



CITY OF  
**HAYWARD**  
HEART OF THE BAY

**COUNCIL ECONOMIC  
DEVELOPMENT COMMITTEE**

**NOVEMBER 3, 2014**

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**COUNCIL ECONOMIC DEVELOPMENT COMMITTEE  
REGULAR MEETING**

**Monday, November 3, 2014  
Conference Room 2A  
4:00 PM**

**CALL TO ORDER**

**ROLL CALL**

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

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1. Approval of Minutes of October 6, 2014

[Minutes](#)

2. Downtown Specific Plan Project/Scope (**Oral Report**)
3. Follow up to Presentation of October 27, 2014 (**Oral Report**)

**COMMITTEE MEMBER ANNOUNCEMENTS AND REFERRALS**

**ADJOURNMENT**

**NEXT MEETING –**

**MONDAY, DECEMBER 1, 2014, 4 P.M.**

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*\*\*\*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, 4<sup>th</sup> Floor, Hayward, during normal business hours. An online version of this agenda and staff reports are available on the City's website. All Council Meetings are broadcast simultaneously on the website and on Cable Channel 15, KHRT. \*\*\**

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*Assistance will be provided to those requiring accommodations for disabilities in compliance with the Americans Disabilities Act of 1990. Interested persons must request the accommodation at least 48 hours in advance of the meeting by contacting the Assistant City Manager at (510) 583-4300 or TDD (510) 247-3340.*

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

November 3, 2014





**COUNCIL ECONOMIC DEVELOPMENT COMMITTEE**

**MEETING MINUTES – October 6, 2014**

**CALL TO ORDER:** Mayor Halliday called the regular meeting to order at 4:00 p.m.

**ATTENDANCE:**

| Committee Member          | Present 10/6/2014 | All Meetings Year to Date |        | Meetings Mandated By Resolution |        |
|---------------------------|-------------------|---------------------------|--------|---------------------------------|--------|
|                           |                   | Present                   | Absent | Present                         | Absent |
| Michael Ly                | ✓                 | 1                         | 0      | 1                               | 0      |
| Didacus-Jeff Joseph Ramos | ✓                 | 1                         | 0      | 1                               | 0      |
| Navneet Ratti             | ✓                 | 1                         | 0      | 1                               | 0      |
| Anjanette Scott           |                   | 0                         | 1      | 0                               | 1      |
| Mayor Halliday (Chair)    | ✓                 | 1                         | 0      | 1                               | 0      |
| Council Member Jones      | ✓                 | 1                         | 0      | 1                               | 0      |
| Council Member Mendall    | ✓                 | 1                         | 0      | 1                               | 0      |

**OTHERS IN ATTENDANCE:**

Council Member Sara Lamnin; Kelly McAdoo, Assistant City Manager; Michael Lawson, City Attorney; David Rizk, Development Services Director; Morad Fakhrai, Director of Public Works—Engineering and Transportation; Micah Hinkle, Economic Development Manager; Paul Nguyen, Economic Development Specialist; Ramona Thomas, Economic Development Specialist; 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 introduced himself to new members and mentioned the Chamber organized a number of local events including the 5<sup>th</sup> Annual Mariachi Festival which was held on the previous Friday. He noted Hayward’s population is 40% Hispanic so outreach to the community with the event made sense as did having a Latino Business Roundtable for the last 10 years. Mr. Huggett also mentioned the Hayward Non-Profit Alliance, the upcoming 29<sup>th</sup> Annual Business Expo coming up on October 8<sup>th</sup>, and a City and Chamber-sponsored Alameda County Small Business Development workshop on October 29<sup>th</sup> with the topic “Top Ten Online Marketing Tools.”

Assistant City Manager Kelly McAdoo requested a Special Council Economic Development Committee (CEDC) meeting on Monday, October 27<sup>th</sup> to review the initial opportunity/catalyst site analysis. Members indicated their availability.

## **1. ORIENTATION: BROWN ACT, ATTENDANCE POLICY, TRAININGS AND FORM 700**

City Attorney Michael Lawson gave a brief presentation on the State law governing public meetings, otherwise known as the Brown Act. Topics included: attendance policies for board, commission and committee members; required Ethic and Harassment trainings; and the economic conflict of interest disclosure document known as Form 700. Mr. Lawson also mentioned Public Record Act requests for which the responding documents could include copies of emails.

As an aside, Mr. Lawson explained that for the last couple of years the City had been dealing with simulated computer gambling in the form of sweepstakes businesses. He said these businesses had come into the City under the false pretense that they provided business-related services like printing, faxing and resumes, which in reality made up about 1% of services. Mr. Lawson said the State had recently passed AB1439 which criminalized this type of business and would help Hayward remove the last remaining establishment located across the street from City Hall.

Senior Secretary Suzanne Philis advised the new members to take the full two hours to complete the required online trainings in order to earn a certificate of completion.

When City Council Member Sara Lamnin walked in, City Attorney Lawson noted that there was now a quorum of City Council Members in the room. He noted that Council Member Lamnin was allowed to listen and ask questions, but she could not participate in any discussions to avoid the influence of an elected official on a board or committee on which she was not a member.

Member Navneet Ratti asked if he could participate in the discussion for Item 3 and disclosed that his son attended the school looking to relocate. City Attorney Lawson replied that although Member Ratti did not have to reclude himself, he should refrain from participating in the discussion.

One of the representatives from Mission Hills Middle School asked if they could talk about the school or the relocation of the school with Mr. Ratti outside of the meeting, as a parent. City Attorney Lawson said as a parent yes, but not as a member of the Committee.

Mayor Barbara Halliday noted that emails were automatically deleted after a set time and that once deleted, were not part of the City's response to Public Records Act requests. City Attorney Lawson confirmed emails were deleted after 60 days.

## **2. NEW MEMBER WELCOME AND APPROVAL OF CEDC 2014-2015 REGULAR MEETING SCHEDULE**

The 2014-2015 CEDC Regular Meeting Schedule was approved with Member Scott absent.

**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)**

Economic Development Manager Micah Hinkle introduced the item giving the pros and cons of locating a school in an area currently zoned for an office use and spoke about the zone change process.

Director of Development Services David Rizk added during recent General Plan Update discussions, job generation, safety, open space, and education were identified as the top priorities. Although the proposed use was not a public school, he said, it would provide a private-school alternative for K-8<sup>th</sup> grade students, and the location would serve as a buffer between the existing Costco and nearby residential. He noted offices could serve as the same buffer and would generate more job as envisioned by Council.

Council Liaison Greg Jones confirmed the current zoning for the site was Business Park and that under that zoning a school or church was not an acceptable use. Mr. Rizk confirmed that changing the zoning would require a General Plan amendment and a zone change. Member Jones confirmed the site was 5.75 acres across two parcels and he asked where this proposed use would be allowed in the City. Mr. Rizk explained that several commercial and residential zoning districts would allow a school, and some locations within those zones would also require a conditional use permit.

Member Jones asked if the City had prepared any alternative sites that could be offered and Mr. Rizk said no. Member Jones said he was in support of the school's mission and that the City should suggest alternative sites if the one proposed was not the best fit for the community.

Council Liaison Al Mendall asked if a school would be an allowable use for any of the properties along Mission Boulevard including the large lots previously occupied by car dealerships.

Mayor Halliday asked if residential zoning would allow a school and Mr. Rizk said yes, with a conditional use permit, and he confirmed that with a use permit, a school was an allowable use under the formed-based code along Mission Boulevard. Mayor Halliday pointed out that the residential development planned for the lot next to the sports park by Costco would also allow a school with a use permit without requiring a zone change. Mr. Rizk noted that residential project was already approved and entitled.

Mission Hills Middle School (MHMS) Director Ayse Kaya provided background on the school at its current location of 250 Tamarack Drive in Union City. She noted that when the school opened in 2009 there were 22 students and four staff members and had since grown to 395 students and 48 staff members.

MHMS Administrator Ferishta Kulaly said at the new location they hoped to grow the school to 750 students and 95 employees and noted as part of their mission to provide a high quality education at an affordable cost, the tuition included before and after school daycare. Mayor Halliday asked what the student to teacher ratio was and Ms. Kulaly said 20:1.

Member Mendall asked why this particular site. Ms. Kulaly explained that they noticed the proposed site while shopping at Costco about three years ago and started making inquiries. She said they were told the site, as well as several other sites they proposed, could not be used for a school. Mr. Mendall asked who told them no and Ms. Kulaly said an agent they were working with who knew someone at the City. Ms. Kulaly also noted the proposed location was more economical because an existing structure would not have to be torn down and/or modified and the site was located close to major highways and streets.

Member Mendall asked Director of Development Services Rizk why staff would tell them no, and Mr. Rizk said he didn't remember being approached with questions about this site.

Member Michael Ly asked what "more affordable" meant. Ms. Kulaly explained that tuition, including before and after school daycare and one hour of study hall, was \$790 a month or about half the cost of most private schools.

Director of Development Services Rizk noted that one advantage of the proposed site was the lack of existing structures. He pointed out that even without analysis he could tell committee members that there were very few, if any, other sites appropriately zoned for a school with so few existing costs. MHMD representative Lata Nigam noted a school was missing from the area and they could envision themselves at that location.

Principal Architect Craig Scott said MHMS would consider other locations and pointed out it wasn't easy to find available parcels in the Bay Area.

Member Didacus Ramos expressed concern about the mixed messages the City was giving potential tenants.

Ms. Kulaly noted their budget did not allow for demolition costs and it was clarified that the broker they were working with was told that particular parcels were not zoned for a school, not that the City didn't want a school at that location.

Mayor Halliday commented that the entitled residential development next to the parcel in question included requirements to provide some retail and she asked if the same could be done for the proposed school project. Director of Development Services Rizk explained that the proposed site was part of the restricted use or phasing and if a school was built there, the number of allowable housing units would increase.

Member Mendall asked for confirmation that the school would be considered a commercial use and Mr. Rizk said not really, but explained that as building permits were issued for the area, which includes Costco and the 5.7 acre site in question, a proportionate number of residential build permits could be released.

On his computer, Architect Scott provided an overview of the proposed school that included a security wall that would surround the school, an opening off Marina Drive which would allow for a long left-hand turn lane into the school, one exit-only, and a mix of one and two-story classrooms.

Ms. Kaya noted that because of the available daycare, students left the school at different times.

Member Ramos confirmed the maximum number of students would be 750 and Ms. Kulaly said for this site that was correct, in order to keep the student/teacher ratio low.

Economic Development Manager Hinkle noted the parcel had been vacant for some time and past inquiries had come from gyms and medical offices. The City had envisioned corporate headquarters or a large-scale employer to locate there, he said, but demand had shifted. Before releasing site for other uses, he asked what the City currently envisioned and whether the site should be held for campus office development or another more valuable use.

Member Ramos asked what was the average employment per acre in the Industrial area and ED Manager Hinkle said his staff was still collecting that data. Mr. Ramos said that based on full staffing for the school, it would be 20 people per acre.

Member Mendall confirmed there was no church associated with the proposed school. Director of Development Services Rizk mentioned several zones that allowed a school.

Assistant City Manager Kelly McAdoo asked the members to indicate if they would be in support of the project so before investing a lot of money, MHMS representatives would have a better idea of the likelihood of the project moving forward.

Member Jones said he supported having private educational alternatives, noting Hayward needed more options, but needed more information about other potential sites. He said if all other potential sites have been exhausted, then he would be more likely to support this use rather than continue to protect the land for retail or office uses.

Ms. Kulaly said the school would be a great buffer between the park, the residential area, and the retail and noted there were no other educational options in the area. Member Jones agreed the location could be beneficial to the industrial area by attracting corporate offices and workers who wanted their kids nearby.

Member Mendall said he would love to find a location for the school in Hayward, but noted the proposed location was not his first choice. He also expressed concern that if the school counted as a commercial use and developers used that to build more housing, that did not meet the spirit of the agreements made long ago to preserve and protect the land for true retail and commercial uses. If the school counted as residential, he said he would be thrilled to have it at that location.

Member Mendall suggested staff assist MHMS at locating alternative sites including old school sites no longer in use or vacant car dealerships. He pointed out that not having to demolish or rebuild an existing building could be used to attract commercial uses, too.

Director of Development Services Rizk said staff could compare job generation by a potential office use against the employment generated by the school. Mayor Halliday and Member Mendall also asked for sales and property tax comparisons.

Member Ramos requested the analysis and suggested trading that site for some of the planned residential to maintain a balance. He said he very much supported bringing a quality school to Hayward.

MHMS Director Kaya mentioned another consideration for the parents of current students was that the school didn't move too far from its current location.

Mayor Halliday said she was more in favor of the project than the other Council Members, but she agreed, the original promises made for the site included job generation and the City had yet to see those uses. She asked staff for specific numbers on how many housing units would be released if the school was allowed in. She also confirmed with staff that there was remaining land for commercial uses.

MHMS Administrator Kulaly asked if there were any commercial uses currently showing interest in the site and asked how long they would have to wait before the City decided what they wanted to do, noting they were ready to move forward now.

Assistant City Manager McAdoo suggested staff work with MHMS representatives to find or eliminate other potential sites and look at what information was available for a jobs creation analysis and bring the item back to the CEDC at an appropriate point.

#### **4. CREATION OF INNOVATION CENTER INDUSTRIAL ZONE DISCUSSION (Oral Report)**

Assistant City Manager McAdoo introduced the item noting Council Member Mendall had first presented the concept of an Innovation Zone at a City Council meeting and she asked him to reiterate his main points for the CEDC.

Member Mendall explained that in an effort to attract high-paying and high-quality jobs, particularly in the Bay Area, the main driver was tech sector jobs namely clean-tech, bio-tech, or tech in general. Hayward had the potential to attract these jobs he said, based on being located just across the bridge and/or just outside of Silicon Valley and having rents that were two or three times lower, but the City needed to be more welcoming. To do this Member Mendall said the City needed to wrap up discussions and install fiber optic technology and change zoning rules to allow these tech industries to come into Hayward under Administrative Use Permits or by right.

Member Mendall said the other element needed was a sense a place or to make it feel like Hayward was the right place for these tech industries to be. He said one approach to do that included signage, or structures like the green arches that marked the entrance to the downtown, banners, or utility box murals with a more technical theme. He said he would like the City to develop short and medium-term plans to attract tech businesses.

Member Jones said he loved the idea and agreed the fiber optics needed to happen now. He pointed out that because they already had fiber, cities like San Leandro were beating us out attracting some heavy hitting industries including using the technology to be the first city set up for driverless cars with free wifi throughout the city.

Member Jones said the City should also push to expand its roof-top solar program to provide cheap energy for existing and potential businesses. He said providing this infrastructure and using marketing to promote the City were key next steps.

Member Ramos also supported the idea noting the City of San Bruno started with an incubator and was already talking about expanding to an incubator-accelerator and he noted these endeavors had brought in supporting businesses and had been partially funded by state and federal grants. He said Hayward was considered the eastern tip of Silicon Valley by businesses in Santa Clara and San Jose. Member Ramos also mentioned that Google was installing free cable in specific cities and he suggested Hayward give Google a call. He also suggested marketing the supply line of potential workers Hayward was producing at Cal State University East Bay and Chabot College and working with the schools and businesses to have jobs ready and keep students local.

Member Ratti said incubators and think-tanks generated a lot of energy and when an idea was ready for implementation, being able to go down the road to find businesses that could make it happen rather than travelling to another city was the best scenario. He said what Hayward was missing was Class A office space already outfitted with cutting edge technology. Member Ratti also noted that local schools were already training students in technology-based fields.

Member Ly said a better strategy would be to take small steps now rather than being too ambitious and

taking too long to implement some of these ideas. He said it would show outside businesses that Hayward was making progress and compel them to locate here.

Mayor Halliday acknowledged the consensus of the group to move forward with the idea and asked staff to prepare a report outlining how the idea would take shape, associated costs and financing vehicles including state tools, and a definition of the area. The Mayor also asked for a report on why the fiber optic loop was taking so long.

Member Ramos said the CCA (Community Choice Aggregation) was a way to provide the low cost energy and the County was slowly working through the process. He was told the process would take three more years but Marin County completed the process in nine months, Sonoma in six months. He asked if there was anything Hayward could do to make the process go faster. Mayor Halliday said presentations had been made to the Sustainability Committee and City Council and although there was support, the City needed the County's help. Member Ramos asked if an assessment had been done for rooftop solar in the industrial area about three years ago and Council Member Mendall said yes, an informal assessment. Member Ramos said the solar would generate more electricity than the City consumed.

Assistant City Manager McAdoo mentioned the first annual update to the Economic Development Strategic Plan was potentially coming back to the Committee later this fall and these kinds of ideas could be incorporated or added to the Plan.

Council Member Mendall said the key was identifying the foundational pieces including the location and the installation of the fiber optics. He said a sense of place could come later as could an incubator, but a timeline was needed.

## **5. ECONOMIC DEVELOPMENT ACTIVITIES FOR JULY, AUGUST AND SEPTEMBER 2014**

Economic Development Manager Hinkle said Activities reflected what had been going on for the last quarter and noted the new team was still getting up to speed. He asked Community & Media Relations Office Frank Holland to give an update on Marketing & Branding efforts noting telling the City's story was a key part of Economic Development.

Mr. Holland said Brainchild Creative had been selected to develop Hayward's story because the company's approach was more rigorous and had a greater ability to get at the spirit of what set Hayward apart. He said there were two parts to the process: quantitative and qualitative; and through workshops, questionnaires and online surveys commonalities were bubbling up to the surface. He said the success of the branding efforts depended on the flexibility of the message and by both the businesses and residents taking ownership of the message. Mr. Holland said after all the results were in and a meeting held for community input, the City would reveal the recommended brand position and then the creative process would begin based on a the credible message developed.

Mayor Halliday said she had seen some of the Anytown USA branding efforts and noted the City of Hayward had a bigger story to tell. The Mayor also mentioned the success of the Passeio do Vinho event coordinated by Economic Development Specialist Thomas.

Mr. Holland encouraged Committee members to take the survey and ask friends and neighbors to do the same. He noted the more responses they received, the better the resulting message. Member Ratti asked how many responses the City wanted to receive and Mr. Holland between 250 and 400 would be ideal. Member Ratti asked if a particular demographic was being targeted or just the public in general and Mr.

Holland said specific representatives of various interests throughout the community were being targeted. He explained that the whole reason for the marketing and branding effort was economic development and attracting businesses to the City.

**6. APPROVAL OF MINUTES**

The Minutes of July 7, 2014, were moved by Council Member Mendall and approved with Member Scott absent.

**COMMITTEE MEMBER ANNOUNCEMENTS AND REFERRALS**

Member Ramos distributed articles on microbreweries and distilleries noting because of the quality of water Hayward could attract these types of uses in addition to high tech industries. Council Member Mendall noted that not only did Hayward have high quality water, but a higher reliability of water supply than most cities in the area and that gave the City a competitive advantage.

Assistant City Manager McAdoo said during the summer she had exchanged emails with the Executive Director of the Craft Brewers Association and she asked Economic Development Manager Hinkle to follow up.

**ADJOURNMENT:** The meeting was adjourned at 5:50 P.M.

| STAFF          | ACTION ITEMS  |
|----------------|---|
| Dev. Services  | Work with Mission Hills Middle School representatives to find or eliminate other potential sites for proposed K-8 <sup>th</sup> grade school. |
| Econ. Dev.     | See what data was available for a jobs creation analysis between proposed school and potential retail or commercial uses.                     |
| Various Depts. | Create timeline for Innovation Zone, identify costs and potential financing, and define area  |
| Econ. Dev.     | Report on why fiber optics loop was taking so long  |
| CEDC Members   | Take Marketing & Branding survey  |
| Econ. Dev.     | Follow up with Executive Director of the Craft Brewers Association  |