



CITY OF  
**HAYWARD**  
HEART OF THE BAY

**COUNCIL ECONOMIC  
DEVELOPMENT COMMITTEE  
MAY 6, 2013**

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**CITY COUNCIL ECONOMIC DEVELOPMENT COMMITTEE MEETING**  
**Monday, May 6, 2013**  
**Conference Room 2A**  
**4:00 PM**

**CALL TO ORDER**

**ROLL CALL**

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**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.)*

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1. Approval of Minutes of April 1, 2013

**[CEDC Summary Minutes April 1, 2013](#)**

2. Commercial/Industrial Update, Paul Mueller, Senior Vice President, Cornish & Carey – **(Oral Presentation)**
3. Economic Development Activities for April, 2013 – **(Oral Report)**

**[Economic Development Activities for April 2013](#)**

**COMMITTEE MEMBER ANNOUNCEMENTS AND REFERRALS**

**ADJOURNMENT**

**NEXT REGULAR MEETING – 4 P.M. MONDAY, JUNE 3, 2013**

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

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*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.*

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

MAY 6, 2013





CITY OF  
**HAYWARD**  
HEART OF THE BAY

**COUNCIL ECONOMIC DEVELOPMENT COMMITTEE**

**MEETING SUMMARY NOTES – April 1, 2013**

**CALL TO ORDER:** Chair Sweeney called the meeting to order at 4:01 pm.

**ATTENDANCE:**

Committee Member	Present 4/1/2013	All Meetings Year to Date		Meetings Mandated By Resolution	
		Present	Absent	Present	Absent
Kanti Patel	✓	8	2* excused	6	2 excused
Chris Lam		6	4 (2 excused)	6	2 (1 excused)
Waseem Khan	✓	8	2 (1 excused)	6	2 (1 excused)
Vacant					
Mayor Sweeney (Chair)	✓	10	0	8	0
Council Member Jones	✓	10	0	8	0
Council Member Salinas	✓	7	3**	5	3**

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

**OTHERS IN ATTENDANCE:**

Kelly McAdoo, Assistant City Manager  
 David Rizk, Development Services Director  
 Sally Porfido, Economic Development Coordinator  
 Mary Thomas, Human Resources Analyst I  
 Cecilia Manzo, Administrative Clerk  
 Kim Huggett, President, Hayward Chamber of Commerce  
 Jesus Armas, Armas Consulting  
 Council Member Francisco Zermeno  
 Jim McMasters, Colliers International, W.C.  
 Guy Warren, Lee Associates

**PUBLIC COMMENTS:**

Council Member Francisco Zermeno commented that he is very pleased with the hard work of the CEDC and the committee’s review of the development of the recently approved Economic Development Strategic Plan.

Kim Huggett reported on the following:

- Contractor workshop was a success with about forty attendees.
- The Restaurant Walk scheduled for April 18<sup>th</sup> has been postponed to a later date.
- The Chamber of Commerce is starting to recruit for the Summer Street Parties and 7,000 people are expected to attend.
- A meeting with the director of transportation and housing from California State University East Bay (CSUEB) resulted in a commitment to provide a shuttle from on-campus housing to the downtown area, Friday through Sunday.

Jesus Armas, on behalf of Auto Nation, commented that Bob Burns, Senior Vice President, SRS Real Estate Partners, was in the audience at the February 4, CEDC meeting and has requested clarification on the options presented at that meeting.

**1. APPROVAL OF MINUTES OF MARCH 18, 2013:**

Mayor Sweeney asked that the March 18, 2013 minutes be changed to reflect that he would like the former Lucky site to be demolished instead of reconstructed. With that change, the minutes were approved.

**2. CLARIFICATION ON COMMITTEE'S FEBRUARY 4, 2013 RECOMMENDATION TO CITY COUNCIL REGARDING A PROPOSED COMMERCIAL OVERLAY ZONE ON THE FORMER FORD SITE AT 25501 MISSION BOULEVARD:**

David Rizk, Development Services Director presented the findings of the previous discussion on February 4, 2013 to the committee for clarification.

Mr. Rizk indicated that towards the end of the meeting it was clear that Option 3, that would have the commercial overlay zone extend over the entire area of parcels that front Mission Boulevard, is what the committee recommended.

Council Member Jones referred to the minutes from the February 4<sup>th</sup> meeting and indicated that he felt it reflected his thoughts correctly. CM Jones is not opposed to going vertical for residential and keeping commercial and retail on the ground levels.

David Rizk reiterated that the plan is not to ban residential use of the space completely, just on the ground floor of the building. Residential would be allowed on the second floor and above.

Mayor Sweeney reaffirmed that staff's summary was correct regarding its February 4<sup>th</sup> action that recommended the entire Ford Site be subject to a commercial overlay zone (Option 3) which would not include any ground floor residential.

**3. RETAIL UPDATE—JIM MCMASTERS, SR. VICE PRESIDENT & RETAIL DIRECTOR, COLLIERS INTERNATIONAL (ORAL REPORT)**

Jim McMasters, Sr. Vice President & Retail Director of Colliers International, reported on the retail environment in Hayward. He has heard negative comments from retail tenants about the Carpenters Union in Hayward.

There is very little spec development currently and he does not expect to see any in the near future. Mr. McMasters explained that it will be two to three years before retail recovers.

There is growth in grocery stores such as Sprouts and Walmart that are moving into existing supermarkets, looking for approximately 40,000 sq. ft.

There is also growth in discount stores. Their growth is stimulated by the frugal shopping habits of the public due to the poor economy. The public continues to struggle with job loss and lack of pay increases.

Increase in the Asian and Hispanic populations has stimulated growth in the Asian and Hispanic retail market. Also there is growth in the health club industry.

Mr. McMasters stated that the greening of America, with California leading the charge, has caused retailers to not want to do business in California.

Member comments:

CM Salinas remarked that there are many Dollar Store concepts in Hayward. Also Hayward is over-saturated with fast food places. However, the fast food places are serving better food but it is inexpensive food.

Mr. McMasters responded that this is because consumers are currently in a frugal mode. Mr. McMasters spoke about a recent International Council of Shopping Centers event in Oakland that reviewed the growing Hispanic community and their retail shopping habits. The Hispanic market is different than any other market. With the growing Hispanic population in Hayward, it is a good idea to understand this market. He also remarked that the retail industry is the largest employer in the State of California.

Mayor Sweeney asked about the Carpenters Union Lawsuit. Mr. McMasters explained that the Carpenters Union Lawsuit was brought up at his office and he decided to mention it to the CEDC members. He further commented that the unions are strong in the community and this does push retail away from Hayward.

#### **4. BUSINESS VISITATION PROGRAM REPORTS: (ORAL REPORTS)**

Sally Porfido, Economic Development Coordinator, introduced Wassem Khan to report on a business visit to Communication Supply Company, located off of Huntwood Ave. The company moved three years ago from Newark and is very happy doing business in Hayward. Managers from this company are involved in the community. The only item noted for improvement is the lighting around the building because employees leave late from work and need adequate light to safely walk to their cars. Aside from that they are very happy to be in Hayward.

CM Jones and Kanti Patel visited Olive Garden located on Hesperian Boulevard. This location is the third highest performing Olive Garden Restaurant in the Bay Area. Olive Garden is going to be remodeled in the next four months. The managers from this location reported security concerns. A few times a week, cars are broken into and they would like more security and lighting in the

surrounding areas. Their highest customer base is coming from Oakland, Union City is second and Hayward was third. Safety was the main concern for patrons and employees.

Mayor Sweeney requested a follow up on the lighting issues presented in this business report.

**5. ECONOMIC DEVELOPMENT ACTIVITIES FOR MARCH 2013 (ORAL REPORT)**

Sally Porfido reported that she met with the Southland Interim Mall Manager, Alan Clark. Mr. Clark indicated that Rouse Properties is open to reviewing possible Southland Mall improvements.

Staff also met with the East Bay Economic Development Alliance, to review a group action plan to develop a regional effort to attract advanced technology companies into the East Bay.

Staff attended the East Bay Economic Development Alliance Director's Council bi-monthly meeting. At this meeting, five sub-committee groups were formed.

Sally gave an overview of the businesses and commercial brokers that were provided staff assistance in the month of March.

**COMMITTEE MEMBER ANNOUNCEMENTS:**

Council Member Salinas asked if the City had a policy for abandoned buildings.

Ms. McAdoo stated that she would look into gathering more information from previous reports.

**ADJOURNMENT:** Meeting was adjourned at 5:14 p.m.



**DATE:** May 6, 2013  
**TO:** Kelly McAdoo  
Assistant City Manager  
**FROM:** Sally Porfido, Economic Development Coordinator  
**SUBJECT:** **Economic Development Activities for April 2013**

**BUSINESS DEVELOPMENT:**

- 1) Staff continues to meet with the team responsible for the development of a Lit Hayward project that will result in bringing fiber optic cable to the Hayward industrial areas and other key areas in Hayward. The team is working on refining the License Agreement, the mapping of the areas, and business information to be provided to the Lit San Leandro principals. The result will be an excellent economic development tool to attract and retain businesses in Hayward. Staff is planning to present additional information to the Council via work sessions in early summer.
- 2) Staff met with the broker and principals of Mission Linen. They are planning to put an operating facility in the East Bay and Hayward is one of the cities they are considering because they like the water quality and Hayward's central location. They did not share what sites they are looking at but may end up doing a build-to-suit facility. They will need sufficient parking at the site they decide on. They will eventually have approximately 300 employees. Information was provided to other City staff for a follow-up meeting in the near future.
- 3) Staff attended the Green Corridor Siemens Industry hosted event on April 19. Siemens in Hayward is a leading provider of clean energy projects, including renewable energy such as solar and wind, energy conservation, and water conservation. The Siemens' engineers discussed how they evaluate companies in their industry. Six different clean tech companies gave presentations for evaluation by the Siemens group. Siemens' staff then provided a company tour and hosted a lunch for the group.

**4) BUSINESS ACTIVITIES:**

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

- Alphabet Energy – Interviewed for Business Recognition Award for May 2013.
- Aurora Algae – Assisting with upcoming business visit by Mayor Sweeney at their Corporate Headquarters in Hayward.
- Southland Mall – Assisted Interim Mall Manager, Mr. Clark, with various issues affecting Southland Mall. Set up meeting with the Mr. Clark to introduce Lori Taylor, E.D. Manager.

**Office of the City Manager**

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- Off-The-Grid Mobile Good Truck business – regarding information on the Monday evening Hayward food truck events.
- Lit Hayward – Organized a follow-up meeting to review bringing high speed cable access to Hayward.
- Starzz Management dba ME Restaurant & Lounge – regarding participating in the CSUEB consulting class project.
- Bijou Restaurant & Lounge – regarding participating in the CSUEB consulting class project.
- The Golden Tea Garden – regarding participating in the CSUEB consulting class project.
- Granite Encounter - regarding participating in the CSUEB consulting class project.
- Doc’s Wine & Cheese – met owner and took shop tour.
- Mission Linen – regarding considering Hayward for an upcoming expansion project that would add 300 new jobs.
- Mi Pueblo Food Markets – Confirmed contact information for two upcoming business visits.
- All-Tex, Inc. – Confirmed contact information for upcoming business visit.
- Harlan Sprague Dawley – Business visit to determine status for business visit program.
- Buffalo Bill’s Brewpub – staff attended Code Assistance meeting to support a new concept of owner Geoff Harries.

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

**OTHER ECONOMIC DEVELOPMENT ACTIVITIES:**

- 5) Staff participated in the Hayward Chamber of Commerce Tabletop Mixer at La Quinta Inn & Suites. Fourteen businesses participated with 75 attendees. Attendees enjoyed the opportunity to learn more about the Chamber member business participants, networking opportunities, as well as partake of the delicious food donated by La Quinta Inn & Suites for this event.
- 6) The City of Hayward continues to develop partnership relationships with Cal State University East Bay (CSUEB) and the Hayward Chamber of Commerce:
  - To attract students to the downtown, on Friday, April 17, a shuttle service began to the Hayward downtown from CSUEB Pioneer Heights Residences. This shuttle service operates Friday 6 p.m. to 1:30 a.m., Saturday 8 a.m. to 1:30 a.m., Sunday 8 a.m. to 10 p.m. The results to date have been positive.
  - City staff and Kim Huggett, President of the Hayward Chamber of Commerce met with Dr. Brian McKenzie, Associate Professor, Marketing & Entrepreneurship, at CSUEB regarding a class project to provide free business consulting services to downtown businesses. City Staff and Mr. Huggett recruited seven downtown businesses and one industrial area business to participate in this project that will be completed at the end of the current quarter. The businesses involved present a particular problem to their class team and the team’s assignment is to provide the best solution by the end of the quarter.