



CITY OF
HAYWARD
HEART OF THE BAY

**COUNCIL ECONOMIC
DEVELOPMENT COMMITTEE**

DECEMBER 1, 2014

Table of Contents

Agenda	2
Approval of Minutes for Special Meeting on October 27, 2014	
Minutes	4



**COUNCIL ECONOMIC DEVELOPMENT COMMITTEE
REGULAR MEETING**

**Monday, December 1, 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. Update on Draft Sign Ordinance, Development Services (**Oral Report**)
2. Introduction of Business Concierge Program (**Oral Report**)
3. Update on Shop Hayward Campaign (**Oral Report**)
4. Update on Light Up the Season (**Oral Report**)
5. Approval of Minutes for Special Meeting on October 27, 2014

[Minutes](#)

COMMITTEE MEMBER ANNOUNCEMENTS/REFERRALS/AND FUTURE AGENDA ITEMS

- Latest Developments at Southland Mall – Tentatively scheduled for January
- Impact Report of Paid Parking at BART

ADJOURNMENT

NEXT REGULAR MEETING

MONDAY, FEBRUARY 2, 2015, 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. ****

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.

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

December 1, 2014





**COUNCIL ECONOMIC DEVELOPMENT COMMITTEE
Special Meeting**

MEETING MINUTES – October 27, 2014

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

ATTENDANCE:

Committee Member	Present 10/27/14	All Meetings Year to Date		Meetings Mandated By Resolution	
		Present	Absent	Present	Absent
Michael Ly	✓	2	0	1	0
Didacus-Jeff Joseph Ramos	✓	2	0	1	0
Navneet Ratti	✓	2	0	1	0
Anjanette Scott	✓	1	1	0	1
Mayor Halliday (Chair)	✓	2	0	1	0
Council Member Jones	✓	2	0	1	0
Council Member Mendall	✓	2	0	1	0

OTHERS IN ATTENDANCE:

Fran David, City Manager; Kelly McAdoo, Assistant City Manager; David Rizk, Development Services Director; Micah Hinkle, Economic Development Manager; Frank Holland, Community & Media Relations Officer; Paul Nguyen, Economic Development Specialist; Ramona Thomas, Economic Development Specialist; Suzanne Philis, Senior Secretary; Kim Huggett, President and CEO of the Hayward Chamber of Commerce; Dominic Dutra; Darin Smith; Tom Callahan.

PUBLIC COMMENTS

Kim Huggett, President and CEO of the Hayward Chamber of Commerce, commented that free parking was part of the promotional messaging for downtown events like the recent Mariachi Festival (10/3). He said the Chamber was interested in preserving free downtown parking for shoppers, employees and business owners. Mr. Huggett noted a high level of interest from businesses for the Leadership Hayward, now in its 25th year. He also gave a recap of the success of the 29th Annual Business Expo on October 8th.

1. REVIEW CATALYST/OPPORTUNITY SITE ANALYSIS

Council Member Greg Jones said because he was a downtown business owner he had spoken with the City Attorney about a possible conflict of interest and was told he could listen to the presentation but not participate in any discussions pertaining to sites within 500 feet of his business.

City Manager Fran David introduced the item noting this was the first in-depth look at 13 catalyst/opportunity sites throughout the City that were initially identified in the Economic Development Strategic Plan. She said sites like City Center and Mervyn's were selected because of the high level of interest and because Council wanted to have a plan in place before being approached by developers. City Manager David said the Valle Vista/Mission Boulevard site was chosen because of the tremendous opportunity it presented. She noted consultant Dutra, Cerro, Graden had been selected to prepare the presentation because of their development experience and familiarity with assisting public agencies and they, in turn, had worked with PKF Consulting and EPS (Economic & Planning Systems).

City Manager David said the consultant was specifically asked to identify locations throughout the City that could potentially support a hotel. She then introduced the consultant Dominic Dutra who gave the presentation with the assistance of PKF representative Tom Callahan.

After the presentation Council Member Greg Jones left the room.

Council Member Al Mendall asked why the Mervyn's site was considered the best option when a location closer to 880/92 was identified as ideal. Mr. Callahan explained that because of ingress/egress and visibility issues with the other locations, and the lack of available sites near 880/92, the Mervyn's site was the best. Mr. Callahan noted that only sites identified by the City were considered in the analysis.

Council Member Mendall asked about the value of the existing parking garage at the Mervyn's site. Mr. Callahan said unless multiple uses created enough demand the garage didn't add value and he noted a select-service hotel with conference center wouldn't require that much parking.

Member Anjanette Scott asked if a conference center was built would the developer own it and lease it back to the City. Mr. Callahan explained that in their proposal analysis the City would deed the land to the developer at no cost, keep ownership of the conference center, and lease it to the hotel (at about a dollar a year), to operate. Ms. Scott asked if the City would recoup any fees and Mr. Callahan said the City wanted the conference center, not the developer, because there was very little money in conference spaces/facilities.

Economic Development Manager Micah Hinkle pointed out that a conference center would drive hotel stays and that in turn would generate transit occupancy taxes, which the City would benefit from, but he noted a select-service hotel would generate very little tax.

Member Navneet Ratti asked if the City could sell the land rather than give it away and Mr. Callahan explained that charging for the land would lower the profit margin for the developer and raise the risk.

Member Michael Ly confirmed the projected occupancy and average daily rates in the report were for a hotel only. Mr. Callahan commented that the Bay area was "on fire" and due to a shortage of hotel space in Hayward, a small hotel was feasible.

Member Didacus Ramos said a hotel didn't seem like a benefit to the City and asked if there were any other

options.

Council Member Mendall said he needed more financial data to make a decision about subsidizing land for a hotel.

Mayor Barbara Halliday asked why a full-service hotel was three times more expensive than a select-service hotel and Mr. Callahan said it was the size of the box for both construction, maintenance and labor costs. He also confirmed that almost all food and beverage operations at Bay area full-service hotels were running at cost or a loss.

Mayor Halliday asked if a select-service hotel/conference center partnered with a retail/townhouse use would work at the Mervyn's site. Mr. Callahan said there was plenty of room for a mix of uses at the site and having more would generate value for the parking garage. Mayor Halliday said the City could sell its interest in the City Center site to generate funds for a project at the Mervyn's site.

Council Member Jones returned to the room.

Regarding the Mission Boulevard/Valle Vista catalyst site, Member Scott confirmed with Mr. Dutra that the City was proposing to purchase the land from CalTrans and pre-entitle the use. Economic Development Manager Hinkle said the City could set the tone for the development by functioning like a private developer. Mr. Dutra pointed out that if the City didn't, CalTrans would set the tone by selling the land to anyone.

Council Member Jones asked if the City had any rights to the property and City Manager David said the City had the first right of refusal and could express interest in the property even if CalTrans wasn't interested in selling right now.

Member Scott asked if CalTrans would have to check with the City before selling the property and City Manager David said no.

Council Member Jones was supportive of the plan and said the City should be first in line.

City Manager David mentioned that CalTrans recently offered some property near Grove Way, but because they didn't work with the City or the County to combine properties, there wasn't any interest in a lot that crossed jurisdiction boundaries. The Mayor asked if the City could make an offer and City Manager David said the property had already been appraised and if CalTrans didn't receive the minimum value they would have to go back to the Transportation Committee to explain why. The Mayor asked how much the property was going for and was told \$8 million. Council Member Jones asked if there was a price yet for the Mission Boulevard properties and was told no.

Council Member Mendall was also supportive of the Mission Blvd./Valle Vista proposal and encouraged City staff to find the money to buy it.

Member Ramos was concerned about the short turnaround time to figure out entitlements and Council Member Mendall said the City could buy the property now and figure out the entitlements later.

Member Ramos asked if the City offered the asking price would that stop the bidding and City Manager David said she wasn't sure.

Member Ly confirmed the land was undervalued and City Manager David explained that the assumed price was relative to another property offered by CalTrans. Mr. Dutra pointed out that unentitled land was typically cheaper.

Member Ramos confirmed the City could move the existing park and staff said a park and community center was designated for the area but could go anywhere.

Mayor Halliday asked why the report mentioned the Laborer's Hall and Mr. Dutra explained that it was right in the middle of the property being discussed. City Manager David said the Laborer's had approached the City about working together in the past. Council Member Mendall said even if they weren't interested in selling now, the City could plan around them.

In closing City Manager David asked members if presentations like this were valuable and all members indicated yes. Council Member Jones suggested focusing on the biggest sites rather than dilute efforts.

Member Ly asked if this was the first time Hayward had jumped ahead of the process to plan a specific development and City Manager David said yes. Mr. Dutra said this was the first time any city had acted pro-actively in this manner.

2. UPDATE ON DOWNTOWN PROPERTY-BASED IMPROVEMENT DISTRICT FORMATION

Community & Media Relations Officer Frank Holland said the City was currently engaged in a feasibility study on migrating from a business-owner to a property-owner based assessment district. After initial outreach was completed, one on one and group meetings were planned. Mr. Holland said response by property owners was very positive and response to the community survey was good.

Council Member Mendall asked if downtown residential property owners would be assessed. Economic Development Manager Hinkle explained that the calculation was based on the property use and that might negate any fee for homeowners.

Council Member Jones asked if the assessment would apply to City properties and was told yes, as well as BART properties. Mr. Holland said that was the biggest selling point for the property-based assessment—everyone would contribute.

COMMITTEE MEMBER ANNOUNCEMENTS AND REFERRALS

Mayor Halliday asked that future agenda items be listed at the bottom of meeting agendas. Members made suggestions for future topics.

Member Ramos asked when the next sidewalk cleaning was going to happen and City Manager David said before the holidays.

Member Ramos also mentioned he'd received complaints that Planning Department staff added new requirements each time a project was reviewed. He said that wasn't his experience, but that's what people were saying. City Manager David said the permitting process was being reviewed.

Member Ly said the City should focus on three to five initiatives at a time and Mayor Halliday said the Economic Development Strategic Plan was developed to keep efforts focused. City Manager David noted the Plan was being updated and would be presented to members in January.

Member Scott said she wanted the City to provide better marketing for new businesses. Members pointed out that promoting individual businesses wasn't the City's responsibility, but the Mayor noted that Mr. Holland was already working on spreading the word as he became aware of opportunities to do so.

ADJOURNMENT: The meeting was adjourned at 5:58 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 th 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 (deadline 10/31)
Econ. Dev.	Follow up with Executive Director of the Craft Brewers Association