



CITY OF
HAYWARD
HEART OF THE BAY

**COUNCIL ECONOMIC
DEVELOPMENT COMMITTEE**

DECEMBER 2, 2013

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**COUNCIL ECONOMIC DEVELOPMENT COMMITTEE
REGULAR MEETING**

**Monday, December 2, 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. Approval of Minutes for November 4, 2013

[Minutes](#)

2. Approval of 2014 Regular Meeting Schedule

[Report](#)

3. Draft Annual Work Plan - (Oral Report and Discussion)

4. Economic Development Activities for November/December 2013

[Report](#)

COMMITTEE MEMBER ANNOUNCEMENTS AND REFERRALS

ADJOURNMENT

**NEXT REGULAR MEETING
MONDAY, FEBRUARY 3, 2014, 4:00 P.M.**

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CITY OF
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COUNCIL ECONOMIC DEVELOPMENT COMMITTEE

MEETING SUMMARY NOTES – November 4, 2013

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

ATTENDANCE:

Committee Member	Present 11/4/2013	All Meetings Year to Date		Meetings Mandated By Resolution	
		Present	Absent	Present	Absent
Chris Lam	✓	10	4 (2 excused)	10	2 (2 excused)
Waseem Khan		10	4 (2 excused)	8	4 (2 excused)
Navneet Ratti	✓	1	0	1	0
Mayor Sweeney (Chair)	✓	14	0	12	0
Council Member Jones	✓	14	0	12	0
Council Member Salinas	✓	11	3**	9	3**

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

OTHERS IN ATTENDANCE:

- Fran David, City Manager
- Michael Lawson, City Attorney
- Kelly McAdoo, Assistant City Manager
- David Rizk, Director of Development Services
- Lori Taylor, Economic Development Manager
- Sara Buizer, Senior Planner
- Kim Huggett, President, Hayward Chamber of Commerce
- Guy Warren, Lee & Associates Commercial Real Estate Services

PUBLIC COMMENTS: Kim Huggett, President of the Hayward Chamber of Commerce, noted that 90 companies participated in the Business Expo at St. Rose Hospital on October 7th; that funds raised from the October 17th Downtown Restaurant Walk benefitted the Chamber’s Leadership Hayward program and the Hayward Library; and that the Business Person of the Year would be announced November 13th at the Monthly Member Mixer.

Guy Warren, with Lee & Associates Commercial Real Estate Services, distributed a sample proforma that demonstrated why building lower densities were more profitable than higher densities under the Mission

Boulevard Specific Plan T4-2 zone. He noted this went against the assumption that more units per acre meant higher profits.

1. INTRODUCTION OF NEW ECONOMIC DEVELOPMENT SPECIALISTS JULIE BARNARD AND ABIUD AMARO DIAZ

Mayor Sweeney welcomed the Specialists and asked each of them to provide their background for the Committee.

2. APPROVAL OF MINUTES:

The Minutes of September 16, 2013 were approved with CEDC Member Khan absent.

3. BROWN ACT PRESENTATION BY CITY ATTORNEY'S OFFICE

City Attorney Michael Lawson gave a brief overview of the State of California's Brown Act and reiterated the City's attendance policy for Committee members.

4. GENERAL PLAN UPDATE – PRESENTATION OF THE DRAFT ECONOMIC DEVELOPMENT ELEMENT

Economic Development Manager Lori Taylor introduced the item explaining the City was gathering feedback for revisions to the General Plan, which was like the City's Constitution. She noted the discussion would focus on just the Economic Development (ED) Element. Senior Planner Sara Buizer explained that the existing General Plan was adopted in 2002, the revision would expire in 2040, and the update was slated for Council approval in mid-2014. Ms. Buizer said the draft General Plan would be available for public review at the end of year.

Ms. Buizer said the ED Element was unique because the Economic Development Strategic Plan had already been adopted and had provided much of the direction for the General Plan. She said the goal was to make the General Plan ED Element compatible with the goals stated in the ED Strategic Plan and she outlined some of the general goals of the ED Strategic Plan. She then asked for feedback.

Mayor Sweeney said generally speaking, the shorter, more succinct, the better because it helped focus the document.

Council Member Jones asked if there would be cross-referencing between the Elements and Ms. Buizer said yes, but it was hard to show references in a paper draft. She said the final product would be web-based with lots of cross-referencing, linking, and hyperlinking. Council Member Jones mentioned that Goal 5: City Image, should be linked to public safety because it played a part in a healthy retail environment. Council Member Jones said having cross-references would make it easier for businesses to have related information brought to their attention. Council Member Jones suggested the ED Element of the General Plan could be used as a marking tool.

Major Sweeney suggested the K-12 schools' performance be tied to image.

CEDC Member Lam said the City could have the best Economic Development department in the world, but if operationally, potential businesses hit a roadblock when trying to move here then all that work to attract new business didn't do any good. Mr. Lam said Hayward has the best real estate for the money in the

whole region, so you have to ask why businesses aren't coming here. He said to change the culture you either had to change the people or conduct training.

Mayor Sweeney confirmed that Mr. Lam meant making Hayward more business friendly at the staff level as they interacted with potential businesses and Mr. Lam said yes.

Ms. Buizer said making policies clear and predictable was one of the goals of the Strategic Plan and that was echoed in the General Plan.

Mr. Lam suggested a survey to determine the type of issues businesses were facing when they tried to move or expand in Hayward. He commented that "time is money" and many new businesses didn't have the money or the patience to make it through the current system. He also noted that Hayward needed to develop standards and policies for businesses that were already here; he said many didn't maintain their landscaping or storefronts. A business should care about the community, he said, and the City should expect better.

Council Member Salinas commented that Goal 4: Town-Gown Economy, captured what Council had been saying, but he suggested an element that would help businesses better market to students. He told a story about getting his haircut and suggesting the barber offer Game Day Haircuts to attract some of the 60,000 students in town on any given day. The owner had never thought of doing that, he said.

CEDC Member Ratti commented that it was important for businesses to reach out to students to provide opportunities like internships. He said the students could further their skills and the businesses could tap into the pool of students getting ready to join the workforce. He noted Genentech had a mentor program for high school students to get them excited about the future.

CEDC Member Lam pointed out it was the school's job, not the City's, to promote students to businesses. The City could only enhance the process, he said.

Council Member Salinas suggested the City outreach to the schools to participate in the General Plan update discussions.

Council Member Jones said rather than promoting Hayward as simply a "college town," emphasize in Goal ED-5.6 College Town Image, that Hayward has a "trained and educated workforce."

CEDC Member Lam pointed out that a lot of people were moving to Hayward because they couldn't afford to live in San Francisco and would demand better quality schools than the Hayward Unified School District currently provided.

Council Member Jones commented that many talented people who lived in Hayward worked on the peninsula and CEDC Member Lam asked if there were demographics to support that.

Mayor Sweeney commented that a few years back the City purchased several HIRE reports that showed how Hayward measured against cities in Alameda County cities and other cities in the Bay Area. He said the results were mixed and he suggested updating the information.

Ms. Taylor said the City needed to analyze local demographics that looked at not just who lives here and shops here, but who works here or commutes to other cities. She said knowing the demographics of the City's workforce was critical and she mentioned that ED staff was starting to work with the Workforce

Investment Board on a needs assessment of local employers. She said assessments had already shown a need for skilled trade workers. Mayor Sweeney said it was eye-opening to see how Hayward compared to other cities.

CEDC Member Ratti mentioned that he worked in biotech and that Cal State East Bay had strong molecular biology and genetics programs and a part-time MBA program, in which he was enrolled. He said Hayward was fertile ground for establishing new businesses and that many talented workers lived here and commuted to jobs outside Hayward using BART. Mr. Ratti suggested a website or platform for local workers to see what industries were here. He said people looking for jobs look for big names first, but if they knew of local options, they would stay local.

CEDC Member Lam confirmed Mr. Ratti meant listing companies by industry on the website. Ms. Taylor mentioned there were maps by industry online, but acknowledged they were not up to date and hard to find.

CEDC Member Lam mentioned a report that indicated Hayward's infrastructure would fare well in an earthquake and he suggested promoting that type of information.

Council Member Salinas wondered how cities like East Palo Alto benefitted from its proximity to Stanford University. Assistant City Manager Kelly McAdoo said the Four Seasons Hotel markets itself as being located in Palo Alto (as opposed to its actual location in East Palo Alto) and to get the hotel to locate there, the city of East Palo Alto gave away four or five years of transit occupancy tax. She said the something similar was done to attract Ikea.

Council Member Jones said when marketing regionally, Hayward should mention the proximity of Stanford and UC Berkeley.

CEDC Member Lam added mentioning Hayward's proximity to three airports as well.

Council Member Jones said it was really important to him to answer the question of available talent and to promote that families could live in Hayward while children attended Cal or Stanford and when they graduate hopefully stay here to start businesses. He said it was a great idea to have more access to local jobs through job fairs and other resources with the goal of keeping workers living and working in Hayward.

Council Member Jones also pointed out that food manufacturers moved to Hayward to be close to their employees. Land and facilities were cheaper, too, he said, but the employees were happier not having to commute or cross a bridge.

Mayor Sweeney noted that businesses located in the west side of town didn't have access to high speed internet connections and he said the City needed to work on that. Ms. Buizer confirmed that existing businesses in the industrial area were losing internet connections while trying to operate their businesses. She said they didn't want to move so it was important to them to have infrastructure needs included in the General Plan.

CEDC Member Lam said Hayward should also be in the forefront of green technology and environmental concerns.

CEDC Member Ratti added biofuel industries to the list of small businesses to promote and said the City should encourage Cal State East Bay to add solar and battery technology programs. Having local students educated in these emerging fields could pay off later, he said.

City Manager Fran David said these were all fundamental issues that the City wanted to, or was already working on, and that was why marketing and branding the City was the first task of the Economic Development Strategic Plan. She commented that Hayward was a leader in the use of solar power and reduction of single-use plastic bags, but was never mentioned when other East Bay cities were being touted for their achievements. Ms. David said it was critical for Hayward to promote its accomplishments and build on that momentum.

5. BUSINESS VISITATION REPORTS (ORAL REPORTS)

Economic Development Manager Taylor said she, CEDC Member Kanti Patel (now resigned), and Director of Development Services David Rizk visited Manheim Auto Auction. Although they didn't get to see the company during an auction day, she reported that Manheim was located on 53 acres, served dealerships from the entire west coast, and could have up to eight auction lines going at one time, selling approximately 2000 cars a week. Business was going well, she said, with Manheim serving most major auto dealerships in California and Nevada, and some in Arizona and Oregon. Company concerns included enforcement of truck parking regulations on Auction Way, the street outside the facility; better curb markings to help drivers as they exited the facility; and temporary staffing on Wednesday auction days. Ms. Taylor said she'd worked with Hayward Police, Streets Division and the Workforce Investment Board to help resolve these issues.

Ms. Taylor also visited Hertz Rent-a-Car on Mission Boulevard, which was a publicly traded company that frequently worked with the airport. She also reported that many of their customers were local residents who had been involved in collisions and needed temporary replacement vehicles. Ms. Taylor said the business was doing well and had invested over \$100,000 on improved signage the year before. The only issue the business had was some overgrown shrubs on County property and Ms. Taylor said she made a call to get the issue resolved. CEDC members pointed out that the location she visited was located in unincorporated Hayward.

Council Member Salinas said he also went on the visit and Hertz had expressed interest in a new program called Hertz 24/7 that would allow customers to access cars from other convenient locations at all hours of the day. Casey Perkins, the District Manager, had asked if a parking stall could be set aside in the City's parking structure or somewhere around town so customers could complete the transaction at a kiosk and gain access to the vehicle that already had the keys inside. Economic Development Specialist Amaro noted that Hertz already had an active program in Albany and it worked similar to City Car Share or Zip Car.

The third business visitation was to Airport Home Appliance that has a retail shop in unincorporated Hayward and a large office, distribution and sales facility on Alpine Way. Ms. Taylor reported that Airport Appliance was a significant sales tax revenue generator, had tripled in size over the last five years, was family-owned, and was moving to a larger warehouse, more centrally located to freeways, on Arden Road early next year. Ms. Taylor said she would help with the permitting process to make sure the move went smoothly.

Council Member Jones said the business was impressive with rows and rows of appliances and everything in stock.

6. ECONOMIC DEVELOPMENT ACTIVITIES FOR SEPTEMBER/OCTOBER 2013

Ms. Taylor announced she had nominated seven Hayward businesses for the East Bay Economic Development Alliance's Innovation Awards to be held in February. She said she made her selection from various industries and all businesses were outstanding. Some were start-ups that had received venture capital, she said, others had impressive pending patents, and many were businesses using technologies from local laboratories. She spoke excitedly about the innovation the companies represented, hoped they would make it to the semi-finals, and agreed with Ms. David that Hayward needed to tell its story. She also said there was a lot the City could do, and had done, to help these businesses thrive and grow. Ms. Taylor noted the awards would be presented Feb. 13, 2014, at the Fox Theater in Oakland.

Council Member Jones said the City should recognize the businesses and hold a reception for the nominees. He said it would be awesome to meet the people and thank them for locating in Hayward.

Ms. Taylor also announced the new Communications and Media Relations Officer would start the following week and expressed excitement at having full staffing and the ability to more effectively reach out to businesses.

Ms. Taylor mentioned other events including an East Bay EDA small business resources event held at City Hall that attracted over 100 participants; noted the government shut down postponed an import/export event; and that she attended the International Council of Shopping Centers event in Napa and saw increased optimism in the retail world, mostly around food and restaurant concepts.

CEDC Member Lam asked Ms. Taylor for a list of the projects she was working on and suggested the CEDC help set priorities. One thing Ms. Taylor said she wanted to produce, probably around January or February, was a list of the top five catalyst sites in Hayward and then build a roadshow presentation that would quickly tell the City's story including who we are, what we are, the market, and what opportunities were available. Ms. Taylor said she wanted to work on creating better foundational tools to improve communication with businesses and connecting resources like potential employees to businesses and training programs.

COMMITTEE MEMBER ANNOUNCEMENTS:

None.

ADJOURNMENT: Meeting was adjourned at 5:24 P.M.



COUNCIL ECONOMIC DEVELOPMENT COMMITTEE 2014 MEETING SCHEDULE

Meeting Location: CITY HALL
2ND FLOOR CONFERENCE ROOM 2A
777 B STREET
HAYWARD, CALIFORNIA

Meeting Time: 4:00 P. M.

Meeting Dates: The Council Economic Development Committee meets on the first Monday of each month except where noted otherwise.

January 6, 2014	Cancelled
February 3, 2014	
March 3, 2014	
April 14, 2014	Moved due to conflict with CALED event
May 5, 2014	
June 2, 2014	
July 7, 2014	
August 4, 2014	No meeting
September 15, 2014	Third Monday
October 6, 2014	
November 3, 2014	
December 1, 2014	



DATE: December 2, 2013
TO: Council Economic Development Committee
FROM: Economic Development Manager
SUBJECT: **Economic Development Activities for November 2013**

Economic Development Administrative Activities

The new Economic Development team has begun their work. Research and data collection is underway to develop tools needed to expand our economic development program. Staff is working to combine business license information with an external business database to collect contact and other information so sorting by business categories, for example, will be possible. Training to establish a more efficient business database is scheduled. In addition, staff is purchasing new demographic and psychographic data that will be useful in analyzing our potential customer base for retailers and assist in retail attraction efforts.

The 2014 annual work plan is being developed based on both the adopted Economic Development Strategic Plan as well as input from staff and an assessment of current operations, conditions and opportunities.

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 City welcomed Frank Holland, the new Communication & Marketing Officer this month and marketing and branding efforts can now be more broadly initiated. An RFP for Brand Development & Marketing Strategy Services is being crafted. (Goal BM1, BM2, IS2, SR2)

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Staff has completed or is involved in:

- Working with the Chamber of Commerce to coordinate the Light Up the Season festivities on Thursday, December 5, 2013. Holiday decorations are scheduled for installation in the downtown in the next few weeks. (Goal BM1, BM3)
- Working with the Pioneer Newspaper to update the annual Shop Local advertisement aimed at attracting students to come downtown to “Dine and Shop.” 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)
- Partnering with the Governor’s Office of Economic Development and East Bay EDA to hold a “California Competes” event in Hayward in mid-December to highlight and explain new state incentives to help businesses grow. (Goal BM1, BM2, IS1, IS2, IS6, SR1, SR6)
- Working with the U.S. Department of Commerce to host an Import/Export Resource Event at City Hall early next year. 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

Activities in Focus Area 2

Staff has completed or is involved in:

- Meeting with Workforce Investment Board staff in mid-December to discuss upcoming workforce efforts. We have provided a list of firms so they can begin an employer needs assessment. (BM3, IS6, SR6)
- 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 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)

- Been working with a series of businesses to provide ombudsman services for permitting including Building Material Supply and a potential logistics facility project. (Goal IS1, IS3, IS5, IS6)
- Hosted an international delegation from the Tianjin Municipality on Monday, November 18th. The group, comprised of over 20 business representatives from China, was in the United States to learn about potential opportunities and to understand how City government works with businesses. (Goal IS2, BM1, BM2, BM3)
- Attended a welcome reception for the new Port of Oakland Executive Director, Chris Lytle. The event was sponsored by the East Bay EDA and Economic Development Committee Member Chris Lam from Pucci Foods also attended. (Goal IS2, IS3, BM3)
- Attended the East Bay Business Seminar on “Advancing Manufacturing Companies” to gather information on the industry networking and potential incentives and best practices. (Goal IS1, IS3, IS6)

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

Activities in Focus Area 3

Staff has completed or is involved in:

- Continues to work closely with Southland Mall as they plan for changes and make investments in their property. Staff has been coordinating retail attraction efforts. (SR1, SR2, SR4, SR5)
- Working to provide ombudsman assistance to several retail businesses including Buffalo Bill’s/Russell City Distillery, éko Coffee Bar and Tea House, and Big 5 Sporting Goods. (SR1, SR2, SR3, SR5)
- Begun reviewing the Downtown Business Improvement Area (DBIA) operations, bylaws, appointment procedures, and assessment levels and has begun outlining some possible ways to enhance the group and programs. We have begun by focusing on the nomination and appointment process for new board members. Staff will continue to work with existing board members and potential new members to identify options for the operation of the group. Staff is also conducting research on different programs, such as website, marketing, banners and other tools that could potentially benefit the downtown businesses. (BM2, SR1, SR2, SR3, SR4)