



CITY OF
HAYWARD
HEART OF THE BAY

**COUNCIL ECONOMIC
DEVELOPMENT COMMITTEE**

NOVEMBER 4, 2013

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

CALL TO ORDER

ROLL CALL

PUBLIC COMMENTS: *(The Public Comment section provides an opportunity to address the City Council Committee on items not listed on the agenda. The Committee welcomes your comments and requests that speakers present their remarks in a respectful manner, within established time limits, and focus on issues which directly affect the City or are within the jurisdiction of the City. As the Committee is prohibited by State law from discussing items not listed on the agenda, your item will be taken under consideration and may be referred to staff.)*

1. Introduction of New Economic Development Specialists Julie Barnard and Abiud Amaro Diaz
2. Approval of Minutes of September 16, 2013

[Draft Minutes](#)

3. Brown Act Presentation by City Attorney's Office – (Oral Report)
4. General Plan Update - Presentation of the Draft Economic Development Element

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

5. Business Visitation Reports – (Oral Report)
6. Economic Development Activities for September/October 2013

[Activity Report](#)

COMMITTEE MEMBER ANNOUNCEMENTS AND REFERRALS

ADJOURNMENT

NEXT REGULAR MEETING
MONDAY, DECEMBER 2, 2013

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CITY OF
HAYWARD
HEART OF THE BAY

COUNCIL ECONOMIC DEVELOPMENT COMMITTEE

MEETING SUMMARY NOTES – September 16, 2013

CALL TO ORDER: Chair Sweeney called the special meeting to order at 4:03 P.M.

ATTENDANCE:

Committee Member	Present 7/1/2013	All Meetings Year to Date		Meetings Mandated By Resolution	
		Present	Absent	Present	Absent
Kanti Patel	Resigned effective September 5, 2013				
Chris Lam	✓	9	4 (2 excused)	9	2 (1 excused)
Waseem Khan	✓	10	3 (1 excused)	8	3 (1 excused)
Navneet Ratti	To be sworn in by Council September 17, 2013				
Mayor Sweeney (Chair)	✓	13	0	11	0
Council Member Jones	✓	13	0	11	0
Council Member Salinas	✓	10	3**	8	3**

****CM Salinas taught a class on Mondays that started at 4:15 P.M.**

OTHERS IN ATTENDANCE:

- Kelly McAdoo, Assistant City Manager
- David Rizk, Director of Development Services
- Eusebio Espitia, Code Enforcement Supervisor
- Lori Taylor, Economic Development Manager
- Ned Thomas, Planning Manager
- Stacey Bristow, Neighborhood Partnership Manager
- Linda Ajello, Associate Planner
- Sara Lamnin, Planner Commissioner
- Kim Huggett, President, Hayward Chamber of Commerce
- Sean Wood, Development Director for Rouse Properties
- Sunil Etha, Senior Branch Manager for MS International, Inc.

PUBLIC COMMENTS: Kim Huggett from the Hayward Chamber of Commerce announced the October 7, 2013, Business Expo at St. Rose Hospital’s Grand White Tent; distributed a new Chamber membership application; announced the current recruitment for the Chamber’s Leadership Program; and expressed his support for MS International’s expansion proposal (Item #5).

1. APPROVAL OF MINUTES:

The Minutes of July 1, 2013 were approved as presented.

2. ACKNOWLEDGE RESIGNATION OF CEDC MEMBER KANTI PATEL

Mayor Sweeney explained that CEDC member Kanti Patel resigned effective Sept. 5, 2013, due to increased business travel commitments. Staff noted Mr. Patel's resignation created a vacancy on the committee, which would be addressed later.

3. WELCOME NEW CEDC MEMBER NAVNEET RATTI

The Committee welcomed Mr. Navneet Ratti who was scheduled to be sworn in by City Council the following evening, Tuesday, September 17, 2013. Mr. Ratti attended the CEDC meeting to meet fellow committee members and for informational purposes only.

4. UPDATE ON FUTURE PLANS FOR SOUTHLAND MALL (ORAL REPORT)

Economic Development Manager Lori Taylor introduced Sean Wood, Director of Development for Rouse Properties, noting Mr. Wood had addressed the Committee in July and was still working with the City to make some changes at Southland Mall.

Mr. Wood explained that Rouse Properties was formed after the bankruptcy of General Growth and noted they had a portfolio of 31 properties, which was small enough that the Rouse team could focus on renovating and revitalizing those assets. He said Rouse was looking to renovate the shops in the strip along Hesperian Boulevard and the Mall itself. He noted he was meeting with City staff on Wednesday to discuss the initial planning submittal for a 45,000 square foot fitness center at the north end of the strip at the former Lucky grocery store location. He mentioned that since July, there hadn't been any progress but on September 18th there was a meeting scheduled with the Airport Land Use Committee (ALUC) to discuss the proposal. Mr. Wood said he had hoped the Planning Commission could hear the item on the 19th, but learned that wasn't going to happen because there wasn't enough time for ALUC comments to be incorporated into the staff report.

Mr. Wood expressed concern that the project schedule was slipping. He said his deal was contingent on securing a text amendment by the end of September, so he was running the risk of losing the deal which was the catalyst for the development of the rest of the strip. He asked staff for any help they could provide to make the process go faster.

CEDC Member Christopher Lam asked if Hayward needed another fitness center and encouraged Mr. Wood to pursue an Asian grocery store instead.

Mr. Wood said Rouse would welcome any retailer interested in the strip or the mall regardless of focus and he commented there was a lot of interest and all of the uses were approved under the current zoning, and would therefore avoid a review by the ALUC.

Ms. Taylor said it was unfortunate that the ALUC review added a layer of complexity and said staff would work to ensure the County moved as quickly as possible. She mentioned staff had discussed hiring a consultant with expertise in ALUC issues.

Mayor Michael Sweeney said many people were frustrated with the ALUC and its handling of uses at a Mall that had been there for years. He offered to provide Mr. Wood with as much help as possible, but noted the City was as frustrated by the process as he was.

Ms. Taylor asked the Committee if they were interested in a Work Session to have Rouse Properties talk about future plans at the Mall. Council Member Mark Salinas said he would like the discussion to include attraction of a grocery store noting residents have been demanding one in the area. Mr. Salinas asked why another fitness club was being built when one already existed across the street. Mr. Wood said the LA Fitness club had a higher level of amenities including classes and a pool and he commented that Rouse Properties had approached several grocery stores and had been turned down. He also said having a club did not mean a grocery store couldn't also locate there and said there was still room for a grocery up to 55,000 square feet.

Mr. Lam said he would like to see a long-term plan from Rouse and Mr. Wood said he could have one ready for the Council Work Session. Mr. Wood commented that when he started with Rouse Properties four months ago, the fitness club was the only business interested in the location. He pointed out that because of the type of property, potential retailers couldn't just bulldoze a building and start anew; they had to work with what was there. He said the same was true with the Mall and he mentioned a potential project that would improve facades along the I-880 side and make the Mall more attractive to both tenants and customers.

CEDC Member Waseem Khan asked if it was economics that caused grocery stores to reject the site. Mr. Wood said rent amount was not the problem; one grocer rejected the proposal because of the positioning on the site.

Council Member Greg Jones asked Mr. Wood to provide a list of complimentary retail uses to a fitness center as part of his report. He said a grocery store might be one of those uses, but wanted a list of businesses that might be attracted to the location from a retail attraction perspective.

Mr. Lam mentioned that the flow of traffic in and out of the Mall area might be another issue to address. Mr. Wood asked if he meant Southland Mall Drive and Mr. Lam said yes, and West Winton Avenue, too.

5. POTENTIAL EXPANSION OF MS INTERNATIONAL, INC. (STAFF REPORT)

Ms. Taylor introduced Sunil Etha, Senior Branch Manager for MS International, Inc. (MSI), noting that a month earlier, Hayward Chamber of Commerce President Kim Huggett had included her in a meeting with MSI to discuss their expansion needs. Located in Hayward since 2008, she explained that due to rapid growth MSI was looking to move from the current 80,000 square foot facility to a 396,000 square foot building located immediately north of the current site. MSI supplies businesses including Home Depot and custom contractors, and has a 5,000 square foot showroom that generated sales tax revenues. Per the Cannery Design Plan, Ms. Taylor noted this was the not the big box use the City had initially planned for, but she expressed support for the project because there was already a saturation of big box retailers in the area and being located right next to residential, MSI was a less disruptive neighbor. She also pointed out that MSI might serve as a catalyst for other specialty trade contractors to locate in the same area. She concluded that support of the expansion would create low impacts for the area, preserve a quality business already in the community, and protect jobs and sales tax revenues.

Mr. Etha added the MSI was the largest importer in the U.S. with 60 locations nationwide. He said after moving three times in two years, he realized they needed more space. Mr. Etha said 99% of their products were imported and supply retailers, contractors and other distributors. Mr. Etha said company-wide they imported over 25,000 shipping containers worth of goods, 800 going directly to the Port of Oakland. He said from their headquarters in Los Angeles they have one truck a day bringing products to Northern California and in order to reduce or eliminate those transporting costs they needed more storage space locally.

Mayor Sweeney asked if the showroom would move to the new location and Mr. Etha said yes.

Council Member Salinas asked how many employees MSI had and Mr. Etha said around 35 and he confirmed when the expansion took place that number would increase to approximately 60-80 employees. Mr. Salinas asked where employees lived and Mr. Etha said from all over the Bay Area, but about 35% from Hayward.

Mr. Khan asked when the move would take place and if there was a schedule. Mr. Etha said expansion discussions were just starting, but he noted their current lease was up mid-2014 and it would take between three and four months to move. He said all decisions about moving would have to be made by the beginning of the year.

Mr. Lam asked Mr. Etha if he currently leased or owned his building and Mr. Etha said leased, but was planning on purchasing the new building.

Mr. Lam asked what other options the City had for the site beside MSI.

Ms. Taylor said that since the Cannery Design Plan was adopted, the retail world had changed due to new development elsewhere within the region including two new Targets, Union Landing, and Pacific Commons. She noted that the intersection of A Street and Hathaway had a low level of service so attracting a big box retailer would be difficult. She reiterated her reasons for supporting MSI emphasizing the low impact on surrounding residential neighbors and the vacancy created in MSI's current building for a related retailer to create a vibrant cluster of building-related businesses.

Council Member Jones said he was glad they weren't considering housing for the site and said this was a good opportunity for the City to "walk the walk" and help a successful business stay in Hayward. Mr. Jones said he didn't have any concerns about supporting the proposed expansion.

Mr. Etha mentioned that most of MSI's buildings were in port towns to avoid having to truck supplies to and from warehouses. He said his other option was locating in either San Leandro or Oakland, but noted they had been very successful being based in Hayward and in only five years had outgrown their current location.

Mayor Sweeney commented that when Costco initially went in, developers made a lot of promises about what they would build next to Costco and these plans haven't materialized. Mayor Sweeney said the proposed MSI expansion was a win-win situation because it would be better for neighbors and it would free up space for another new development.

Mr. Lam asked how MSI was able to compete with all the other countertop suppliers and importers.

Mr. Etha said most of them were customers of MSI. Mr. Lam asked if that included suppliers by the airport and Mr. Etha said yes. Mr. Etha said MSI imported 25,000 shipping containers and noted he didn't think anyone else in the country was doing that. Mr. Lam confirmed that was company-wide and then asked how many came through the Port of Oakland and Mr. Etha said 700-800. Mr. Etha said most of MSI's products were imported from Brazil, Turkey, India, and China through one purchasing department and then distributed across the nation to the warehouses. He explained that was MSI's edge and the reason why MSI continued to grow even during the worst economic crisis in 2008 and 2009.

Mayor Sweeney closed the item by wishing Mr. Etha good luck and noted he looked forward to the next opening.

6. REVISIONS TO TOBACCO SALES REGULATIONS IN ZONING ORDINANCE (ORAL REPORT)

Planning Manager Ned Thomas introduced the item noting the purpose of the ordinance was to set up a regulating mechanism primarily to keep tobacco products out of the hands of youth. He said the ordinance would benefit the overall health of the City, but the main focus was on youth. The other purpose was to set up a self-financing mechanism to pay for enforcement of local as well as state and national regulations addressing sales to minors. Enforcement would be handled through the City's code enforcement department and the Hayward Police Department.

Associate Planner Linda Ajello background on the development of the ordinance including steps to define "tobacco sales establishment," set locational parameters on where shops could operate, and adding the requirement of a conditional use permit. Ms. Ajello said staff was receiving assistance from the Alameda County Health Department, which had received grant funds to work with local jurisdictions. Staff was continuing to develop more comprehensive regulations including under what zones tobacco sales would be allowed. Ms. Ajello added that another target of the ordinance was prohibiting single-sale tobacco products like cigars and candy-flavored tobacco products that kids were purchasing for the price of a candy bar on their way home from school. Modeling Hayward's ordinance after state and other city's ordinances, Ms. Ajello said staff was working hard to develop enforcement provisions that would empower the city rather than leave it to state control.

Another driving factor behind the development of the ordinance, she said, were inquiries regarding e-cigarettes and smoke shops. The City's zoning ordinance did not define any of these more modern establishments, she said, nor did it regulate where the shops could be located.

Ms. Ajello said community outreach meetings were planned, followed by work sessions with both the Planning Commission and City Council, before the draft language would be presented to the Planning Commission for review.

Mayor Sweeney asked why these shops had to be located anywhere in Hayward.

When Ms. Ajello asked him if he meant banning these products altogether, Mayor Sweeney said yes. Ms. Ajello said that would be a Planning Commission, and ultimately a City Council decision, and noted that staff was responding to past direction.

Neighborhood Partnership Manager Stacy Bristow mentioned that other jurisdictions had developed ordinances that provided language to monitor current businesses and prohibit new. She said Hayward had options that could be explored.

Mayor Sweeney encouraged staff to look at those options commenting that the group wouldn't believe the amount of cigarette-related trash the Keep Hayward Clean & Green Task Force had to pick up. Obviously it was not good for anybody, he said, and said he personally wanted to push regulation to the max.

Council Member Salinas noted that the Health Department had designated the Hayward as the unhealthiest city in Alameda County. He called Hayward a food desert and noted with an overabundance of tobacco and liquor stores it was easier to buy a pack of cigarettes and a 40 oz. alcohol beverage than it was an apple. Mr. Salinas said Hayward also ranked low with the American Lung Association. While he understood the option of regulating what was already here, he said he was in favor of prohibiting all of it.

Mr. Lam pointed out that he had yet to see anything productive or upscale about cigarette outlets. He said the only association with these stores he could think of was drinking and "bad stuff" in general. Mr. Lam was also in favor of banning those products and pointed out they had to take leadership to make a statement. He commented that everyone present had heard all the bad things about Hayward and maybe this would make some headway toward changing that. Mr. Lam said that if the products couldn't be banned then they should be taxed so the City could benefit in some way. He lamented having to clean up after his employees who smoked during their breaks and said some of the money could go toward educating young kids before they were tempted to try smoking.

Council Member Jones said he agreed with comments made and suggested modeling the ordinance after what the City had in place for establishments selling alcohol including limiting the density of businesses in a particular area. He commented the proposed ordinance would cause problems with already established businesses, but they would have to toe the line and any revenue generated from fees could be used to enforce the codes the City already had in place. He commented that the City could pass all the codes it wanted but if they weren't enforced there wouldn't be any improvement.

Ms. Bristow said existing ordinances could be used as models in terms of code enforcement practices including timelines and fees. She said the community might find it helpful that the proposed ordinance would allow the City to use decoy operations at problem establishments with immediate consequences including shutting down the business, rather than basing fees and enforcement on annual inspections.

Council Member Jones asked if the parents faced any consequences when their child tried to buy tobacco products and Ms. Bristow said she would have to ask Hayward Police Department about the process. Mr. Jones noted that the City had a social host ordinance that brought parents into the loop if alcohol was being served and he noted parents could also face fines through the City's graffiti abatement program. He wondered if a similar angle could be used for tobacco products and he said another lever had to be found to put pressure on kids to not smoke and the conditions at home that might lead to kids smoking.

Mr. Khan suggested creating a tobacco sellers license that would be renewed every couple of years and had conditions associated with it including how close outlets could be located next to one another.

Associate Planner Ajello said the proposed ordinance already had separation requirements to control density. Regarding existing retailers, and Ms. Bristow indicated there were 170 of them, Ms. Ajello said they would be allowed to continue operating but would require they comply with new standards and would be subject to the same enforcement, fees and penalties as any new businesses.

Mr. Khan asked if a timeframe could be placed on the license and Ms. Bristow said an annual renewal was being recommended, but the City wouldn't be limited to only one inspection. If the City received complaints, she said, or it was a problem establishment, multiple inspections could be made.

Mr. Khan asked about paraphernalia that was sold under the premise of being used for tobacco but was more likely being used for drugs. Ms. Bristow said enforcement would include paraphernalia, and she mentioned the police had the same concerns, in addition to signage, packaging and securing the items. She said the work session would address all the items of concern.

Ms. Ajello said the City wanted to prohibit certain items as well as the paraphernalia including flavored tobacco products including cigars. She also noted the City was considering banning candy cigarettes or any kind of candy that was designed to emulate smoking.

New CEDC member Navneet Ratti asked about hookah bars noting some of the products sold were flavored. Ms. Ajello indicated that hookah bars were included in the language of the new ordinance. She said staff tried to be as comprehensive as possible.

Council Member Salinas reiterated that he wanted the City to do as much as it could to prohibit products and then heavily regulate everything else. He recalled asking staff to strike out tobacco, liquor and check cashing stores as acceptable uses under the Form-based Code along the Mission Boulevard Corridor. He said he got a call from the property manager of the Food Source shopping plaza concerned about restricting her business opportunities. He said he asked her how many tobacco stores she had in her neighborhood. He concluded by saying he wanted strong, comprehensive regulation under the new ordinance.

CEDC Member Lam said regulation was important and checking businesses only once a year wasn't effective. He said he was sure the City could get its tax base from something else, kids didn't need it, and there should be no flavored or candy tobacco. Mr. Lam pointed out that no adult he knew used flavored tobacco products, only kids.

Ms. Bristow said the fee schedule the City was proposing would not only continue to support the Police in its decoy efforts, and more of them if necessary, but also a dedicated officer whose primary task would be enforcement of the ordinance. Mr. Lam asked if the penalties could be harder and Ms. Bristow penalties were significant. Although staff was still waiting for feedback from other jurisdictions, Ms. Bristow said examples of enforcement included a 30-day revocation of permit for first-time offenders, who could "buy their way out of it" for \$3,000-4,0000, and penalties in the thousands of dollars for third or fourth offenses followed by revocation of license and shutting down the business. Ms. Bristow said staff would present the complete list at the work session.

Mayor Sweeney summarized the discussion by saying the group didn't want any new tobacco retailers and for existing businesses to toughen the rules to the max. Mayor Sweeney also commented that there were still some smoking issues that needed to be addressed and he directed staff to the American Lung Association's scorecard to see what areas the City was deficient.

Mayor Sweeney asked when the item was scheduled to come to Council for approval and Ms. Bristow said work sessions were scheduled for the Planning Commission on November 21, City Council on December 17, with Public Hearings scheduled for January and February respectively. Mayor Sweeney asked staff to move the schedule up to get the item to Council sooner.

Mr. Lam asked if smoking was going to be banned in public places and staff indicated the ordinance was already in place with enforcement provided by the police department. Mayor Sweeney commented that he still received complaints about people smoking as they walk down the street and he said there needed to be better enforcement. Staff said they would pass that information along to the police department.

7. BUSINESS VISITATION REPORTS (ORAL REPORTS)

Economic Development Manager Taylor noted that CEDC Member Lam and Council Member Barbara Halliday visited Commercial Refrigeration Specialists and she gave a brief report of the meeting noting the company was a specialty contractor that serviced commercial refrigeration systems like those used at a big box and grocery stores, and food manufacturers and distributors. Mr. Lam added that they also developed and maintained refrigerated displays.

Open in Hayward for four years, Ms. Taylor said one concern the business had was weekend vehicle sideshows that created trash and debris. Mr. Lam said industrial areas were frequently the site for these events with “spotters” keeping a lookout for police. He suggested more police patrols to combat the problem.

Ms. Taylor conducted the other visit with ConWay Freight. She said Terry Smith, ConWay’s new Service Center Manager, had an interesting perspective on doing business in California, versus Michigan where the company was headquartered. The amount of traffic in California was one challenge, she reported, but more pressing was the national pay scale used by ConWay. For example, a \$23 an hour job in Kansas was a great job, she explained, but due to California’s high costs it is not equal. She said ConWay was working on a pay differential for high-cost areas.

Ms. Taylor noted that ConWay Freight had been located at the Hayward site for 53 years and had no desire to move although she did discuss options for the excess land at the site.

Ms. Taylor said ConWay had training programs, but because pay started at \$23, a lot of employees lived out of the area and retention was a problem. She said the creation of the pay differential might help.

Ms. Taylor said she asked Mr. Smith to name some of the corporations he worked with and he said ConWay specialized as a LTL carrier or “Less Than Truckload” for companies like Peet’s and for tradeshows.

Mr. Smith expressed a need for a high-end truck stop with showers, places to sleep, and a mechanic on site, but members of the CEDC were very lukewarm to the concepts.

8. ECONOMIC DEVELOPMENT ACTIVITIES FOR JULY/AUGUST 2013

Ms. Taylor introduced Economic Development staff and mentioned the office had recently moved from the 4th floor of City Hall to the 2nd. Assistant City Manager Kelly McAdoo explained that the move was precipitated by the need for more office space to accommodate the two new Economic Specialists that Ms. Taylor was in the process of hiring.

Ms. Taylor announced two events coming up: the East Bay EDA (Economic Development Alliance) was sponsoring a quarterly small business event in early November with a representative from the Governor’s new Economic Development Office to speak; and in partnership with the Chamber of Commerce, an Import/Export event on November 6th.

Ms. Taylor noted she had applied for a \$25,000 PG&E grant and would find out if the application was successful later the month. She said the grant would be used for job training related to food manufacturing and distribution. Ms. Taylor said she was working with a coalition of local governments and groups to find ways to bring free training programs to the region and would survey the group on training preference if the grant was awarded. Mr. Lam said he could recommend training programs based on his own experience and also suggested holding a job fair.

Ms. Taylor said a needs assessment would be conducted for the proposed High Speed Hayward fiber optic loop. She said the City's selection should focus on meeting the needs of existing businesses and attracting new businesses. She said the contract should prioritize areas of economic development and be clear on what the customer service experience will be like for businesses.

Regarding the Business Visitation Program, Ms. Taylor mentioned a few changes including ED staff making contact with businesses, casting a wider net with invitation letters, gearing the program so it would be more convenient for the CEO to participate, always having an ED staff person at the meeting, and providing more resources for businesses when needed. Mr. Lam said a lot of businesses were frightened when they received a letter from the Mayor so he suggested making it clear the City was only looking for feedback.

Ms. Taylor announced that HUD (U.S. Department of Housing and Urban Development) had awarded a \$5 million Bay Area Regional Prosperity Plan grant and noted she had been asked to serve on the steering committee. The purpose of the grant, she said, was improving workforces, career opportunities, and getting people into jobs with wages over \$18 an hour. She pointed out that would help her keep an eye out for grant opportunities for Hayward.

Mr. Lam said he was working with the County on a long-term business plan for the last year and it had been very helpful. Ms. Taylor said the program was probably the Employment Training Fund and any California business that did manufacturing or assembly was eligible for the funds. She said she was glad he had taken advantage of the program.

9. DISCUSSION OF CANCELLATION OF OCTOBER 7, 2013 DUE TO CONFLICT WITH CHAMBER'S BUSINESS EXPO AT ST. ROSE HOSPITAL

The Committee unanimously approved cancelling the October 7, 2013, CEDC meeting so members could participate or attend in the Chamber's Business Expo. Ms. Taylor announced the next regular meeting would be November 4th.

COMMITTEE MEMBER ANNOUNCEMENTS:

Council Member Salinas mentioned he went on a Business Visitation with City Clerk Miriam Lens to Inline Distributing Company (All-Tex) and he asked if the concerns expressed by Regional Operations Manager Henry Aparicio had ever been addressed. Mr. Aparicio had complained about a noisy water pump next to the business that would run all day. Assistant City Manager McAdoo said she remembered that, thought it had been addressed, but would double check.

Council Member Jones mentioned a friend of his had been the victim of a day-time attack near the Hayward BART station and he said public safety continued to be a problem the City needed to address. Ms. Taylor mentioned that the BIA (Downtown Hayward Business Improvement Area Advisory Board)

was going to hear a presentation about the formation of a business association that paid for additional security. Mr. Jones mentioned the City Council had a work session on a food sharing ordinance that was in development and he said it was too bad the CEDC hadn't been part of the discussion. Ms. McAdoo apologized for the oversight and Mayor Sweeney encouraged members to attend the City Council meeting to hear more.

ADJOURNMENT: Meeting was adjourned at 5:33 P.M.

DATE: November 4, 2013

TO: Council Economic Development Committee

FROM: Development Services Director

SUBJECT: General Plan Update - Presentation of the Draft Economic Development Element

RECOMMENDATION

That the Committee reviews and provides feedback on the goals, policies and implementation programs from the draft Economic Development Element.

DISCUSSION

City staff and the City's General Plan Update Consultants have been engaged in a comprehensive update to the City of Hayward's General Plan since October 2012. The most recent task was the creation of new General Plan elements consisting of goals, policies and implementation programs.

The goals, policies and implementation programs for the Economic Development Element, which will be one of ten elements or chapters (including the Housing Element) in the General Plan, are derived from the adopted [Economic Development Strategic Plan](#). The mission of the adopted Economic Development Strategic Plan includes:

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.

The draft General Plan Economic Development Element includes six goals, fifty-nine policies, and sixteen implementation programs that cover similar concepts such as:

1. Creating a diversified and robust economy
2. Supporting entrepreneurship
3. Business expansion and retention
4. Improving the City's image
5. Supporting a town-gown economy
6. Becoming a business-friendly city

Staff recommends that the Committee review the draft Economic Element and provide any feedback or input to staff.

FISCAL IMPACT

Below is a table outlining the budget for the General Plan Update project.

Budget for General Plan Update 2012-2014 (as adopted on 9/25/2012)			
	Approved Budget	Spent	Remaining
City Staff Time	\$475,000	\$127,293	\$347,707
Jason Jones (consulting project manager)	\$266,800	\$179,600	\$87,200
Public Engagement Activities/Tools	\$10,000	\$8,000	\$2,000
Mintier Harnish/MIG	\$1,157,840	\$715,314	\$442,526
Miscellaneous Costs (outreach materials)	\$10,000	\$2,677	\$7,323
Subtotal	\$1,919,640		\$896,400
10% Contingency	\$191,964		\$191,964
Grand Total	\$2,111,604	\$1,032,883	\$1,078,721

PUBLIC CONTACT

Ongoing updates have been provided on the City's web site and on Hayward2040.org. The City has been encouraging participation on the Hayward2040.org site. Staff has also provided the General Plan Update Task Force, the Council Sustainability Committee, the Planning Commission and City Council with opportunities to provide feedback on the draft elements.

NEXT STEPS

Following input from the Council Economic Development Committee, the draft policy document will be updated. The public review draft General Plan is scheduled to be released in the late fall.

Prepared by: Sara Buizer, AICP, Senior Planner

Reviewed by: Pat Siefers, Planning Manager

Recommended by: David Rizk, Development Services Director

Approved by:



Fran David, City Manager

Attachments

Attachment I

Draft Economic Development Element



DRAFT

POLICY DOCUMENT: PART 3

ECONOMIC DEVELOPMENT ELEMENT

The global, national, and regional economy has experienced dramatic changes in the last several decades. The U.S. economy has evolved from an emphasis on manufacturing to one increasingly based on innovation, creativity, technology, information, and global trade. These changing economic conditions provide both challenges and opportunities for the Hayward economy. With its centralized Bay Area location and a variety of economic, community, and transportation assets, Hayward possesses a strong foundation to develop a robust, diversified, and stable economy with a diverse range of employment, shopping, and cultural opportunities for local residents.

The Economic Development Element contains goals and policies to improve the local economy of Hayward by diversifying the economic base, supporting entrepreneurship and innovation, expanding employment opportunities through business retention and expansion programs, and collaborating with local colleges to develop a college-town economy and culture. The Economic Development Element also includes goals and policies to improve the image and reputation of Hayward so that it is recognized as the most desirable and business-friendly place to locate and conduct business in the East Bay.

For Hayward to reach its full economic potential, the City must address the related challenges of crime and public safety, traffic congestion, underperforming public schools, and community blight. For these reasons, several other General Plan elements contain goals and policies that directly and indirectly support economic development, including the Education and Lifelong Learning Element, Land Use and Community Character Element, Mobility Element, and Community Safety Element.

Goal 1 A Diversified and Robust Economy

Local economies that are dependent on a limited number of business sectors are generally vulnerable to fluctuating business cycles and economic downturns. When business cycles enter a period of decline, communities suffer from layoffs and decreased spending within the local economy. This causes other supporting businesses to suffer, causing further economic decline, the loss of tax revenue, and decreased funding for important city services. Communities that have a diversified economic base generally have a more stable economy that is less vulnerable to fluctuating business cycles and recessions. A diversified economic base also creates a range of local jobs within a variety of different business sectors, which gives residents more opportunities to find new or better jobs. This goal and its supporting policies strive to diversify and stabilize the local economy to increase the number of quality job opportunities for Hayward residents, and to improve access to local goods and service.

GOAL ED-1

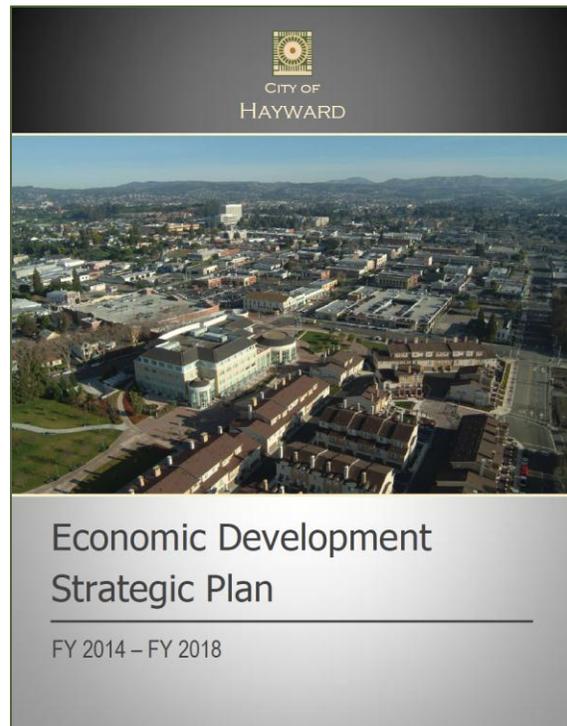
Diversify the economic base of Hayward to support a robust and stable economy with a diverse range of employment, shopping, and cultural opportunities for local residents.
[Source: New Goal; GPUTF, Public]

ED-1.1 Regional Economic Diversification

The City shall coordinate with other cities, counties, businesses, labor organizations, and other economic development and research organizations to help diversify and expand the economic base of the greater East Bay. *[Source: New Policy, City Staff] (CSO/JP/IGC)*

ED-1.2 Economic Development Strategic Plan

The City shall maintain and implement an Economic Development Strategic Plan that identifies short- and mid-term goals and strategies to diversify and expand the Hayward economy. *[Source: New Policy, City Staff] (MPSP)*



The City's first Economic Development Strategic Plan was adopted in 2013.

ED-1.3 Commercial and Industrial Development

The City shall encourage commercial and industrial development by ensuring the availability of suitable sites for development and providing appropriate zoning. *[Source: Existing Policy, modified] (RDR/PI)*

ED-1.4 Emerging and Growing Business Sectors

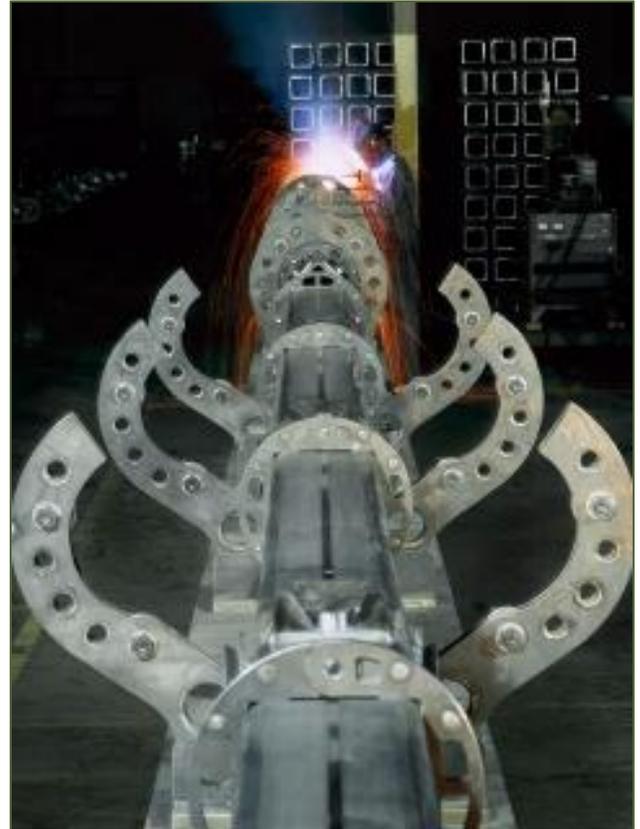
The City shall establish business attraction efforts that focus on small and medium-sized businesses within emerging and growing business sectors. *[Source: Existing Policy, modified] (CSO)*

ED-1.5 Knowledge- and Innovation-Based Industry Clusters

The City shall encourage the establishment and expansion of knowledge- and innovation-based industry clusters to increase the number of professional, scientific, and technical service jobs within the local economy, and to attract venture capital funding to Hayward. *[Source: New Policy, City] (CSO)*

ED-1.6 Advanced and Specialized Manufacturing

The City shall encourage the establishment and expansion of advanced and specialized manufacturing businesses to counter declining employment trends in traditional industrial manufacturing. *[Source: New Policy; City Staff] (CSO)*



Specialized manufacturing in Hayward. Courtesy of the Hayward Chamber of Commerce.



Warehouse and distribution facilities in Hayward. Courtesy of the Hayward Chamber of Commerce.

ED-1.7 Clean and Green Industry Cluster

The City shall encourage the establishment of a clean and green technology cluster to create a more sustainable industrial base. *[Source: New City Policy; City Staff] (MPSP/JP/IGC)*

ED-1.8 International Business and Trade

The City shall develop relationships, partnerships, and programs to promote international business and trade opportunities in Hayward. *[Source: New Policy; City Staff] (IGC/JP/MPSP/PI)*

ED-1.9 Culturally Diverse Businesses

The City shall encourage the development of specialty businesses that reflect the diverse ethnic and cultural groups of the Hayward community.

[Source: New Policy; PC/CC] (RDR/PI)

ED-1.10 Opportunity Sites

The City shall promote key retail, office, and manufacturing opportunity sites, as identified in the City's Economic Development Strategic Plan, General Plan, and other specific plans and master plans. *[Source: Existing Policy, modified; EDSP] (PI)*

ED-1.11 Local-Serving Retail

The City shall encourage the establishment and expansion of commercial businesses that increase local spending within Hayward and provide needed goods and services to local residents and businesses. *[Source: New Policy; EDSP; Public, GPUTF] (CSO)*

ED-1.12 Neighborhood Commercial

The City shall consider the integration of quality neighborhood commercial businesses and developments within residential areas to support the concept of "complete neighborhoods." *[Source: New Policy, GPUTF, Public] (RDR)*



Example of a neighborhood commercial development that provides services to nearby residents.

ED-1.13 Regional-Serving Retail

The City shall encourage private-sector investment to physically upgrade existing regional shopping centers and to create new centers at key retail opportunity sites. *[Source: New Policy; GPUTF; Public; CC/PC] (CSO)*



The Southland mall is the city's main regional shopping center.

ED-1.14 Hospitality and Entertainment Business Clusters

The City shall encourage the development of a hospitality and entertainment business cluster within Downtown Hayward and other appropriate locations to improve opportunities for shopping, dining, arts and entertainment, lodging, business conventions, and cultural events. *[Source: New Policy; GPUTF; Public] (MPSP/JP)*

ED-1.15 Industrial Technology and Innovation Corridor

The City shall protect the viability of the Industrial Technology and Innovation Corridor as its main employment base by discouraging the intrusion of uses that would erode the integrity of the corridor and maintaining zoning for manufacturing; professional, scientific, and technical services; research and development; and supporting uses. *[Source: Existing Policy, modified; GPUTF; Public] (RDR)*

ED-1.16 Industrial Technology and Innovation Corridor Strategies

The City shall develop, maintain, and implement strategies to facilitate economic investment by improving and promoting the Industrial Technology and Innovation Corridor. *[Source: Existing Policy, modified] (MPSP)*

ED-1.17 Airport-Related Businesses

The City shall encourage and promote the development of airport-related businesses, such as flight schools, aircraft maintenance, and executive airline services, at Hayward Executive Airport. *[Source: New Policy, City Staff] (RDR/PI)*



Business park at the Hayward Executive Airport.

ED-1.18 Business Councils

The City shall coordinate with businesses and business organizations to develop and/or expand business councils for local growing industries, such as a bioscience council, logistics council, and food manufacturing council. *[Source: Existing Policy, modified; EDSP] (JP/IGC)*

ED-1.19 Local Hiring 🌐

The City shall promote local hiring to increase community ownership and resident retention, help achieve a more positive jobs-housing balance, and reduce regional commuting, gas consumption, and greenhouse gas emissions. *[Source: New Policy, City Staff] (CSO/PI)*

Goal 2 Local Entrepreneurship

Many cities focus their economic development efforts on recruiting existing businesses from other communities and trying to convince them to relocate to their city. This approach, known as “economic hunting”, can have limited results because over time, gains in employment by recruiting are off-set by local companies relocating to other locations. As a result, many communities are expanding their economic development efforts to include strategies to invest in local entrepreneurs and small businesses. This approach, known as “economic gardening”, recognizes that companies that start and expand locally generally create more jobs than “economic hunting.”

The City of Hayward recognizes the economic potential of supporting local entrepreneurship and the creation of new businesses. This goal and its supporting policies seek to create a culture of local entrepreneurship and to expand the local economy by supporting the establishment of home-grown businesses. Goal 3 and its supporting policies provide further strategies to help these businesses, as well as other Hayward businesses, expand and remain in Hayward.

GOAL ED-2

Cultivate a culture of entrepreneurship to encourage and support local business start-ups. *[Source: New Goal; Public; GPUTF]*

ED-2.1 Assist Entrepreneurs

The City shall support and assist local entrepreneurs who are starting businesses within the Hayward community. *[Source: New Policy; GPUTF; Public] (PI/CSO)*

ED-2.2 Entrepreneur Services and Resources

The City shall coordinate with organizations that provide free or affordable services and resources to entrepreneurs and small businesses (such as East Bay SCORE, the Alameda County Small Business Development Center, and the US Small Business Administration). *[Source: New Policy; City Staff] (PI/JP/IGC)*

ED-2.3 Financing Programs

The City shall coordinate with organizations that provide microloans, small business loans, and other financial resources to fund new businesses (such as Opportunity Fund, banks that provide SBA loans, and on-line crowdfunding services). *[Source: New Policy; City Staff] (PI/JP/IGC)*

ED-2.4 Crowdsourcing

The City shall encourage entrepreneurs to use crowdsourcing techniques to obtain needed services, ideas, or content by soliciting contributions from an interested on-line community. *[Source: New Policy; GPUTF] (PI/JP)*

CROWDSOURCING

Crowdsourcing is the practice of obtaining needed services, ideas, or content by soliciting contributions from a large online community of volunteers. Entrepreneurs can use crowdsourcing techniques in place of hiring outside businesses or consultants.

ED-2.5 Hacklabs, Hackerspaces, and Makerspaces

The City shall encourage the development of, community-operated workspaces where people with common interests can meet, collaborate, and develop their business ideas and products (e.g. hacklabs, hackerspaces, or makerspaces). *[Source: New Policy; GPUTF] (PI/JP)*

ED-2.6 Business Incubators

The City shall encourage the establishment of local business incubators (programs designed to support the successful development of entrepreneurial companies through an array of business support resources and services). *[Source: New Policy, City Staff] (JP/IGC)*

ED-2.7 Training and Support Programs

The City shall coordinate with local college, trade schools, and technical training institutes to promote programs that offer training and support to potential entrepreneurs. *[Source: New Policy; City Staff] (IGC/JP)*

ED-2.8 Home-Based Businesses

The City shall encourage the formation and operation of home-based businesses that are compatible with the surrounding neighborhood. *[Source: New Policy; City Staff] (RDR)*

Goal 3 Business Expansion and Retention

According to “Building on our Assets: Economic Development & Job Creation in the East Bay”, over 39 percent of the annual job creation in the East Bay is attributed to the expansion of existing business establishments that are already located within the region. The City of Hayward recognizes the value of existing businesses and their potential to expand and grow local employment opportunities. This goal and its supporting policies are designed to retain existing

businesses and support their local expansion efforts.

GOAL ED-3

Grow the local economy and employment base by supporting efforts to expand and retain local businesses. [Source: Existing Policy; Public; GPUTF].

ED-3.1 BEAR Program

The City shall develop, maintain, and implement a Business Expansion and Retention (BEAR) program that that helps businesses stay, grow, and become more committed to the Hayward community. The City shall primarily focus its BEAR efforts on small businesses with high growth potential and other local companies that have a demonstrated commitment to the Hayward community. [Source: New Policy, City Staff] (CSO)

ED-3.2 Fast Growing Industries

The City shall monitor industry and market trends to identify fast-growing industries, and coordinate with local businesses within those industries to proactively assist with potential business expansion plans. [Source: Existing Policy; modified] (CSO/PSR)

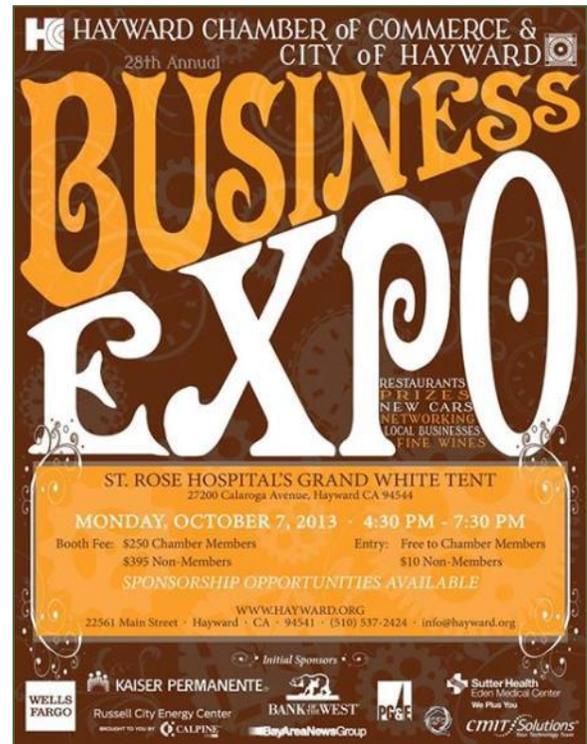
ED-3.3 Buy Local

The City shall encourage residents, local businesses, colleges, trade schools, and community organizations to purchase goods and services from other local businesses to support local jobs and to recirculate money within the local economy. [Source: New Policy; City Staff] (PI/JP)

ED-3.4 Networks and Organizations

The City shall coordinate with business networks and organizations (such as East Bay SCORE, the Alameda County Small Business Development Center, and the US Small Business Administration) that help local business owners

and operators sustain and expand their business within the Hayward community. [Source: New Policy; City Staff] (IS/JP/IGC)



Advertising for a business expo sponsored by the City of Hayward and the Hayward Area Chamber of Commerce.

ED-3.5 Loans and Financing Programs

The City shall coordinate with organizations that provide loans and financing programs for businesses expansion efforts. [Source: New Policy; City Staff] (PI/IGC/JP)

ED-3.6 Business Advisory Groups

The City shall coordinate with local business organizations and college business programs to create retail, restaurant, and business advisory groups (groups of trained volunteers that visit stores, restaurants, and businesses to provide constructive advice to business owners). [Source: New Policy, GPUTF] (JP)

Goal 4 Town-Gown Economy

The city of Hayward is home to California State University, East Bay, Chabot College, and several vocational schools and technical training institutes. Despite this fact, the City of Hayward does not function or have a reputation as a college town. In general, most students do not have a strong connection to the Hayward community and are generally living, socializing, and spending money in other communities. This goal and its supporting policies strive to develop a robust college-based economy by increasing the local population of students and faculty, and developing “town-gown” or “communiversity” partnerships to improve the local economy and the quality of life of students, faculty and residents. Building the connections between the Hayward community and local colleges will also encourage more college graduates to live long-term in Hayward.

GOAL ED-4

Develop a robust college-town economy through “town-gown” and “communiversity” partnerships. *[Source: New Goal: Public, GPUTF]*

ED-4.1 Town Gown and Communiversity Partnerships

The City shall collaborate with local colleges to develop strategic “town gown” or “communiversity” partnerships that enhance the Hayward community and economy, improve the overall educational experience of college students, and assimilate college students and graduates into the Hayward community. *[Source: New Policy: Public, GPUTF] (IGC)*

ED-4.2 Expanding Higher Education

The City shall encourage the expansion of local colleges, trade schools, and technical training institutes to increase local employment opportunities within the education sector and increase the number of students in Hayward.

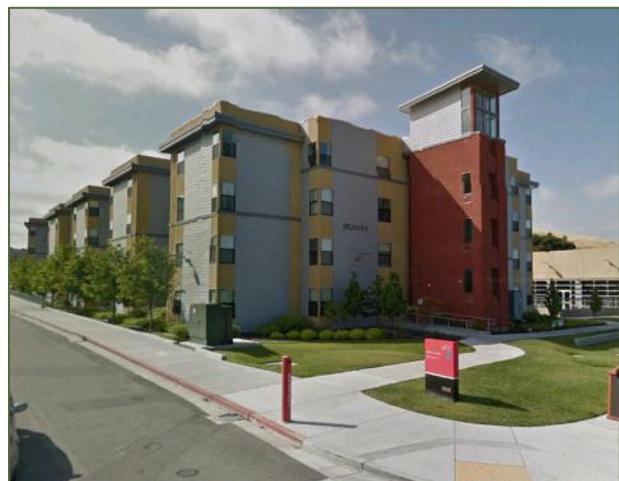
[Source: New Policy; City Staff] (IGC/PI)



California State University, East Bay.

ED-4.3 Student and Faculty Population

The City shall support on- and off-campus student and faculty housing to increase the demand for local services and businesses that cater to students and faculty. *[Source: New Policy; Public, GPUTF] (RDR/IGC/JP)*



Student housing at California State University, East Bay.

ED-4.4 College-Serving Businesses

The City shall encourage the development of businesses that cater to college and higher-education students, administrators, and faculty members, particularly within Downtown Hayward and along Mission Boulevard (near Cal State University, East Bay) and Hesperian Boulevard (near Chabot College). *[Source: New Policy; Public; GPUTF] (RDR)*

ED-4.5 Events and Festivals

The City shall support and promote community events and festivals that foster college culture and a sense of college and community pride. *[Source: New Policy; Public; GPUTF] (PI/IGC/JP)*



Downtown Street Party. Courtesy of the Hayward Chamber of Commerce.



College students celebrating at a Downtown Street Party. Courtesy of Cathy Breslow.

ED-4.6 Research and Development Partnerships

The City shall coordinate with local colleges and businesses to seek funding for research and development programs. *[Source: New Policy; Public; GPUTF] (JP/IGC)*

ED-4.7 College Technology Research Parks and Business Incubators

The City shall coordinate with local colleges and business organizations to explore the feasibility of developing college technology research parks and business incubators. *[Source: New Policy; GPUTF, Public] (IGC/JP)*

City of Hayward

Administrative Draft General Plan

Policy Document

Goal 5 City Image

The City of Hayward recognizes that business owners and operators consider the image and reputation of a community when deciding where to locate or expand their business. Business owners and operators are generally looking for communities that have a good reputation and are desirable places to live, work, visit, and raise a family. This goal and its supporting policies strive to increase economic investment in Hayward by enhancing the overall image and reputation of the community. Hayward's image, reputation, and overall economic development potential are also influenced by the reputation of public schools.

Goals and policies related to improving public schools are discussed in the Education and Life-Long Learning Element.

GOAL ED-5

Encourage economic investment by enhancing the image and reputation of Hayward. *[Source: EDSP, modified; GPUTF; Public; CC/PC]*

ED-5.1 Economic and Community Assets

The City shall promote Hayward as a livable community and excellent place to do business by showcasing the community's competitive advantages and economic and community assets, through the development of a unique brand and related marketing program. *[Source: Existing Policy, modified; EDSP] (PI)*

ED-5.2 Community Events and Festivals

The City shall collaborate with businesses, business organizations, and the community to organize and promote events and festivals that help residents and visitors develop positive associations with the Hayward community. *[Source: EDSP] (CSO/IGC/JP/PI)*

ED-5.3 Amenities to Attract the Creative Class

The City shall maintain and enhance the social and cultural amenities of the City (such as attractive public spaces, restaurants, sidewalk cafes, and art galleries) to help attract creative, artistic, skilled, and innovative people (the creative class) to the Hayward community. *[Source: New Policy; City Staff, GPUTF] (CSO/MPSP)*

ED-5.4 Community Appearance Programs

The City shall maintain and implement programs that are specifically designed to address Hayward's community appearance problems (graffiti, litter, abandoned vehicles, illegal dumping, weed abatement, property maintenance, illegal signs, etc.). *[Source: Existing Policy, modified] (FB/CSO)*



Utility box murals used to reduce graffiti.

ED-5.5 Quality Development

The City shall require new development to include quality site, architectural and landscape design features to improve and protect the appearance and reputation of Hayward. *[Source: Existing Strategy, modified] (RDR)*

ED-5.6 College Town Image

The City shall develop Hayward's image and reputation as a college town to attract both businesses that serve students and faculty, and businesses looking for a trained and educated workforce. *[Source: New Policy; Public, GPUTF, CC/PC] (IGC/PI)*

ED-5.7 Business Improvement Districts

The City shall encourage the formation of business improvement districts by coordinating with property and business owners who want to improve the image and reputation of their district. *[Source: New Policy; City Staff] (JP)*

Goal 6 A Business-Friendly City

The Hayward community wants to encourage private-sector investment to encourage business development, enhance local employment opportunities, and improve the overall quality of life for residents. The City recognizes that it can facilitate private-sector investment and the creation of jobs by creating a business-friendly environment. This goal and its supporting policies stress the importance of customer service, fair and predictable permit procedures, the removal of unnecessary regulatory barriers, and the creation of incentives and partnerships as ways to attract private sector investment to the Hayward community.

GOAL ED-6

Achieve recognition as the most desirable and business-friendly place to locate and conduct business in the East Bay. *[Source: Existing Policy, modified; GPUTF; Public, CC/PC]*

ED-6.1 Business-Friendly Values

The City shall ensure that the entire City organization, including employees, volunteers, and elected and appointed officials, understand and embrace Hayward's business-friendly values. *[Source: New policy; City Staff] (CSO)*

ED-6.2 Land Use Certainty

The City shall strive to enhance land use certainty for businesses by identifying and removing unnecessary regulatory barriers that discourage private-sector investment. *[Source: Existing Policy, modified; EDSP; GPUTF; Public] (JP)*

ED-6.3 Customer Service

The City shall provide excellent customer service by creating a culture that listens, gains an understanding of customer concerns and goals, and proactively seeks solutions to address challenges. *[Source: Existing Policy, modified] (CSO)*



Business grand opening. Courtesy of the Hayward Area Chamber of Commerce.

ED-6.4 Permit Processing

The City shall ensure a timely, fair, and predictable permit process that seeks to integrate multiple City departments into a single coordinated organization. *[Source: Existing Policy; EDSP; Modified] (CSO)*

ED-6.5 Permit Technology

The City shall optimize its permit procedures by using technology and other tools that improve efficiency and reduce costs. *[Source: Existing Policy, modified; EDSP; GPUTF] (CSO)*

ED-6.6 Customer Feedback

The City shall consider customer recommendations to improve its customer service and permit processing procedures. *[Source: Existing Policy, modified] (CSO)*

ED-6.7 Business Incentives

The City shall provide incentives to attract, expand, and retain businesses that offer high-quality jobs, generate local sales tax revenue, and/or provide needed goods or services to residents. *[Source: Existing Policy, modified; EDSP; GPUTF, Public] (CSO)*

ED-6.8 Public/Private Partnerships

The City shall support and encourage public/private partnerships to implement strategic projects that align with the City's economic and community development goals. *[Source: New Policy; City Staff] (IGC/JP)*

ED-6.9 Infrastructure and Utilities

The City shall encourage the construction and maintenance of utility, communications, and technology infrastructure that will help attract business and industry to the Hayward community. *[Source: Existing Policy, modified; EDSP; GPUTF, Public, CC/PC] (MPSP)*

ED-6.10 Sustainable Business Practices

The City shall promote sustainable business practices that reduce the use of energy and water resources and reduce overhead expenses for businesses. *[Source: New Policy; City; CC/PC] (PI/IGC)*

ED-6.11 Expand and Promote the Green Business Program 

The City shall coordinate with Alameda County, the Hayward Chamber of Commerce, and local businesses to develop strategies to promote the Alameda County Green Business Program to the Hayward business community. *[Source: New Policy; Climate Action Plan] (IGC, PI)*

ED-6.12 Business Visitation Program

The City shall maintain and enhance its Business Visitation Program to learn about new industries and technologies, discuss specific needs of local businesses, identify business expansion opportunities, and determine if City policies and regulations are reflective of changing and emerging business needs. *[Source: New Policy; City; CC/PC] (CSO)*

Table ED ECONOMIC DEVELOPMENT Implementation Programs		2014-2016	2017-2019	2020-2040	Annual	Ongoing
1. Economic Development Strategic Plan Annual Report. The City shall submit an annual report to the City Council that evaluates the implementation of the Economic Development Strategic Plan. <i>[Source: New Program; City Staff] (PSR)</i>						
Implements Which Policy(ies)	ED-1.2				✓	
Responsible Department(s)	City Manager					
Supporting Department(s)/ Partner(s)	Development Services					
Funding Source(s)	General Fund					
2. Economic Development Strategic Plan Review and update. The City shall review and update (as necessary) the Economic Development Strategic Plan every five years. <i>[Source: New Program; City Staff] (MPSP)</i>						
Implements Which Policy(ies)	ED-1.2			✓		
Responsible Department(s)	City Manager					
Supporting Department(s)/ Partner(s)	Development Services					
Funding Source(s)	General Fund, Grants					
3. Branding and Marketing Program. The City shall develop and maintain a branding and marketing strategy and materials to promote Hayward's economic strengths and community assets, improve the public perception of the city, enhance the city's reputation as a college town, and maximize the effectiveness of the City's communication materials and website. <i>[Source: New Program; EDSP] (MPSP/CSO)</i>						
Implements Which Policy(ies)	ED-5.1, ED-5.6	✓				✓
Responsible Department(s)	City Manager					
Supporting Department(s)/ Partner(s)	Development Services, Chamber of Commerce, California State University, East Bay					
Funding Source(s)	General Fund, Grants					
4.🌐 Energy and Sustainability Businesses Program. The City shall coordinate with the Chamber of Commerce and the East Bay Economic Development Alliance to develop a program that supports and attracts businesses in the renewable and energy-efficiency sector to Hayward. <i>[Source: Climate Action Plan] (MPSP/JP/IGC)</i>						
Implements Which Policy(ies)	ED-1.7, ED-6.11		✓			
Responsible Department(s)	City Manager					
Supporting Department(s)/ Partner(s)	Development Services, Chamber of Commerce, East Bay Economic Development Alliance, Public Works – Utilities and Environmental Services					

Table ED ECONOMIC DEVELOPMENT Implementation Programs		2014-2016	2017-2019	2020-2040	Annual	Ongoing
Funding Source(s)	General Fund					
<p>5. Business Resource Center and Website. The City shall develop and maintain a business resource center and website to:</p> <ul style="list-style-type: none"> ▪ Serve as a step-by-step resource for launching or expanding a business within Hayward; ▪ Promote organizations, business councils, services, resources, and incentive programs available to assist Hayward businesses and entrepreneurs; ▪ Provide information about local and regional financial resources to help start or expand a business within Hayward; ▪ Provide business services, such as training workshops and counseling; ▪ Promote Hayward’s economic strengths and assets; and ▪ Promote key opportunity sites, city-owned properties, and vacant or underutilized properties that are available for development or new businesses. <p><i>[Source: New Program; City Staff] (CSO)</i></p>			✓			✓
Implements Which Policy(ies)	ED-1.10, ED-1.17, ED-1.18, ED-2.1, ED-2.2, ED-2.3, ED-2.4, ED-2.7, ED-2.8, ED-3.4, ED-3.5, ED-5.1					
Responsible Department(s)	City Manager					
Supporting Department(s)/ Partner(s)	Development Services, Chamber of Commerce					
Funding Source(s)	General Fund, Grants					
<p>6. International Business Program. The City shall develop and promote an international business program to expand and diversify the economic base of Hayward and to promote businesses that reflect the cultural diversity of the Hayward community. The program shall consider the following strategies:</p> <ul style="list-style-type: none"> ▪ Hosting international business and trade delegations; ▪ Expanding the City’s sister-cities program to targeted countries; ▪ Strengthening relationships with the City’s existing sister-cities; ▪ Encouraging EB-5 Immigrant Investors to establish businesses in Hayward; ▪ Establishing an international marketplace; ▪ Providing City materials and businesses resources in multiple languages; and ▪ Establishing a Foreign Trade Zone to provide incentives for businesses involved in international trade and manufacturing. <p><i>[Source: New Program; City Staff] (MPSP/CSO/JP)</i></p>			✓			✓
Implements Which Policy(ies)	ED-1.8, ED-1.9, ED-2.1					

Table ED ECONOMIC DEVELOPMENT Implementation Programs		2014-2016	2017-2019	2020-2040	Annual	Ongoing
Responsible Department(s)	City Manager					
Supporting Department(s)/ Partner(s)	Development Services					
Funding Source(s)	General Fund, Grants					
7. Industrial Technology and Innovation Corridor Marketing Strategy. The City shall develop and maintain a branding and marketing strategy to promote economic investment and business and development opportunities within the Industrial Technology and Innovation Corridor. <i>[Source: New Program; City Staff] (MPSP)</i>						
Implements Which Policy(ies)	ED-1.16			✓		✓
Responsible Department(s)	City Manager					
Supporting Department(s)/ Partner(s)	Development Services, Public Works – Engineering and Transportation, Public Works – Utilities and Environmental Services, Police, Fire, City Attorney					
Funding Source(s)	General Fund, Grants					
8. Local Hire Incentives. The City shall develop a package of business incentives (e.g., reduced business license fees) to encourage Hayward businesses to hire local residents. <i>[Source: New Program; GPUTF, PC/CC] (MPSP/RDR)</i>						
Implements Which Policy(ies)	ED-1.19	✓				
Responsible Department(s)	Finance					
Supporting Department(s)/ Partner(s)	City Manager, Development Services, City Attorney					
Funding Source(s)	General Fund					
9. Business Incubator Study. The City shall partner with the Hayward Chamber of Commerce, local business organizations, and college business programs to explore the feasibility of establishing a business incubator. The City shall submit a feasibility report to the City Council and additional actions shall be determined based on direction from the City Council. <i>[Source: New Program; City Staff] (JP/IGC/PSR)</i>						
Implements Which Policy(ies)	ED, 2-1, ED-2.2, ED-2.6		✓			
Responsible Department(s)	City Manager					
Supporting Department(s)/ Partner(s)	Finance, Development Services, Chamber of Commerce, Chabot College, California State University, East Bay,					
Funding Source(s)	General Fund, Grants					

Table ED ECONOMIC DEVELOPMENT Implementation Programs		2014-2016	2017-2019	2020-2040	Annual	Ongoing
<p>10. Business Attraction, Expansion, and Retention Program. The City shall develop a comprehensive business attraction, expansion, and retention program. The program shall provide incentives and services to attract new industrial and commercial businesses to Hayward, and to encourage established businesses to expand and remain locally. The program may include:</p> <ul style="list-style-type: none"> ▪ Maintaining a list of targeted businesses and industries; ▪ Site location and evaluation services; ▪ Population, demographic, and market data research; ▪ Business visitation and assessment programs; ▪ Coordination with organizations that provide financial loans and programs; ▪ Reduced permit and business license fees; ▪ Permit streamlining and assistance; ▪ Small business loan and grant programs; and ▪ Opportunities for public and private partnerships. <p><i>[Source: Modified Program; GPUTF, PC/CC] (CSO/MPSP)</i></p>		✓				✓
Implements Which Policy(ies)	ED-1.4, ED-1.5, ED-1.6, ED-1.7, ED-1.8, ED-1.9, ED-2.6, ED-3.1, ED-3.2, ED-3.4, ED-3.5, ED-3.6, ED-6.7, ED-6.8, ED-6.12					
Responsible Department(s)	City Manager, Finance					
Supporting Department(s)/ Partner(s)	Development Services					
Funding Source(s)	General Fund					
<p>11. Town-Gown Economic Partnership. The City shall coordinate with Chabot College and California State University, East Bay to develop a formalized Town-Gown Economic Partnership. The Partnership should be defined by a compact or memorandum of understanding that establishes a shared vision for working together to enhance the quality of life and economy of Hayward and the overall college experience of students.</p> <p><i>[Source: New Program; Public, GPUTF] (MPSP/IGC)</i></p>		✓				
Implements Which Policy(ies)	ED-4.1					
Responsible Department(s)	City Manager					
Supporting Department(s)/ Partner(s)	Development Services, Chabot College, California State University, East Bay					
Funding Source(s)	General Fund					

Table ED ECONOMIC DEVELOPMENT Implementation Programs		2014-2016	2017-2019	2020-2040	Annual	Ongoing
<p>12. Town-Gown Economic Strategic Plan and Annual Report. The City shall coordinate with and Chabot College and California State University, East Bay to develop a Town-Gown Economic Strategic Plan. The Strategic Plan shall identify strategies to:</p> <ul style="list-style-type: none"> ▪ Build connections between the Hayward community and local college students; ▪ Develop a college-town economy and culture; ▪ Improve cultural events and activities for college students and residents; ▪ Develop research and development partnerships between colleges and local business; ▪ Create opportunities for college graduates to live long-term in Hayward; ▪ Enhance opportunities for college internships with local businesses; and ▪ Promote college volunteer opportunities within the Hayward community. <p>The City shall submit an annual report to the City Council that evaluates the implementation of the Strategic Plan.</p> <p><i>[Source: New Program; City Staff] (MPSP/IGC/ PSR)</i></p>			✓		✓	
Implements Which Policy(ies)	ED-3.3, ED-3.6, ED-4.1, ED-4.2, ED-4.3, ED-4.4, ED-4.5, ED-4.6, ED-4.7, ED-5.6					
Responsible Department(s)	City Manager					
Supporting Department(s)/ Partner(s)	Development Services, Chabot College, California State University, East Bay					
Funding Source(s)	General Fund, Grants					
<p>13. Town-Gown Strategic Plan Review and Update. The City shall review and update (as necessary) the Town-Gown Strategic Plan every five years.</p> <p><i>[Source: New Program; City Staff] (IGC/MPSP)</i></p>				✓		
Implements Which Policy(ies)	ED-3.3, ED-3.6, ED-4.1, ED-4.2, ED-4.3, ED-4.4, ED-4.5, ED-4.6, ED-4.7, ED-5.6					
Responsible Department(s)	City Manager					
Supporting Department(s)/ Partner(s)	Development Services, Chabot College, California State University, East Bay					
Funding Source(s)	General Fund, Grants					

Table ED ECONOMIC DEVELOPMENT Implementation Programs		2014-2016	2017-2019	2020-2040	Annual	Ongoing
14. Customer Service Survey and Annual Report. The City shall develop and maintain a customer service survey to evaluate and identify opportunities to improve permit procedures and the customer service of the Development Services Department and Finance Department (business license permitting). The survey will be sent to applicants after permits for the project are approved or denied. The City shall submit an annual report to the City Council that summarizes the survey results and findings. <i>[Source: New Program; City Staff] (MPSP)</i>		✓			✓	
Implements Which Policy(ies)	ED-6.1, ED-6.3, ED-6.4, ED-6.6					
Responsible Department(s)	Development Services					
Supporting Department(s)/ Partner(s)	City Manager, Finance					
Funding Source(s)	General Fund					
15. Permit Processing Software. The City shall upgrade its Development Services permit processing software to streamline review, allow the submission of electronic applications, reduce costs, and monitor processing time. <i>[Source: New Program; City Staff] (CSO/FB)</i>		✓				
Implements Which Policy(ies)	ED-6.4, ED-6.5					
Responsible Department(s)	Development Services, Information Technology					
Supporting Department(s)/ Partner(s)	City Manager					
Funding Source(s)	General Fund					
16. Ombudsperson Service. The City shall develop an ombudsperson service to assist commercial and industrial business and new development applicants with the City's permit and entitlement process, and to provide coordination assistance with utility providers and other regulatory and permitting agencies. <i>[Source: New Program; City Staff] (CSO)</i>			✓			
Implements Which Policy(ies)	ED-6.3					
Responsible Department(s)	City Manager					
Supporting Department(s)/ Partner(s)	Development Services, City Attorney, City Clerk					
Funding Source(s)	General Fund					



DATE: November 4, 2013
TO: Council Economic Development Committee
FROM: Economic Development Manager
SUBJECT: **Economic Development Activities for September and October 2013**

Economic Development Administrative Activities

Staff is in the final stages of hiring staff to build the Economic Development team. The two new Economic Development Specialists started today!

Research and data collection is underway to develop tools needed to expand our economic development program. Training to develop and use the new business database is scheduled. Staff has been involved in the new financial system meetings with other City departments to ensure as much data transfer from the business license system.

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

Activities in Focus Area 1:

The new Communication & Marketing Officer is expected to start in mid-November and the marketing and branding efforts can be more broadly initiated. (Goal BM1, BM2, IS2, SR2)

Staff coordinated the participation of various departments for the Hayward Chamber of Commerce annual Business Expo on October 7. The event was held at St. Rose Hospital in their big white tent and City participants include Fire, Police, Hayward Animal Shelter, and Public Works/Environmental Services. Staff has also been working with the Chamber to begin the Light Up the Season festivities on Thursday, December 5, 2013. (Goal BM1, BM3)

Staff has been coordinating decorations for the downtown area including a change of the banners to the holiday themed banner as well as the placement of wreaths. Staff has also been working with the

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Pioneer Newspaper to update annual Shop Local ad, which may be used elsewhere as well. Finally, information in the kiosks and parking lot display cabinets is being updated to reflect more timely events and opportunity sites in the downtown. (Goal BM1, BM2)

Staff has partnered with the East Bay EDA and the Governor’s Office of Economic Development to hold a “Small Business Resource Event” in Hayward on November 1. These quarterly events are held at rotating locations to serve small businesses located in both Alameda and Contra Costa Counties. The program will consist of panelists and short presentations on a range of timely topics (such as next steps to implement health care reform) as well as informational and resource tables to serve small business. (Goal BM1, BM2, IS1, IS2, IS6, SR1, SR6)

Staff is also working with the U.S. Department of Commerce to host an Import/Export Resource Event at City Hall. The event had been set for November 6, but is being rescheduled due to the federal government shutdown. This event will provide tools to businesses interested in expanding their exporting business as well as provide recognition to local firms that have notable export achievements. (Goal BM1, BM2, IS1, IS2, IS3, IS5)

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

Staff was notified that we were not successful in our application for a Pacific Gas and Electric Economic Vitality Grant of \$25,000 to provide funds to train food industry workers, as well as to provide training resources to the food manufacturers and distributors. Staff will continue to work with other partners to determine alternative approaches to provide assistance to these industries and workers (BM3, IS6, SR6)

Staff continues to work on the San Leandro/Hayward LIT (“High Speed Hayward”) project and has been working with San Leandro Dark Fiber LLC to develop a plan for a fiber loop in Hayward to ensure that our businesses can access the high speed internet connections as easily as possible. Staff is considering alternate methods to determine the needs of the business community as well as potential phasing priorities to ensure maximum economic development potential. (IS3)

Staff has been working with a series of businesses to provide ombudsman services for permitting including Alphabet Energy, Manheim Auto Auction, and MSI Tile. (Goal IS1, IS3, IS5, IS6)

Staff has nominated several innovative businesses for the East Bay Economic Development Alliance (EBEDA) 2014 Innovation Awards to be held in February. (Goal IS1, IS2, BM1, BM2, BM3)

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

Staff attended the fall International Council for Shopping Centers (ICSC) event on 10/28 and 10/29 in the Bay Area to learn of recent retail trends and meet with brokers, property owners and potential tenants. (Goal SR2, SR4 BM1, BM2, BM3)

Staff continues to work closely with Southland Mall as they plan for changes and make investments in their property. In addition to meeting with them at ICSC to discuss potential tenants, staff has been working with them to prepare for their November 5 work session with City Council to discuss their longer term plans for the center. (SR1, SR2, SR4, SR5)

Staff has been working to provide ombudsman assistance to several retail businesses including Buffalo Bill's/ Russell City Distillery, Hertz, éko Coffee Bar and Tea House, Off the Grid's renewal, and Big 5 (SR1, SR2, SR3, SR5)

Staff hosted their first Downtown Business Improvement Area meeting (DBIA) which included a very full agenda and a presentation from the consultant who recently helped San Leandro's Downtown Association revamp their district. Staff will continue to work with existing board members, potential new members and identify options for the operations of the group. We will develop a proposal for a new appointment process within the next four months. This will also be a good opportunity to review bylaws, appointment procedures, and assessment levels of the Downtown Business Improvement Area (BIA) Board. Staff is also conducting research on different "ambassador" programs used in other cities as a model that could potentially benefit the downtown businesses. (BM2, SR1, SR2, SR3, SR4)