs, Liquor Stores, Pawn Shops, Tattoo Parlors, and Tobacco Specialty Stores and to restrict massage establishments (see Attachment III).

Revisions to the Regulating Plan will also include changing the proposed zoning designation for the former Ford site from T4-1 to T4-2 (see Attachment II). The T4-2 zone would provide more flexibility by allowing light industrial uses, including research and development. Finally, to provide even more flexibility, the proposed road that bisects the Ford site (shown as a dashed line on Attachment II) will be included with a note on the Thoroughfare Plan to state that the street will not be required in the event that a proposed development makes it infeasible to do so, as determined by the City.

Recognizing that the priority for the catalyst sites within the MBCSP will likely be for commercial development, the Regulating Plan was also revised to show the Commercial Overlay on the properties at the corner of Mission Boulevard and Carlos Bee Boulevard. While the catalyst site map identified the entire parcel at the southeast corner, staff recommends that the Overlay only apply to the western half of the property due to the earthquake fault and steep slopes on the eastern half (see Attachments IV and V).

Included in the February 4, 2013 report to the Committee were pages from the draft *Hayward Retail Analysis*, prepared by Applied Development Economics, Inc. (ADE). Attachment VI includes revised pages from the draft *Hayward Retail Analysis*, wherein ADE provides additional recommendations for the former Ford dealership property as well as for the properties at Carlos Bee Boulevard and Mission Boulevard. For the former Ford site and the property at the corner of Mission Boulevard and Harder Road, the report identifies the potential for a grocery store, as well as eating and drinking establishments that could serve the university and the surrounding neighborhoods. The report also mentions that there may not be enough support for retail uses on all the parcels between the Ford site and Harder Road and that the University may generate demand for housing, professional services, and research and development uses in this area.

For the corner of Carlos Bee Boulevard and Mission Boulevard, the report mentions the possibility for an architectural landmark as this is one of the two primary entrances to the university. Opportunities for the northeast corner include personal care services, retail, eating, and drinking places, and recreation/entertainment options. For the southeast corner, the larger site configuration could accommodate a mixed use development as the proposed expansion of the CSUEB student

body would increase the demand for student housing in the area. The ADE report is still in draft form and will be presented to the Committee in its entirety on March 18, 2013.

FISCAL IMPACT

Any changes to the MBCSP as a result of the Committee's direction will be considered in the fiscal impact analysis prepared for the MBCSP.

NEXT STEPS

Based on feedback provided by the Committee, and any from the City Council, staff will revise the draft MBCSP. Staff intends to hold a community meeting to present the revised MBCSP and to ensure the affected property owners are aware of proposed zoning regulations. During the next couple of months, staff will return to the Committee during a series of meetings with information to allow similar focused discussions regarding land uses for the other catalyst and opportunity sites identified in the draft Strategic Plan.

Prepared by: Erik J. Pearson, AICP, Senior Planner

Recommended by: David Rizk, AICP, Development Services Director

Approved by:



Fran David, City Manager

Attachments:

- | | |
|----------------|--------------------------------------------------------------------|
| Attachment I | Draft Mission Boulevard Corridor Form-Based Code Regulating Plan |
| Attachment II | Proposed Changes to the Draft Regulating Plan |
| Attachment III | Revised Draft Mission Boulevard Corridor Form-Based Code – Table 9 |
| Attachment IV | Slope Map with Fault Line – Carlos Bee & Mission |
| Attachment V | Topographic Map – Carlos Bee & Mission |
| Attachment VI | Pages 34 - 40 of the draft <i>Hayward Retail Analysis</i> |

3. Regulating Plan for the Mission Boulevard Corridor Specific Plan Area

Figure 3-1: Regulating Plan



Legend

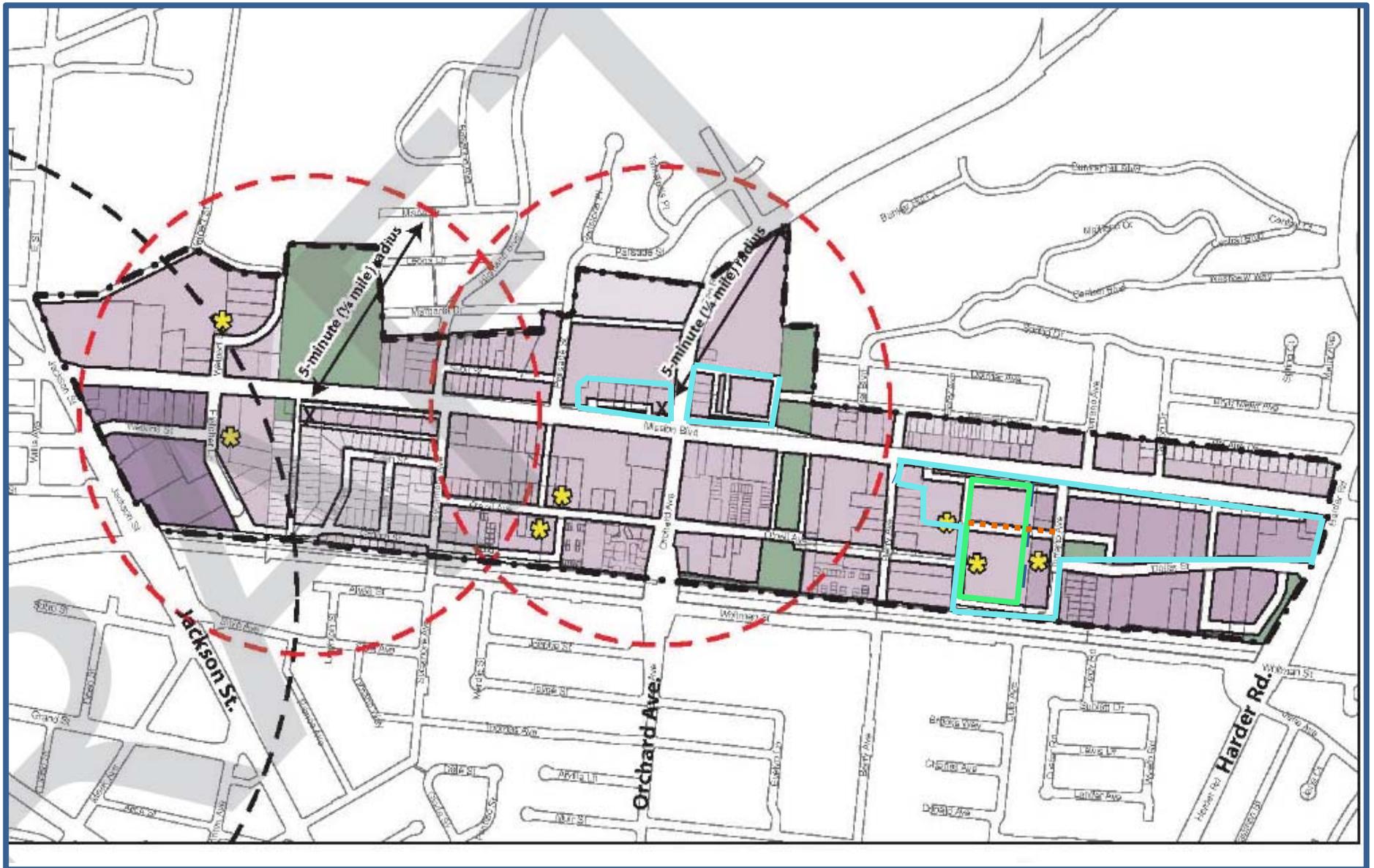
- Project Area
- Parcels
- ★ Terminated Vistas
- Mandatory Shopfront Overlay
- Recommended Shopfront Overlay
- T3 Sub-Urban Zone: 4.3 DU/acre min; 17.5 DU/acre max
- T4-1 Urban General Zone: 17.5 DU/acre min; 35 DU/acre max
- T4-2 Urban Center Zone: 17.5 DU/acre min; 35 DU/acre max
- T5 Urban Center Zone: 35 DU/acre min; 55 DU/acre max
- Height Overlay 1: 2 to 3 Story
- Height Overlay 2: 2 to 4 Story
- Civic Space Zone

For illustrative purpose only:

- 10-minute walking radius (1/2 mile from BART)
- 5-minute walking radius (1/4 mile)



Regulating Plan - Proposed Changes



-  Commercial Overlay
-  Change T4-1 to T4-2
-  Street Optional

TABLE 9. SPECIFIC FUNCTION USE

FORM-BASED CODE

Mission Boulevard Corridor

TABLE 9: Allowed Functions. This table allocates Functions and permit requirements to Zones within the Code area. See Definitions for descriptions of functions/uses and for special requirements.

a. RESIDENTIAL	T3	T4-1	T4-2	T5	CS
Multiple Family	CU	P ₁	P ₁	P	-
Second Dwelling Unit	P	P ₁	P ₁	P	-
Single Family	P	-	-	-	-
Live/Work	-	P ₁	P ₁	P	-
Small Group Transitional Housing	P	P ₁	P ₁	P	-
Large Group Transitional Housing	-	CU ₁	CU ₁	CU	-
Small Group Supportive Housing	P	P ₁	P ₁	P	-
Large Group Supportive Housing	-	CU ₁	CU ₁	CU	-
Emergency Homeless Shelter	-	P ₁	P ₁	P	-
Single Room Occupancy (SRO)	-	-	-	CU	-

b. LODGING	T3	T4-1	T4-2	T5	CS
Bed & Breakfast	CU	AU	AU	AU	-
Hotel	-	CU	CU	CU	-

c. OFFICE	T3	T4-1	T4-2	T5	CS
Office	CU	P	P	P	-

d. RETAIL	T3	T4-1	T4-2	T5	CS
Alcohol Sales	-	CU	CU	CU	-
Artisan/Craft Production	-	P	P	P	-
Appliance Repair Shop	-	P	P	P	-
Check Cashing & Loans	-	-	-	-	-
Dance/Nightclub	-	-	-	-	-
Equipment Rentals	-	AU	AU	AU	-
Home Occupation	P	P	P	P	-
Indoor Recreation	-	AU	AU	AU	CU
Kennel	-	AU	AU	AU	-
Liquor Store	-	-	-	-	-
Massage Establishment ₂	-	-	-	-	-
Media Production	-	AU	AU	P	-
Pawn Shop	-	-	-	-	-
Personal Services	CU	P	P	P	-
Printing and Publishing	-	AU	AU	P	-
Recycling Collection Area	-	AU	AU	AU	-
Restaurant	-	P	P	P	-
Retail Sales	-	P	P	P	CU
Tattoo Parlor	-	-	-	-	-
Tobacco Specialty Store	-	-	-	-	-
Small Motion Picture Theater	-	CU	CU	CU	CU
Large Motion Picture Theater ₃	-	CU	CU	CU	CU
Live Performance Theater	-	CU	CU	CU	CU

e. CIVIC	T3	T4-1	T4-2	T5	CS
Assembly	CU	AU	AU	AU	CU
Conference Center	-	-	CU	CU	CU
Cultural Facilities	CU	P	P	P	CU
Park & Recreation	P	P	P	P	P
Parking Facility	-	AU	AU	AU	CU
Public Agency Facilities	CU	P	P	P	P
Wind Energy	P	P	P	P	P

f. OTHER: AGRICULTURE	T3	T4-1	T4-2	T5	CS
Vegetable Garden	P	P	P	-	P
Urban Farm	P	P	P	P	P
Community Garden	P	P	P	P	P
Green Roof	P	P	P	P	P
Vertical Farm	-	-	-	P	P

f. OTHER: AUTOMOTIVE	T3	T4-1	T4-2	T5	CS
Automobile Repair (Minor)	-	AU	AU	AU	-
Automobile Repair (Major)	-	CU	CU	CU	-
Drive -Through Facility	-	CU	CU	CU	-
Gas Station	-	CU	CU	CU	-
Taxi Company	-	AU	AU	AU	-

f. OTHER: CIVIL SUPPORT	T3	T4-1	T4-2	T5	CS
Fire Station	CU	P	P	P	P
Hospital	-	CU	CU	CU	CU
Medical/Dental Clinic	-	AU	AU	AU	CU
Mortuary	-	AU	AU	AU	-
Police Station	CU	P	P	P	P

f. OTHER: EDUCATION	T3	T4-1	T4-2	T5	CS
Day Care Center	CU	P	P	P	CU
Day Care Home	P	AU	AU	AU	-
Educational Facilities	-	AU	AU	AU	CU
Vocational School	-	AU	AU	AU	CU

f. OTHER: LIGHT INDUSTRIAL	T3	T4-1	T4-2	T5	CS
Research and Development	-	-	P	-	-
Wholesale	-	-	P	-	-
Manufacturing/Assembly of Clothing	-	-	P	-	-
Woodworking Shop	-	-	P	-	-
Light Manufacturing	-	-	P	-	-

(-) = NOT PERMITTED

(AU) = ADMINISTRATIVE USE PERMIT

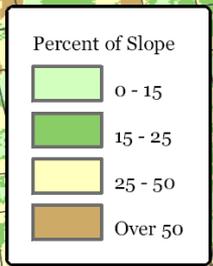
(P) = BY RIGHT

(CU) = CONDITIONAL USE PERMIT

1 - For properties located within the Commercial Overlay zone, Residential units are not permitted on the ground floor.

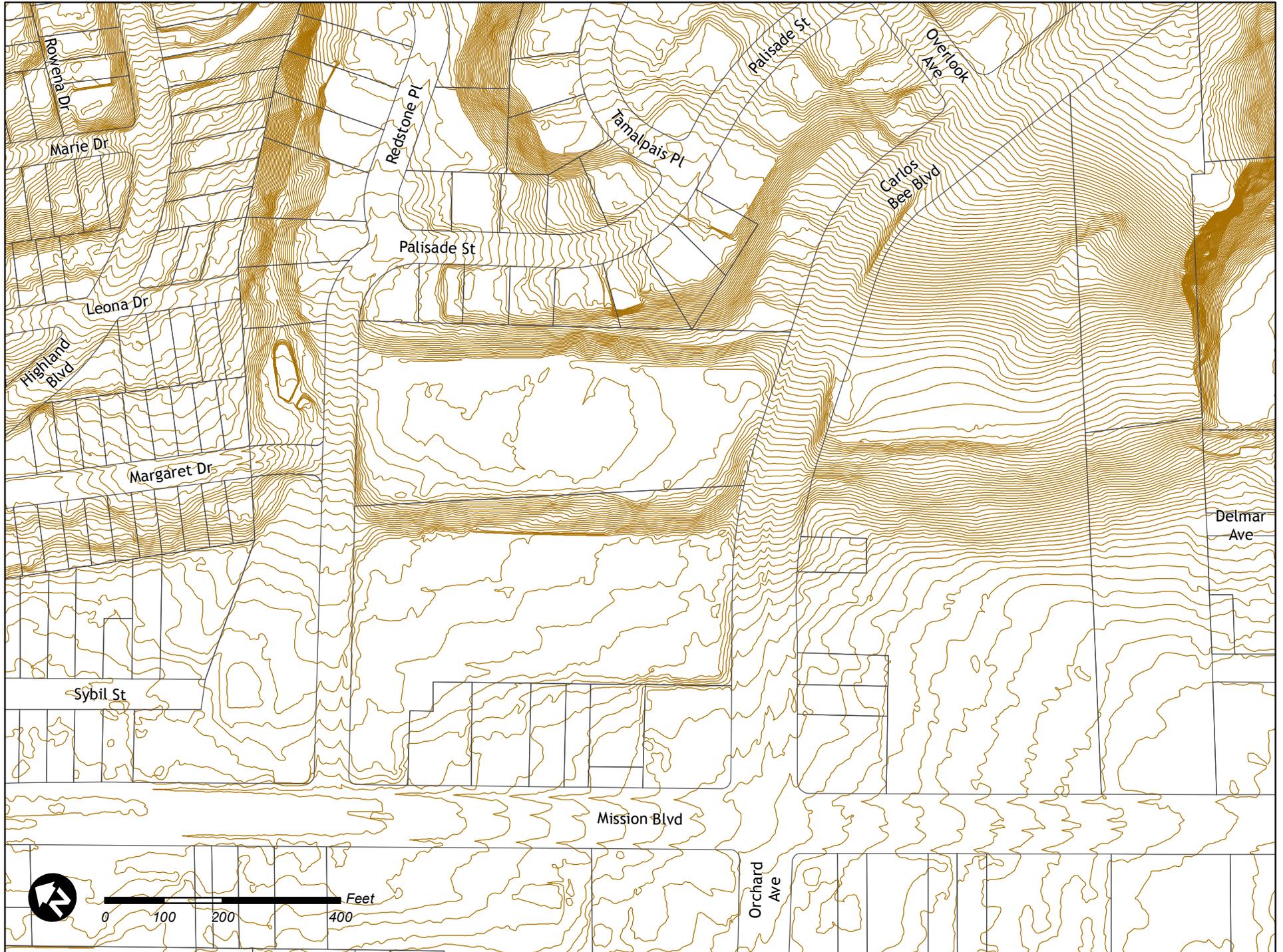
2 - Massage Establishments are only permitted where mandated by State law.

3 - An application for Conditional Use Permit for a Large Motion Picture Theater shall be accompanied by a study acceptable to the Planning Director documenting the absence of negative impact upon the downtown of the opening of another Large Motion Picture Theater.



approximate location of earthquake fault trace



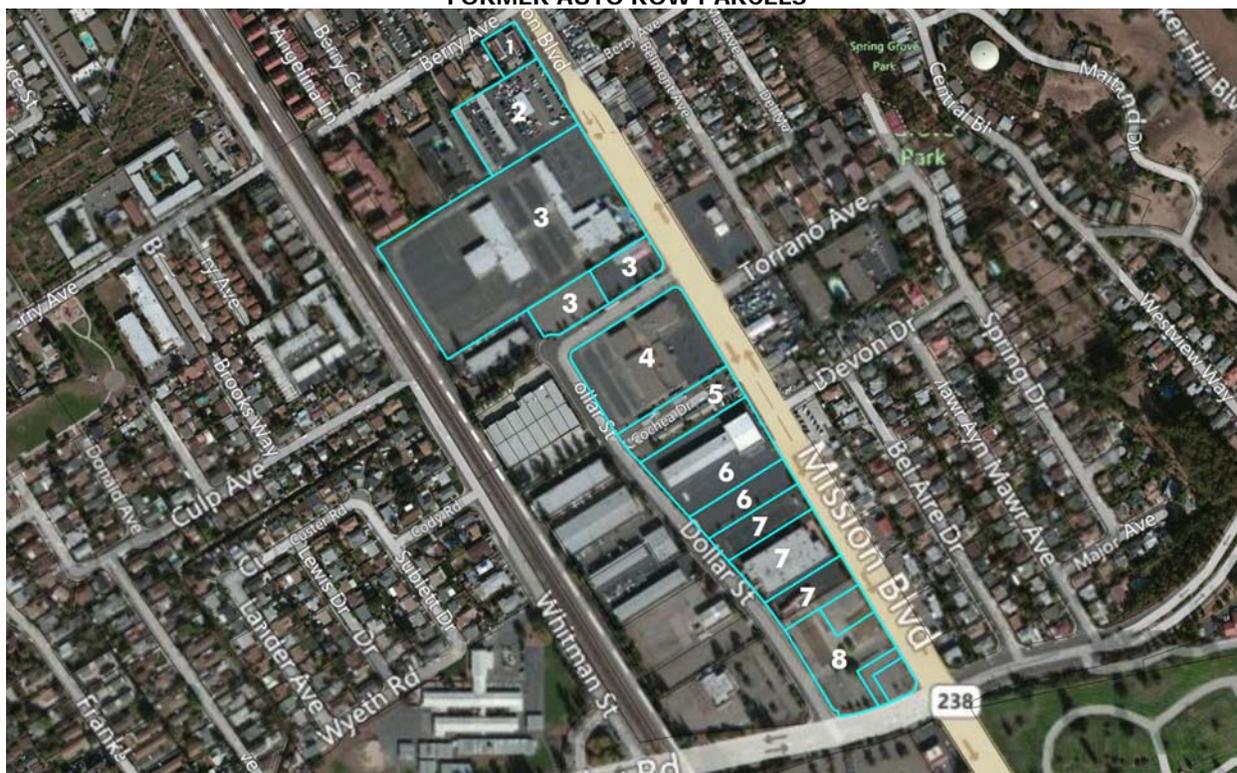


CENTRAL MISSION BOULEVARD CORRIDOR: FORMER AUTO ROW SITES

Several potential development sites occupy Mission Blvd, between Harder Road and Berry Avenue (Figure 1-22). Most of these are former automobile dealerships that began closing nearly a decade ago, years before the economic recession forced a broader downsizing and consolidation in the auto dealership industry. Because Hayward's auto row began downsizing before the recession, this indicates that other market factors and site issues were already in play years earlier. The auto dealerships that have remained open along Mission Blvd. are concentrated along the blocks north of Berry Avenue. The remaining dealerships have recently renovated their sites and invested in their operations. Daily traffic volumes in the area generally average about 25,000 vehicles per day. As part of the Mission Boulevard form-based code proposed for Mission Blvd., the City is considering a commercial overlay zone that would preclude ground floor residential uses on portions of or including all of those parcels shown in Figure 1-22 below.

The sites along the former Auto Row are largely vacant, although some of the sites currently have other uses. Altogether, the sites have a combined acreage of 22.9 acres, with a total of 16 different parcels. The site descriptions and summary APN information are shown in Table 1-22. Figure 1-22 shows these sites, as numbered in Table 1-22. The sections below summarize the site characteristics and potential opportunities for some of the more prominent sites along the former Auto Row.

**FIGURE 1-22
FORMER AUTO ROW PARCELS**



Source: ADE, Inc.; map data from ESRI ArcGIS.

TABLE 1-22
FORMER AUTO ROW PARCEL INFORMATION

Site Description	APN	Owner	Acreage
1. Gas Station (Berry Avenue)	444-0060-011-00	THRIFTY OIL CO	0.40
2. Used Car Dealership	444-0060-012-02	LRA PROPERTIES LLC & ETAL	1.86
3. Former Ford Dealership	444-0060-019-04	AUTO MISSION LTD	7.43
3. Former Ford Dealership	444-0060-030-00	AUTO MISSION LTD	0.65
3. Former Ford Dealership	444-0060-031-00	AUTO MISSION LTD	0.62
4. Former Chrysler Dealership	444-0060-023-10	CHRYSLER GROUP REALTY CO LLC	2.96
5. Used Car Dealership	444-0078-002-04	LENA MANUEL & MANUEL JR & CASSARO DANNY ETAL	1.12
6. Church/Formal Car Lot	444-0078-003-04	PENTECOSTALS HAYWARD INC	2.03
6. Church/Formal Car Lot	444-0078-005-02	PENTECOSTALS HAYWARD INC	0.75
7. Thrift Store	444-0078-006-04	VARGAS ENTERPRISES INC	0.72
7. Thrift Store	444-0078-007-06	ELLISON GREGORY C & MONIKA S	1.24
7. Thrift Store	444-0078-008-05	ELLISON GREGORY C & MONIKA S	0.72
8. Vacant Lot (Harder Road)	444-0078-010-00	MISSION BLVD MOTORS INC	0.35
8. Vacant Lot (Harder Road)	444-0078-011-03	MISSION BLVD MOTORS INC	1.51
8. Vacant Lot (Harder Road)	444-0078-012-02	CATANHO FRANK	0.22
8. Vacant Lot (Harder Road)	444-0078-019-01	MISSION BLVD MOTORS INC	0.27

Source: ADE, Inc.; data from City of Hayward.

Former Ford Dealership Site

The Hayward Ford auto dealership occupied this site for decades until the operation was consolidated into the Ford dealership in San Leandro in 2008. The site comprises three parcels (all under the ownership of Auto Mission, Ltd.) with a total area of 8.7 acres (Figure 1-23). This is the largest potential development site among the former Auto Row sites. The site has existing buildings that formerly housed the sales and service departments, as well as parking and display areas for cars, all of which are in varying states of disrepair.

FIGURE 1-23
FORMER HAYWARD FORD SITE



Source: ADE, Inc.; map data from ESRI ArcGIS

Because of the site's large size and contiguous ownership, it can be amenable to reuse as an automobile dealership if the industry recovers to a point that some automobile brands would consider expanding into Hayward. The site could also accommodate one of the other auto dealerships north of Berry Avenue, if they need to relocate their operations onto the larger Ford site. However, the long-term trend with the automobile industry has been contraction and consolidation, and those dealership groups looking to consolidate their operations into a more central location would likely want to locate in a higher visibility location along a freeway corridor.

The leakage analysis identified some attraction potential for grocery stores in Hayward, and the former Ford dealership site would support several different configurations. Most of the grocery stores along Mission Blvd. currently serve more specialized markets or are relatively small in scale. Because of its proximity to CSU East Bay and the surrounding neighborhoods in the hills, the site can potentially serve a different customer base than other markets along Mission Blvd.

CSU East Bay expanded its on-campus housing over the last decade and has long-term plans to substantially increase its enrollment along with additional on-campus housing. In addition to an expanded student population, the neighborhoods located above the university campus have a substantially higher average income than Hayward as a whole. For example, two of the four Census tracts that immediately border the CSUEB campus report median annual household incomes above \$125,000, which more than doubles the citywide average for Hayward.⁷

A grocery store could potentially locate in the former Auto Row that would serve the student population and the households in the surrounding neighborhoods. For example, there are currently no grocery stores along Mission Blvd. more directed towards organic or natural product lines. These types of stores will generally locate in higher income communities, or in close proximity to universities, and the former Ford dealership site fits that criteria.

The Ford site will easily accommodate a large format general line grocery store, but more specialized grocery stores would not need to utilize the entire site. Generally, a grocery store focused on organic or natural products will occupy less than 50,000 square feet. This would require a site of less than four acres, and would be best situated along the front portion of the Ford dealer site.

The back portion of the site would be well suited for multi-family housing or other mixed use development.

In general, the former auto row is unlikely to attract much interest from large format retail stores because of its location away from I-880. However, with the expanding CSUEB population and higher income residents nearby, the location can potentially support locally oriented services and retail stores.

The proposed Mission Boulevard Form-Based Code and commercial overlay zone would bring the building frontages for any new construction closer to the street, and would emphasize street-front commercial uses. This would create a more urban presence and coherent look to Mission Blvd. The current market support for retail uses, in particular along Mission Blvd., might not be sufficient

⁷ The Census Tract data comes from the American Community Survey five-year sample.

to fill a continuous strip of retail spaces along the entire stretch of catalyst sites shown in Figure 1-22.

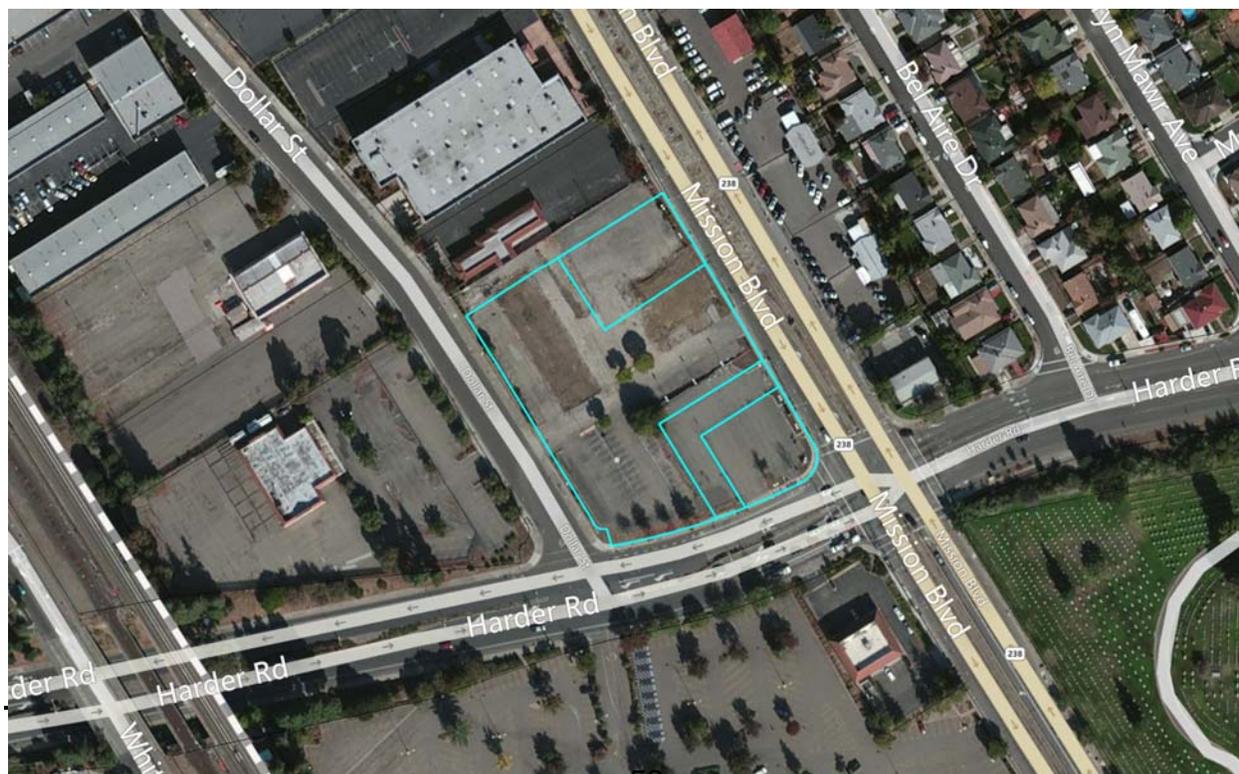
While Mission Blvd. is a prominent thoroughfare with about 25,000 cars passing through on a daily basis, much of the recurring retail activity along the corridor is either transportation oriented, or locally focused. Because of this, commercial spaces along Mission Blvd. would likely need the flexibility to also include a variety of potential uses, other than retail businesses. The proposed form-based code designation for this portion of Mission Blvd. would allow a wide range of uses, such as light industrial, office, and lodging activity. The objective would be to expand the market range for those spaces as broadly as possible, while still fulfilling the planning objectives of the form-based code. Because of the site's proximity to the CSUEB campus, there might be some potential for professional services or research and development uses. However, the market trends suggest that some flexibility to also accommodate housing options may be needed.

Focusing the retail and similar commercial development at the intersections and at strategic sites, such as the former Ford site, would serve as a catalyst for other options. For these key sites, the exclusion of ground-floor residential spaces would be more appropriate. With the expansion of CSUEB and additional housing along Mission Blvd., the support for commercial uses along Mission Blvd. would also expand.

Vacant Lot (Harder Road)

The site at the corner of Harder Road and Mission Blvd. consists of four separate parcels, and appears to have been used as an auto dealership (Figure 1-24). The entire lot has been cleared of any buildings and has signs advertising its availability. The site area totals 2.35 acres. All of the parcels are under one ownership (Mission Blvd. Motors, Inc.), except for a 0.22 acre parcel that traverses the corner parcel and is under a different ownership.

**FIGURE 1-24
VACANT LOT (HARDER ROAD) SITE**



Source: ADE, Inc.; map data from ESRI ArcGIS

This corner has potential strategic importance because Harder Road is one of two primary gateways into the CSUEB campus. In addition, this location is the access road into the student housing units on the east side of the campus. This represents a very good opportunity for a gateway development that links Mission Blvd. to the CSUEB campus. Currently, there are no commercial developments along Mission Blvd. that specifically cater to or even acknowledge the presence of the CSUEB campus. In addition, there is very little retail development in the hillside neighborhoods north and east of the campus.

A catalyst development on this site could serve the university community, and better integrate the CSUEB campus with Hayward. The type of development for the site could entail basic services, such as personal care, as well as eating and drinking places that are more oriented to the university community. Potential uses could also include recreation and entertainment options. Businesses locating at this site could also attract spending from the underserved neighborhoods around the CSU campus. The commercial overlay zone is also under consideration for these sites, and would be compatible with a commercial gateway development.

CENTRAL MISSION BOULEVARD CORRIDOR: CARLOS BEE SITE

The Carlos Bee sites are situated along Mission Blvd. on the northeast and southeast corners of Carlos Bee Blvd. (Figure 1-25). These sites currently function as staging areas for the ongoing street improvement project along Mission Blvd. All of the parcels on the northeast corner of Mission and Carlos Bee are owned by the City of Hayward, and encompass a total area of 2.37 acres. A self-storage business operates directly behind (east of) these parcels. Other than construction-related storage and other activities that will likely vacate once the street improvement construction concludes, the parcels are vacant.

On the southeast corner of Mission and Carlos Bee Boulevards, the catalyst site includes two parcels with a total land area of 10.2 acres. The City of Hayward owns a 0.46 acre parcel on the street corner, while the remainder of the site is owned by the State of California. Even though the parcel is large, the site also encompasses three residential parcels. Other than these houses, the site is largely vacant.

The rear/eastern portion of the site is on a slope and an earthquake fault trace runs through the middle of the site, which limits the configuration and intensity of activity on the site. Figure 1-25 shows the approximate location of the fault trace. Regulations prohibit new habitable buildings within 50 feet of the fault trace.

FIGURE 1-25
CARLOS BEE SITE (SHOWN WITH APPROXIMATE EARTHQUAKE FAULT TRACE IN RED)



Source: ADE, Inc.; map data from ESRI ArcGIS.

TABLE 1-23
CARLOS BEE SITE PARCEL INFORMATION

Site Description	APN	Owner	Acreage
NE Corner (Mission & Carlos Bee)	445-0150-058-01	CITY OF HAYWARD	0.38
NE Corner (Mission & Carlos Bee)	445-0150-056-00	CITY OF HAYWARD	0.40
NE Corner (Mission & Carlos Bee)	445-0150-055-00	CITY OF HAYWARD	0.24
NE Corner (Mission & Carlos Bee)	445-0150-054-00	CITY OF HAYWARD	0.17
NE Corner (Mission & Carlos Bee)	445-0150-053-02	CITY OF HAYWARD	0.30
NE Corner (Mission & Carlos Bee)	445-0150-053-02	CITY OF HAYWARD	0.30
NE Corner (Mission & Carlos Bee)	445-0150-052-01	CITY OF HAYWARD	0.59
SE Corner (Mission & Carlos Bee)	445-0200-009-00	CITY OF HAYWARD	0.46
SE Corner (Mission & Carlos Bee)	445-0200-012-01	STATE OF CALIFORNIA	9.75

Source: ADE, Inc.; data from City of Hayward.

Potential Opportunities

The corner of Carlos Bee Blvd. and Mission Blvd. has strategic importance because it is one of two primary entrances into CSUEB (the other one is at Harder Road). The Carlos Bee Blvd. entrance leads to the north and west sides of the campus. As with the Harder Road site, the Carlos Bee sites can serve as a gateway into the university by providing an architectural landmark, as well as services to the university community.

For the location at the northeast corner, the site can support a commercial development with opportunities for personal care services, retail, eating and drinking places, and recreation/entertainment options. For the southeast corner, the larger site configuration would also

allow for mixed use development and larger scale options. With the proposed expansion of the CSUEB student body, this would increase the demand for student housing in the area. Potential impediment to development would be the site slope, potential for seismic landslides, the earthquake fault trace, and the existing residential uses encompassed by the State of California parcel. This site is also under consideration for the previously referenced commercial overlay zone that would restrict ground-level residential development. Because of the development restrictions from the fault trace, the proposed overlay zone would only apply to the downslope area.



DATE: February 11, 2013
TO: Kelly McAdoo
Assistant City Manager
FROM: Sally Porfido, Economic Development Coordinator
SUBJECT: **Economic Development Activities for January 2013**

BUSINESS DEVELOPMENT:

1) SOUTHLAND MALL

On January 23, 2013, staff met with Veronica Curley, Manager of Southland Mall, to review the status of the acquisition of Southland Mall by Rouse Properties, as well as to receive a general update on existing and potential new tenants.

Rouse Properties continues to review Southland for leasing and development improvements. The escalators that proceed to the food court, community rooms, and offices will be replaced in 2013. However, there has been no definitive, overall improvement plan or implementation timeframe unveiled to date. Staff will continue to follow developments and encourage Rouse Properties to invest in upgrading the Southland Mall. This will include the restructuring of the convenience center area, where the Rite Aid is located, and encouraging on-going efforts to recruit a grocery store concept to meet proven consumer demand in the area.

The Southland Mall star retailers that continue to do quite well include Auntie Anne's, Victoria's Secret, Forever 21, Crazy 8, Game Stop, Bath & Body Works, and The Raider Image. Best Buy Mobile is now number two within their chain in the Northern California Region (covers Bakersfield to San Jose, and the Bay Area). Ms. Curley explained that the sit-down restaurants do well at Southland, particularly since the Happy Hour ban was lifted. Also, impulsive food items, like Auntie Anne's and Mrs. Field's Cookies do well. The carts and kiosks continue to exceed sales estimates and serve as an initial test market for future growth into a brick and mortar retail store concept.

Southland is currently negotiating with a linen and bedding store that will replace New World Furniture in the near future. They are also talking to two restaurant concepts that will be a great fit for the Hayward market. Famous Dave's is scheduled to open in the previous Marie Callender's site in May 2013.

Office of the City Manager

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The stars over the holidays were the retail stores such as Macy's, Kohl's, and Sears that had midnight openings on Thanksgiving Day, a jump ahead of the usual Black Friday store openings. They all hit their numbers quickly with the popular midnight opening. Unlike most malls, Southland has fairly steady sales throughout the entire year, so they do not rely as heavily on the holiday season as others. The Southland customer is value oriented, faithful, and reliable.

The City and the Mall are continuing their efforts to share information and seek out the demographic and psychographic information that can lead to more experiential retail options. It is important to continue to dispel the belief or perceptions that the demographics or statistics are not in Hayward to meet what the desired retailers, especially grocers, are looking for. The time is ever more critical to work together to tailor Hayward's demographic information in recruiting efforts of quality grocery stores.

In terms of crime and safety, Ms. Curley states that Southland continues to trend lower in every area than other malls in the region. She attributes this to higher levels of security and support from the Hayward Police Department as well as a direct, hands-on approach in working with stores to prevent shoplifting.

Overall, the City continues to enjoy its partnership with Southland Mall and looks forward to continuing updates on new mall retailers and restaurants.

2) SMALL BUSINESS 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 Zumba exercise and Nutrition business.

Eight businesses were provided information and assistance by staff:

- Honda of Hayward – Facilitated Business Recognition Award for January 2013.
- Hampton Inn of Hayward – Interview for the Business Recognition Award for February 2013.
- Southland Mall – meeting for quarterly Southland Mall update.
- Off-The-Grid Mobile Good Truck business – regarding possibly moving the Hayward trucks to a different location.
- Alphabet Energy – Meeting regarding appropriate contact for an upcoming business visit.
- Zinus, Inc. – verification of Hayward locations.
- Lit San Leandro – Meeting to review bringing high speed internet access to Hayward.
- Virtuoso Performance – Regarding possible refinance of commercial building and paying off their small business loan.
- A Recreational Vehicle Sales Company – Assistance with trying to identify a possible location in Hayward.

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

OTHER ECONOMIC DEVELOPMENT ACTIVITIES:

The City of Hayward hosted the East Bay Economic Development Alliance (“East Bay EDA”) Retreat on Wednesday, January 16, at City Hall. The retreat brought together Economic Development Directors from various Alameda and Contra Costa County agencies to review the organizations’ accomplishments, discuss the current state of Economic Development in light of recent Redevelopment activities, and to set goals/objectives for 2013.

The East Bay EDA members assembled in breakout groups to take a strategic look at moving forward and aligning resources to areas that provide the most value for its members. Breakout group discussions resulted in the following four priorities that members requested be the focus of the East Bay EDA for 2013:

- 1) Regional Advocacy -
 - Post Redevelopment
 - Economic Development – Regional plans and land use policies
- 2) Marketing –
 - Public relations campaign
 - Innovation awards
- 3) Business Services –
 - East Bay small business initiative
 - International trade
 - Business retention
- 4) Advanced Manufacturing –
 - Trade Adjustment Assistance, Department of Commerce
 - Advanced Manufacturing Medical/Biosciences Pipeline for Economic Development