



CITY OF
HAYWARD
HEART OF THE BAY

**COUNCIL ECONOMIC
DEVELOPMENT COMMITTEE**

OCTOBER 6, 2014

Table of Contents

Agenda	2
2014-2015 CEDC Draft Meeting Schedule	
Report.	4
Proposed Eden Shores Development Site Map	
Report.	5
Economic Development Activities for July, August and September 2014	
Report.	6
Minutes of July 7, 2014	
Minutes	10



COUNCIL ECONOMIC DEVELOPMENT COMMITTEE MEETING

Monday, October 6, 2014
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. Orientation: Brown Act, Attendance Policy, Trainings, and Form 700
2. New Member Welcome and Approved of CEDC 2014-2015 Regular Meeting Schedule

[Report](#)

3. Overview of Proposed Development Project on Two Parcels Located at the Corner of Industrial Parkway and Marina Drive Totaling Approximately 7.5 Acres (APNs: 456010100404 and 456010100402) (**Oral Report and Attached Map Site**)

[Report](#)

4. Creation of Innovation Center in Industrial Zone Discussion (**Oral Report**)
5. Economic Development Activities for July, August and September 2014

[Report](#)

6. Minutes of July 7, 2014

[Minutes](#)

COMMITTEE MEMBER ANNOUNCEMENTS AND REFERRALS

ADJOURNMENT

**NEXT REGULAR MEETING –
MONDAY, NOVEMBER 4, 2014, 4:00 P.M.**

****Materials related to an item on the agenda submitted to the Council after distribution of the agenda packet are available for public inspection in the City Clerk's Office, City Hall, 777 B Street, 4th Floor, Hayward, during normal business hours. An online version of this agenda and staff reports are available on the City's website. All Council Meetings are broadcast simultaneously on the website and on Cable Channel 15, KHRT. ****

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





COUNCIL ECONOMIC DEVELOPMENT COMMITTEE 2014-2015 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.

August 4, 2014 No meeting

September 15, 2014 Third Monday due to City holidays (cancelled due to schedule for appointment of new members)

October 6, 2014

November 3, 2014

December 1, 2014

January 5, 2015 Cancelled

February 2, 2015

March 2, 2015

April 6, 2015

May 4, 2015

June 1, 2015

July 6, 2015





DATE: October 6, 2014
TO: Council Economic Development Committee
FROM: Economic Development Department
SUBJECT: Economic Development Activities for July, August and September 2014

Economic Development Administrative Activities:

The new Economic Development Team is in place! Economic Development Manager Micah Hinkle started Sept. 22 with his crew of two Specialists, Ramona Thomas (retail) and Paul Nguyen (industrial), coming in a few weeks earlier, and Senior Secretary, Suzanne Philis, already in place. Micah was previously the Assistant City Manager for the City of Cotati in Sonoma County and before that, a driving force for the economic development team at the City of Napa. Hayward's team immediately started reaching out to local realtors, business owners, and property owners to very good response.

The final two Downtown Summer Street Parties, held the third Thursday of July and August, drew crowds of over 7,000 to enjoy live music, kids' rides and classic car shows. Organized by the Hayward Chamber of Commerce and always held on B and Main Street from 5:30-8:30pm, the "Star Spangled Summer" Party on July 17th had folks piling up to see an Aztec dance demonstration with pounding drums and elaborate feathered costumes. On August 21st party-goers were "California Dreamin," enjoying beautiful weather, live music on five stages, and the largest car show of the three parties.

Both the 15th Annual Hayward/Russell City Blues Festival (July 12-13) and the 32nd Annual Hayward Zucchini Festival (Aug. 16-17) had record attendance with no reported problems. Economic Development staff continues to work as City liaison for these events providing point of contact services for permit processing and event funding payments.

As part of a seven-workshop series presented by the Alameda County Small Business Development Center and the Hayward Chamber of Commerce, the City hosted free workshops in the Council Chambers on July 23rd and August 20th covering the topics "Using Census Data for Market Research & Funding" and "Merchandising for the Holiday Season." While organizers continue to work with staff to improve attendance, potential and current business owners who attend these workshops always give both presenters and the information provided excellent evaluations. The next workshop is scheduled for October 29th and will feature the "Top Ten Online Marketing Tools." Future topics include how to obtain financing, starting your own food business, and the use of social media for marketing.

Office of the City Manager

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Economic Development Strategic Plan Implementation Activities:

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

Branding and Marketing:

Pursuant to the City’s Economic Development Strategic Plan, a consultant has been secured to carry out a brand assessment and development initiative. Brainchild Creative, a well-known Bay Area firm founded by an international-award-winning creative director and a direct response specialist, has been working with staff since August to examine preexisting perceptions of Hayward and to begin laying the foundation for the development of a cohesive, compelling brand identity that will advance the City’s economic development objectives.

Activities to date have included primary research, the gathering of a number of detailed brand questionnaires from key stakeholders, in-depth focus groups with community leaders, and a range of one-on-one interviews with business and community stakeholders. This effort will continue with a community-wide online survey, further collection of detailed brand questionnaires and at least one open community meeting, in addition to unscheduled outreach activities.

The information gathered during this assessment phase of the project will form the qualitative basis of the brand positioning strategy, which will in turn serve as the foundation upon which creative development will take place. (BM1, BM2, BM3).

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

Industrial Sector:

Staff has been continuing to work with a series of businesses to provide ombudsman services for permitting. Current activity includes work with a food manufacturing company. (IS1, IS2, IS4).

The City is moving forward with selecting a consulting firm to review and provide recommendations of the City’s Industrial Land use district. The focus is to look at modifying the industrial land designation to provide additional flexibility reflecting current and future industrial business needs. (IS4, IS5)

Progress on High Speed Hayward continues. The contract proposal with Lit San Leandro is being reviewed and evaluated. Staff, including the City Manager, has met with Time Warner Telecom, AT&T, Comcast and the Zayo Group in order to understand the extent of their networks, their capacities and future plans for the region. Staff is currently working with Zayo Group to determine potential expansion opportunities and system future needs and how we can share resources to extend the network infrastructure. (IS1, IS2, IS3).

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

Service and Retail:

On July 11th, Ristorante di Palermo opened its doors at 22532 Foothill Boulevard, the former Julian’s BBQ site. With an active social media presence, Ristorante di Palermo already has a Facebook page, Instagram photos, and reviews on Yelp. Reviews have been positive with bonus points issued for the dog-friendly patio seating. Ristorante di Palermo is open daily for dinner 5-10pm; Mon.-Fri. 11:30am-2:30pm for lunch; Sat.-Sun. 9am-1pm for brunch, staying open until 3pm with lunch service. (SR2)

Red Rocket Char Grill at Cinema Place opened its doors just in time for the July 17th Street Party and has been grilling up diner favorites ever since. Food reviews on Yelp run the gamut, but customer service earns top marks, while prices are rated a bit high. Red Rocket is open Mon.-Thu. 11am-10pm; Fri.-Sat. 11am-midnight; and Sun. 11am-9pm. (SR2)

Metro Taquero and Beer and Brats at Cinema Place, Haha Ramen Sushi at 22560 Foothill, and Bubble Café at 22580 Foothill (the old Sugar Shack location) are all steadily moving toward opening. (SR2)

In August, the City funded two new Small Business Revolving Loan Fund loans to Steinbeck Brewing Company dba Buffalo Bill’s Brewery, and the Russell City Distillery, both owned by Geoff Harries. Funded using Community Development Block Grant funds, the Buffalo Bill’s loan provided working capital for expansion of bottled beer distribution, currently sold in 38 states, and to hire two new employees at the 1082 B Street restaurant. The loan to Russell City Distillery paid for building permits, hookup fees, equipment, oak whiskey barrels, forklift, and packaging materials. (SR2, SR3, SR5)

Initial outreach has begun on the Property-based Business Improvement District feasibility study. Following a handful of informal discussions with downtown property owners, the City's consultant, New City America, distributed a survey to all property owners within the immediate downtown area. The results of the survey are expected by October 31. (BM3, SR1, SR2, SR3)

A full audit of potential banner poles was conducted throughout downtown. Noting the pole number, location, color, pole style, existing hardware, and any visibility issues, staff has created a long overdue comprehensive spreadsheet. The information will be provided to the vendor when new banners are ready for installation. (SR1, SR3, SR6)

The City's new graphic design consultant developed three design options for one rotation each of both small and large new banners. The designs were presented to the banner subcommittee via email and presented to the DBIA Advisory Board on October 1st. Staff will continue to work with designer and banner producer to finalize color schemes most resistant to fading and still visually appealing. (SR1, SR3, SR6)



COUNCIL ECONOMIC DEVELOPMENT COMMITTEE

MEETING MINUTES – July 7, 2014

CALL TO ORDER: Mayor Sweeney called the regular meeting to order at 4:05 p.m.

ATTENDANCE:

Committee Member	Present 7/7/2014	All Meetings Year to Date		Meetings Mandated By Resolution	
		Present	Absent	Present	Absent
Waseem Khan		4	3	4	3
Christopher Lam	✓	7	0	7	0
Navneet Ratti*		3	3	3	3
Mayor Sweeney (Chair)	✓	6	1	6	1
Council Member Jones	✓	7	0	7	0
Council Member Salinas	✓	6	1	6	1

*Navneet was sworn in 9/17/14

OTHERS IN ATTENDANCE:

Kelly McAdoo, Assistant City Manager; Council Member Al Mendall; Lieutenant Bryan Matthews, Hayward Police Department; Julie Barnard, Economic Development Specialist; AT Stevens, Executive Director of the Hayward Area Historical Society; Kim Huggett, President and CEO of the Hayward Chamber of Commerce; Suzanne Philis, Senior Secretary

PUBLIC COMMENTS

Kim Huggett, President and CEO of the Hayward Chamber of Commerce, reported that the June Summer Street Party had one of the highest number of attendees on record. He also noted several new restaurants in the downtown and the usually high number of Chamber activities in June.

1. REVIEW OF GRAND OPENING OF HAYWARD AREA HISTORICAL SOCIETY

AT Stevens, Executive Director of the Hayward Area Historical Society, gave a brief presentation that provided an overview of the history and purpose of the Historical Society and its progression to the new building on Foothill Boulevard.

Mr. Huggett asked about membership and Mr. Stevens said he was hoping to increase membership by presenting a value such as discounts at The Cannery Café, gift shop, and event/meeting space. Mr. Stevens also encouraged any community group representatives to call him about using the facility as a regular meeting space.

2. UPDATE ON DOWNTOWN SECURITY TASKFORCE

Lieutenant Bryan Matthews of the Hayward Police Department, currently assigned to the Northern District Command Office, explained that in response to recurring problems in downtown, a targeted enforcement pilot program was developed in the form of a four-week buy/bust narcotic operation utilizing multi-agency representatives from the City and Alameda County. Lt. Matthews reported that 35 arrests were made: six for misdemeanors, 29 felonies; 30 of those arrested were on active probation. One gun was recovered, he said, and a variety of narcotics. He noted that an internet café located under the Green Shutter hotel moved to Oakland two weeks into the operation confirming suspicions that illegal activities were taking place there. He also mentioned that “stay-away orders” were requested for anyone the police arrested who did not have a downtown address.

Lt. Matthews said Phase II of the program started in June and included the addition of a second bicycle officer in downtown who has extensive narcotics enforcement experience. He also mentioned that downtown bicycle police coverage would be extended to six days a week with longer hours on Friday and Saturday nights.

Staff asked if there were other efforts in the works and Lt. Matthews said the goal was to create a dedicated downtown unit, but staffing had to be established first.

Mayor Sweeney asked if there was any news or developments regarding the Green Shutter Hotel. Assistant City Manager Kelly McAdoo said a potential buyer was in the preliminary stages of due diligence for the property and had been in contact with City of Hayward Code Enforcement and Development Services personnel to discover outstanding concerns. She mentioned a possible lawsuit the tenants were filing against the current owner, but that hadn't been confirmed nor had the identity of the potential buyer.

Assistant City Manager McAdoo said the City was in contract to purchase a property located next to the Green Shutter Hotel, due diligence should end in the next week, and that Council would be briefed on findings at the next Closed Session. Ms. McAdoo mentioned that based on the questions coming in from the potential buyer of the Green Shutter Hotel, they were interested in redeveloping the property and potentially changing the tenant mix at that location. She emphasized that because of the historic nature of the Green Shutter Hotel and pending code enforcement issues, there was a long way to go.

3. APPROVAL OF MINUTES

The Minutes of June 2, 2014, were approved with CEDC Members Khan and Ratti absent.

4. ECONOMIC DEVELOPMENT ACTIVITIES FOR JUNE 2014

Economic Development Senior Secretary Suzanne Philis mentioned that the first Small Business Workshop was held June 11th with about 30 people attending. Number one in a series of seven workshops in cooperation with the Alameda County Small Business Development Center (ACSBDC), the topic for was “Successful Business Planning.” She said the next workshop, “Using Census Data for Market

Research and Funding,” was scheduled for July 23rd. Member Lam asked how the workshops were advertised and Ms. Philis explained that ACSBDC handled most of the marketing, but the Chamber and Economic Development also sent emails to members and interested parties. Mr. Lam suggested staff also work with the U.S. Small Business Administration.

Assistant City Manager McAdoo mentioned that 15 candidates had been selected for consideration for the Economic Development Manager position. After a preliminary screening, interviews of finalists were scheduled to take place in the next couple of weeks. She also noted interviews of candidates from the existing ED Specialist list were also taking place.

Economic Development Specialist Julie Barnard announced that San Francisco-based Brainchild Creative had been selected as contractor for Brand Development & Marketing Strategies services and Los Angeles-based We the Creative for On-going Graphic Design services. Assistant City Manager McAdoo mentioned target focus groups would be meeting in August to help determine branding for the City and recommendations would be brought to the CEDC and Council in the fall.

ED Specialist Barnard reported that a Broker Satisfaction Survey was conducted in May asking for broker perceptions of City’s processes and friendliness. In response to Mayor Sweeney’s question of how many responded and what did they say, Ms. Barnard said eight had responded and attitudes varied, but there was room for improvement in processes. Member Jones suggested shortening the length of the survey to make it faster and easier for more brokers to respond. Assistant City Manager McAdoo added that because the brokers continue to work with the City they may be reluctant to give candid feedback.

ED Senior Secretary Philis mentioned a revised Restaurant Guide was up on the City’s Hayward Open for Business website with expanded ethnic categories and updated listings.

ED Specialist Barnard reported her attendance to the Bio International Convention in San Diego, June 24-26. With brochures designed by the new graphic consultant, she made contact with local companies including Hantel and Plastikon, who announced their pending merger, and Nutek representatives who revealed they were leaving Hayward and moving to Fremont. In response to Mayor Sweeney, Ms. Barnard explained that a pending South Hayward BART expansion included the land where Nutek’s building was currently located and any new site in Hayward would require a Conditional Use Permit and extensive Haz-Mat approvals, whereas Fremont was satisfied with an Administrative Use Permit. Member Lam asked how many employees at Nutek and Ms. Barnard responded 15 to 20.

Member Jones expressed frustration that the matter was not elevated to Council’s attention. He commented that the City couldn’t afford to lose good companies and it was a lot easier to keep a company here rather than attract another. He also said Council needed to know when City policies or ordinances made it difficult to retain businesses. Member Lam said the City’s permitting system needed to be streamlined so Council wouldn’t need to deal with these situations on a case-by-case basis.

ED Specialist Barnard said ED staff met with Jim Morrison of San Leandro Dark Fiber to successfully negotiate infrastructure route, priorities and phasing of the High Speed Hayward fiber optic network, and the contract should finalize in the next week or so. Ms. Barnard also mentioned that City Manager Fran David had met with other fiber optic companies to understand the extent of their networks and plans for the future.

ED Specialist Barnard mentioned New City America, Inc. had been selected to conduct a feasibility study of a property-based business improvement district to replace the current business-funded district.

Assistant City Manager McAdoo noted the consultant had had great success with some difficult areas in San Francisco and San Diego and that she was excited about the possibilities for downtown.

ED Specialist Barnard said staff had been providing ombudsman services to Russell City Distillery owner Geoff Harries including assistance with permitting and finding funding through the City's Revolving Loan Fund for various start-up costs.

Senior Secretary Philis reviewed some incoming retail uses on Foothill Boulevard and B Street. She also gave a brief update of the two remaining façade improvement loans on Foothill Boulevard. Regarding a request by the owner of Copy Mat for gum removal from downtown sidewalks, a discussion ensued about the roots causes and possible solutions including additional cleanings. Assistant City Manager McAdoo mentioned a pilot security camera program planned for downtown and said people might change their behavior if they think they are being watched.

Senior Secretary Philis gave an update of existing Revolving Loan Fund loans including one pending default and staff's attempts to meet with the owner to discuss options.

Ms. Philis also mentioned recruitment was open for all Boards & Commissions and asked those present to spread the word noting terms were expiring for all three outside CEDC members.

ED Specialist Barnard noted a new Request for Proposals (RFP) for the City's banner program was being issued within the next week, the results of the first RFP having been thrown out due to an administrative error.

Member Lam asked for more information about Columbus Foods mentioned under Activities in Focus Area 2 and Assistant City Manager McAdoo explained that staff was actively working with them to facilitate a large expansion.

COMMITTEE MEMBER ANNOUNCEMENTS AND REFERRALS

Council Member Jones acknowledged and thanked Mayor Sweeney and Council Member Salinas' for their contribution to the CEDC.

ADJOURNMENT: The meeting was adjourned at 5:26 P.M.

STAFF	ACTION ITEMS
Hayward Police	Introduce new downtown ambassadors to Hayward Chamber of Commerce President Kim Huggett before next Downtown Street Party. HPD Community Service Officer Kyle Martinez reported that new ambassadors were still going through the background process.
COH Media Officer	Announce upcoming ACSBDC workshops on Facebook and Twitter. ED Staff submitted information about next workshop using the City's new online communications center.