



CITY OF
HAYWARD
HEART OF THE BAY

**COUNCIL ECONOMIC
DEVELOPMENT COMMITTEE**

MARCH 2, 2015

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**COUNCIL ECONOMIC DEVELOPMENT COMMITTEE
REGULAR MEETING**

**Monday, March 2, 2015
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. Status of Economic Development Strategic Plan Update

- Marketing – Frank Holland
- Industrial – Paul Nguyen
- Retail – Ramona Thomas

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

2. 2014 Shop Hayward Campaign Review

[Report](#)
[Attachment](#)

COMMITTEE MEMBER ANNOUNCEMENTS/REFERRALS/AND FUTURE AGENDA ITEMS

- Rouse Properties/Southland Mall

ADJOURNMENT

NEXT MEETING –
MONDAY, APRIL 6, 2015

****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.

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



DATE: March 2, 2015

TO: Council Economic Development Committee

FROM: Economic Development Manager

SUBJECT: Economic Development Strategic Plan Update

BACKGROUND

In 2013, the City of Hayward adopted an Economic Development Strategic Plan (EDSP) in order to create a purposeful and concentrated effort to further establish Hayward as a desirable place to conduct business and to grow the City's economic base. The EDSP has three focus areas: 1) Branding and Marketing; 2) Industrial Sector, and 3) Service and Retail Sector. Staff has been working toward completion of tasks as outlined in the EDSP focusing on foundational tasks, which include establishment of baseline data, identifying retail and industrial lands, and launching of the branding and marketing program.

With the start of a new Economic Development team in September of 2014, significant time and effort has been dedicated to understanding Hayward's business community in order to assist in business retention, attraction, and expansion. In addition, through coordinated efforts, staff has been working on development opportunities within the City including customer service enhancements to facilitate development of quality projects. Lastly, comprehensive surveys, strategic branding, and a fresh marketing approach framework have been completed in order to introduce the marketing and branding campaign, which is set to roll out in 2015.

DISCUSSION

Outlined below is a summary of activities and preliminary staff findings on the three EDSP focus areas:

BRANDING AND MARKETING

The EDSP recognized the City's fractured and somewhat diffuse brand identity and called for a focused brand assessment and the development of a cohesive, focused identity that can be effectively communicated to market the City to businesses, developers, residents, and travelers. Pursuant to the objectives set forth in the EDSP, the City contracted with Brainchild Creative, an award-winning, local advertising firm deeply experienced in the area of complex branding initiatives to carry out the assessment and subsequent creative development, including key

messages, graphic standards, and a prototypical marketing plan designed to demonstrate cost effective ways to extend the reach and penetration of the City's messaging.

The City and consultant team have been working with both quantitative and qualitative information in order to formulate a branding and marketing approach for Hayward.

Marketing and Branding Direction:

The Hayward campaign exists in the overlap of many unexpected benefits ("hidden" Hayward amenities), business opportunity (affordability, centrality, ecosystem in place for making products, welcoming environment), and a sense of urgency (now is the time; don't be left out). In a sentence, the effort should position Hayward as, "The unexpected wellspring of opportunity in the Bay Area."

Aspiration:

We will elevate the perception of Hayward both internally and externally and create resources and a platform that will spark economic growth.

Internal:

City staff will be trained and coached to evangelize the brand strategy and messaging platform to ensure that the program is embraced and supported.

Hayward residents and business community:

We will share our strategy direction and expose the community to campaign elements to further instill pride (residents) and demonstrate positive movement (business)

External:

Our primary focus will be on reaching forward-thinking business people with our value proposition and message.

"You can't afford to be anywhere else but Hayward. This is the new location of business opportunity in the Bay Area." Hayward features more affordable rates for renting space or purchasing property than can be found in San Francisco, Palo Alto, San Mateo, Berkeley, Emeryville, and downtown Oakland. Failing to take advantage of a window of opportunity now could have a long-term financial impact on a business that is forced to spend more money on space than is necessary.

With the marketing and branding activities starting to gain momentum, the ability to respond to anticipated growth and development will become more important. The three focus areas of the EDSP (marketing, industrial sector, and retail sector) will work in conjunction in order to move the City forward.

INDUSTRIAL SECTOR

In support of developing information for completion of foundational tasks identified in the EDSP, staff conducted research to develop a baseline profile of businesses in Hayward's industrial corridor. Specifically, this effort set out to achieve the following objectives:

- 1) Establish a clear picture of the businesses located in Hayward's industrial zoned area;
- 2) Create a database to identify major employers and track establishment and employment trends; and 3) apply the data using a graphic information system (GIS) to assess the existence of industry clusters, which for the purposes of this study is defined as similar businesses located near one another (see Attachment I).

This research represents the completion of multiple work tasks outlined in the EDSP. Specifically, the EDSP calls out establishment of baseline measures and monitoring of the Top 25 industrial employers (EDSP Performance Measure IS1.1) and overall employment levels of industrial businesses (EDSP Performance Measure IS1.5).

In addition to establishing a mechanism to track the industrial corridor's economic trending, this information would provide information for program development and resource allocation. By understanding the types of businesses that are in Hayward, the number of workers they employ, how businesses are performing, and how their operation contributes to the City's economic vitality, the City can direct economic development resources to targeted sectors and programs. This data-driven decision-making will help maximize the impact of the City's business attraction, retention and expansion efforts.

The industrial baseline information is also pertinent to other long-term strategic approaches specifically the City's General Plan Implementation Program on development of an Industrial Technology and Innovation Corridor Plan. By understanding the types and profiles of our existing businesses, conducting outreach on specific business needs, we can craft policies and regulations to attract targeted industries and further develop industrial lands in a comprehensive manner addressing both economic vitality and land use concerns.

The City of Hayward has approximately 14,600 business (excluding home occupations) and has a diverse base of businesses throughout the industrial corridor. In order to focus on industrial businesses, staff sorted the database using the North American Industry Classification System known as the NAICS code. An example of the code system is shown in Table 1 below:

Table 1: Example North American Industry Classification System (NAICS) Code Hierarchy

NAICS CODE	Definition
31	Manufacturing
311	Food Manufacturing
3111	Animal Food Manufacturing
31111	Dog and Cat Food Manufacturing
311119	Other Animal Food Manufacturing

By sorting through layers of data, the City has six primary industrial business types which are identified below:

1. Advance Materials
2. Biomedical, Biotechnical and Life Sciences (Biotech)
3. Business and Financial Services
4. Food and Beverage Manufacturing
5. Information Technology and Telecommunications
6. Transportation and Logistics

The six categories represent a valuable mix of businesses ranging in size from 10 to 750 employees. The ability to identify and outreach specific business types and individual businesses is a valuable tool for business retention, attraction, and expansion. Based on business patterns, there are no specific patterns associated with Hayward's Industrial sector. The City's current and previous land use regulations have allowed a diverse mix of industrial uses to locate throughout the Industrial corridor. Given the information on existing businesses, the City has an opportunity to further study any necessary modifications to our land use regulations for desired land uses and potential land use conflicts as the industrial zone abuts residential uses. Hayward's industrial market is comprised of 36.6 million square feet with a vacancy rate of 5.2%. Overall our industrial market is performing very well; however, with 5.2% vacancy rate there is limited inventory to expand within.

The most significant staff finding of the baseline data is that an overarching business category connects our industrial businesses known as the "Advanced Industries" sector. Advanced Industries is comprised of over fifty different industries that involve heavy investment in technology innovation and employ skilled technical workers who develop and apply new technologies to enhance productivity. This sector is gaining national focus due to recent studies about its importance and impact on the American economy and workforce. The City has potential opportunities to further evaluate marketing and expansion opportunities for Advanced Industries.

SERVICE AND RETAIL SECTOR

Similar to the efforts in the Industrial Sector, staff has conducted research to develop a baseline profile of retail development along the retail corridors in Hayward. Specifically, this effort set out to achieve the following objectives:

- 1) Confirm retail business corridors located in Hayward; 2) Create a profile snapshot of retail condition, highlighted by anchor retailers and demographic information; and 3) Identify potential locations for retail development or redevelopment.

Hayward's retail market is comprised of 7.7 million square feet with a vacancy rate of 2.5%. Overall our retail market is performing well as a whole; however, with 2.5% vacancy rate there is limited inventory to expand within and no available class "A" retail space. Downtown continues to fill vacant storefronts; however, portions of B Street remain empty. The majority of the retail space in Hayward is older commercial strip centers with limited vacancies. A snapshot

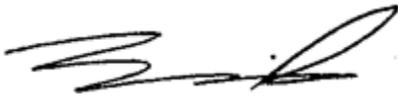
of select retail corridors is included in Attachment II. Moving forward staff will continue to look at development and redevelopment opportunities for retail space and develop programs to assist tenanting retail space within the downtown.

NEXT STEPS

Upon completion of data gathering and formulation of the City Marketing and Branding program, staff will formulate economic development programs and activities to assist in our business attraction, retention, and expansion efforts. For the Industrial sector, staff will look at the ability to assist industrial businesses, in particular Advanced Industries, to locate and expand in the City. For the retail sector, staff will continue to assist in filling vacant storefronts and push for new development to provide goods and services for the City.

Prepared by: Micah Hinkle, Economic Development Manager

Approved by:



Fran David, City Manager

Attachments:

- Attachment I: Baseline Industrial Map and Info
- Attachment II: Select Baseline Retail Maps

ATTACHMENT I – Industrial Corridor Baseline Profile

1. Industrial Innovation and Technology Zone Study Area

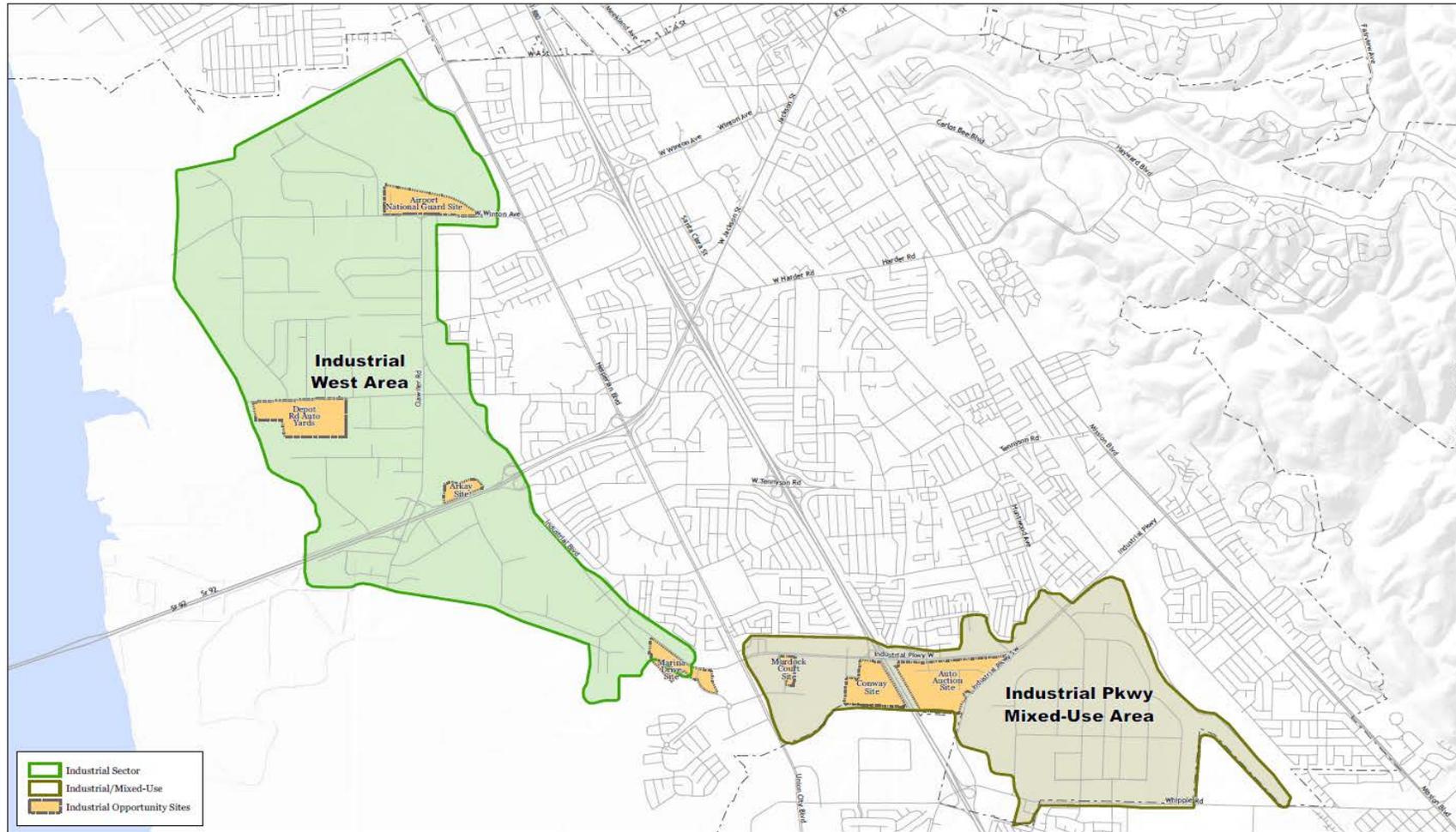
The Industrial Technology and Innovation Corridor (corridor) is illustrated in Exhibit I on the following page. According to the General Plan, the corridor is the large crescent-shaped industrial area located along the City’s western and southwestern boundaries. The General Plan outlines the following allowed uses in the corridor:

- Professional office uses
- Corporate Campus
- Research and development
- Warehousing and Logistics
- Manufacturing (Traditional, Advanced, Specialized and High-Technology)
- Bio-technology and high-technology uses

Supporting uses in the corridor include:

- Retail, detailing and service uses
- Automotive service and repair stations
- Lodging

Exhibit 1: Industrial Technology and Innovation Corridor Map



Source: Economic Development Strategic Plan (FY 2014-FY 2018)

2. Top 25 Employers by Major Industry Sector

The tables below identify the top 25 employers in selected industry sectors. Each table is arranged alphabetically and includes the North American Industry Classification System (NAICS) code, which identifies the sub-sector or primary activity of each business. NAICS codes were assigned by InfoGroup Government Services, a third-party data vendor.

Exhibit 2: Biomedical, Biotechnical and Life Sciences (Biotech) Sector

Company Name	NAICS	Description
Amedica Biotech Inc	339112	Surgical & Medical Instrument Manufacturing
Baxter Bio Pharma	339112	Surgical & Medical Instrument Manufacturing
Bay Point Health Care Ctr	621999	All Other Misc Ambulatory Health Care Services
Coram Healthcare Corp-Northern	621493	Freestanding Ambulatory Surgical & Emergency Ctrs
DaVita South Hayward Dialysis	621493	Freestanding Ambulatory Surgical & Emergency Ctrs
Forensic Analytical Consulting	541711	Research & Development In Biotechnology
Gateway Care & Rehab Ctr	621999	All Other Misc Ambulatory Health Care Services
Hantel Technologies	339112	Surgical & Medical Instrument Manufacturing
Hayward Dialysis Ctr	621493	Freestanding Ambulatory Surgical & Emergency Ctrs
Illumina	541711	Research & Development In Biotechnology
Impax Laboratories Inc	325412	Pharmaceutical Preparation Manufacturing
Intarcia Therapeutics Inc	541711	Research & Development In Biotechnology
Mendel Biotechnology	325411	Medicinal & Botanical Manufacturing
Millipore Corp	325414	Biological Product (Except Diagnostic) Manufacturing
Natural Formulas	446191	Food (Health) Supplement Stores
Prince Of Peace	325412	Pharmaceutical Preparation Manufacturing
Prozyme	541711	Research & Development In Biotechnology
Rural/Metro Ambulance	621910	Ambulance Services
Shaklee Distributor	446191	Food (Health) Supplement Stores
Size Wise LLC	423450	Medical, Dental/Hospital Equip/Supls Mrchnt Whlsrs
SNP Pharmacy	446110	Pharmacies & Drug Stores
Solta Medical Inc	339112	Surgical & Medical Instrument Manufacturing
Stericycle	562211	Hazardous Waste Treatment & Disposal
Sun Deep Cosmetics	446120	Cosmetics, Beauty Supplies & Perfume Stores
Winton Wellness Ctr	621999	All Other Misc. Ambulatory Health Care Services

Source: ReferenceUSA, January 2015

Exhibit 3: Food and Beverage Manufacturing Sector

Company Name	NAICS	Description
Andersen Bakery Inc	311811	Retail Bakeries
Annabelle Candy Co Inc	311352	Confectionery Mfg From Purchased Chocolate
Armano Foods-Distinction Inc	311412	Frozen Specialty Food Manufacturing
Azuma Foods Intl Inc USA	311710	Seafood Product Preparation & Packaging
Berkeley Farms LLC	311520	Ice Cream & Frozen Dessert Manufacturing
Best Express Foods	311812	Commercial Bakeries
Buffalo Bill's Brew Pub	312120	Breweries
Chefs' Warehouse	311999	All Other Miscellaneous Food Manufacturing
Columbus Foods	311999	All Other Miscellaneous Food Manufacturing
Freund Baking Co	311999	All Other Miscellaneous Food Manufacturing
Gallo Sales Co	312130	Wineries
Gourmet Foods Inc	311999	All Other Miscellaneous Food Manufacturing
Harvest Food Products Co Inc	311412	Frozen Specialty Food Manufacturing
Joe Pucci & Sons Seafoods	311710	Seafood Product Preparation & Packaging
Pacific Cheese Co	311999	All Other Miscellaneous Food Manufacturing
Panera Bread	311811	Retail Bakeries
Pepsi Bottling Group	312111	Soft Drink Manufacturing
Produce World	311942	Spice & Extract Manufacturing
Quick-N-Ezee Indian Foods	311999	All Other Miscellaneous Food Manufacturing
San Francisco Pasta Co	311824	Dry Pasta Dough/Flour Mixes Mfg-Purchased Flour
Shasta Beverages Inc	312111	Soft Drink Manufacturing
Sugar Bowl Bakery	311811	Retail Bakeries
United Food International		
Windsor Foods	311412	Frozen Specialty Food Manufacturing
Wing Nien Food	311999	All Other Miscellaneous Food Manufacturing

Source: ReferenceUSA, January 2015

Exhibit 4: Transportation and Logistics Sector

Company Name	NAICS	Description
AC Transit	488210	Support Activities For Rail Transportation
Angel Worldwide Transportation	485510	Charter Bus Industry
Brook Furniture Rental	484230	Specialized Freight (Exc Used Gds) Trucking Long Distance
Buffalo Distributions Svc	484230	Specialized Freight (Exc Used Gds) Trucking Long Distance
Central Freight Lines Inc	484230	Specialized Freight (Exc Used Gds) Trucking Long Distance
CEVA Logistics	484230	Specialized Freight (Exc Used Gds) Trucking Long Distance
Con-Way Freight	484230	Specialized Freight (Exc Used Gds) Trucking Long Distance
Daylight Transport LLC	484230	Specialized Freight (Exc Used Gds) Trucking Long Distance
Dynamex Inc	484110	General Freight Trucking, Local
Fedex Freight	484110	General Freight Trucking, Local
Golden Gate Air Freight	481112	Scheduled Freight Air Transportation
Hawaiian Express Svc Inc	488510	Freight Transportation Arrangement
Kuehne & Nagel	493110	General Warehousing & Storage
MAG Trucking	484230	Specialized Freight (Exc Used Gds) Trucking Long Distance
National Tank Services	484230	Specialized Freight (Exc Used Gds) Trucking Long Distance
Orion Logistics Inc	493130	Farm Product Warehousing & Storage
Orozco Transportation	484230	Specialized Freight (Exc Used Gds) Trucking Long Distance
Pilot Air Freight Corp.	481112	Scheduled Freight Air Transportation
RJR Transportation	488210	Support Activities For Rail Transportation
Road Star Trucking Inc	484230	Specialized Freight (Exc Used Gds) Trucking Long Distance
Servex Inc	493110	General Warehousing & Storage
T C Transportation Inc	484230	Specialized Freight (Exc Used Gds) Trucking Long Distance
The MiGroup	484110	General Freight Trucking, Local
Tricor America Inc	481112	Scheduled Freight Air Transportation
YRC Freight	484230	Specialized Freight (Exc Used Gds) Trucking Long Distance

Source: ReferenceUSA, January 2015

3. Industrial Sales Tax Revenue Generators

The table below identifies the Top 25 sales tax revenue generators based in industrial corridor. This list, presented alphabetically, was provided by MuniServices, the City’s revenue enhancement consultant. Data is from the benchmark year (12 consecutive months) ending in the third quarter of 2014.

**Exhibit 5: Top 25 Industrial Sales Tax Generators
(Benchmark Year Ending 3rd Quarter 2014)**

BUSINESS NAME	ECONOMIC SEGMENT
ALAMEDA ELECTRICAL DISTRS	BLDG.MATLS-WHSLE
ALL TEX	LIGHT INDUSTRY
BECHTEL POWER CORPORATION	LEASING
BIG JOE CALIFORNIA	HEAVY INDUSTRY
CAL WHOLESALE MATERIAL SUPPLY	BLDG.MATLS-WHSLE
CALIFORNIA HYDRONICS	HEAVY INDUSTRY
CAL-STEAM	BLDG.MATLS-WHSLE
COMMUNICATIONS SUPPLY	ELECTRONIC EQUIPMENT
DIAMOND W FLOOR COVERING	BLDG.MATLS-RETAIL
FERGUSON ENTERPRISES	BLDG.MATLS-WHSLE
GILLIG CORPORATION	MISC. VEHICLE SALES
GUEST SUPPLY	LIGHT INDUSTRY
HD SUPPLY WATERWORKS	HEAVY INDUSTRY
HEAT & CONTROL	HEAVY INDUSTRY
ILLUMINA	CHEMICAL PRODUCTS
LINDE GROUP	CHEMICAL PRODUCTS
PEARSON DENTAL SUPPLY	LIGHT INDUSTRY
R F MACDONALD COMPANY	HEAVY INDUSTRY
REGENCY ENTERPRISES	BLDG.MATLS-WHSLE
THERMAGE	LIGHT INDUSTRY
TOYOTA MATERIAL HANDLING	HEAVY INDUSTRY
UNISOURCE SOLUTIONS	OFFICE EQUIPMENT
UNITED CLEANERS SUPPLY	BUSINESS SERVICES
WESTERN STATE DESIGN	HEAVY INDUSTRY
WESTERN STATES TOOL & SUPPLY	HEAVY INDUSTRY

Source: MuniServices, February 2015

HAYWARD RETAIL CORRIDOR

» B STREET « Watkins St to 2nd St

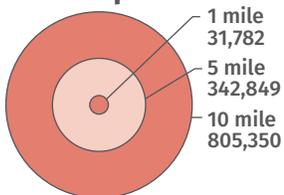
- 33 retail properties
- 5 year average rent per sq. foot. \$1.31
- Median population age 35
- Median HH income \$49,704
- 0 Shopping Centers
- Properties built between 1910-1920
- Average year built 1939
- As of 1/15 6 properties/9 spaces available



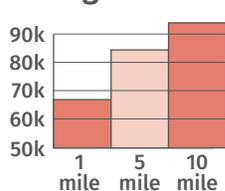
2014 DEMOGRAPHIC SNAPSHOT FOR 1014 B ST

Source: Costar, Applied Geographic Solutions

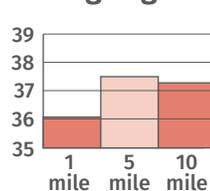
Total Population



Average HH Income



Average Age



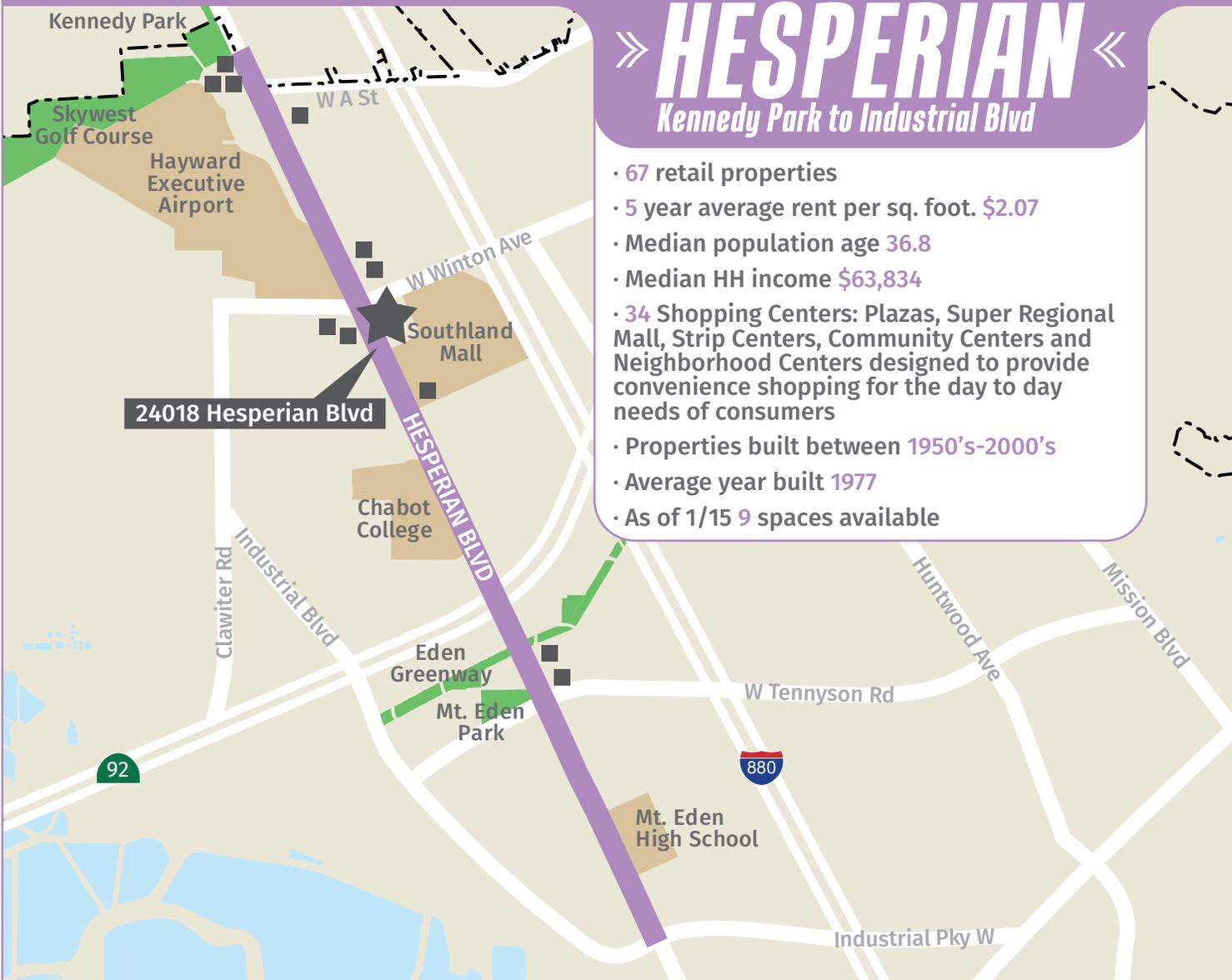
Anchor Stores ■

- Buffalo Bills
- Century Theater
- Hayward Ace Hardware

HAYWARD RETAIL CORRIDOR

» HESPERIAN « Kennedy Park to Industrial Blvd

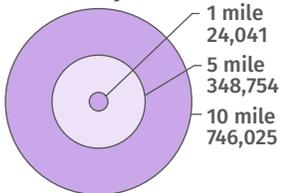
- 67 retail properties
- 5 year average rent per sq. foot. \$2.07
- Median population age 36.8
- Median HH income \$63,834
- 34 Shopping Centers: Plazas, Super Regional Mall, Strip Centers, Community Centers and Neighborhood Centers designed to provide convenience shopping for the day to day needs of consumers
- Properties built between 1950's-2000's
- Average year built 1977
- As of 1/15 9 spaces available



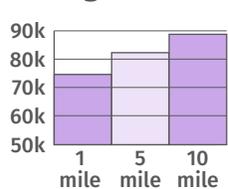
2014 DEMOGRAPHIC SNAPSHOT FOR 24018 HESPERIAN BLVD

Source: Costar, Applied Geographic Solutions

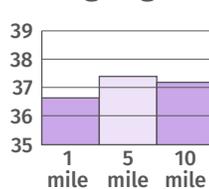
Total Population



Average HH Income



Average Age



Anchor Stores

- FoodMax
- Target
- Jamba Juice
- Starbucks
- T-Mobile
- Mi Pueblo
- Office Depot
- Walgreens
- DD's Discount
- Chuck E Cheese
- Olive Garden

RETAIL CORRIDOR

» TENNYSON « I-880 to Mission Blvd

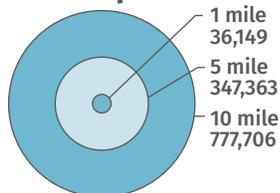
- 35 retail properties
- 5 year average rent per sq. foot. \$1.89
- Median population age 34
- Median HH income \$65,000
- 17 neighborhood/strip centers designed to provide convenience shopping for the day to day needs of consumers in the immediate neighborhood
- Properties built between 1940's-1980's
- Average year built 1966
- As of 1/15 Zero space available



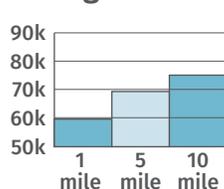
2014 DEMOGRAPHIC SNAPSHOT FOR 24018 HESPERIAN BLVD

Source: Costar, Applied Geographic Solutions

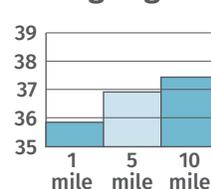
Total Population



Average HH Income



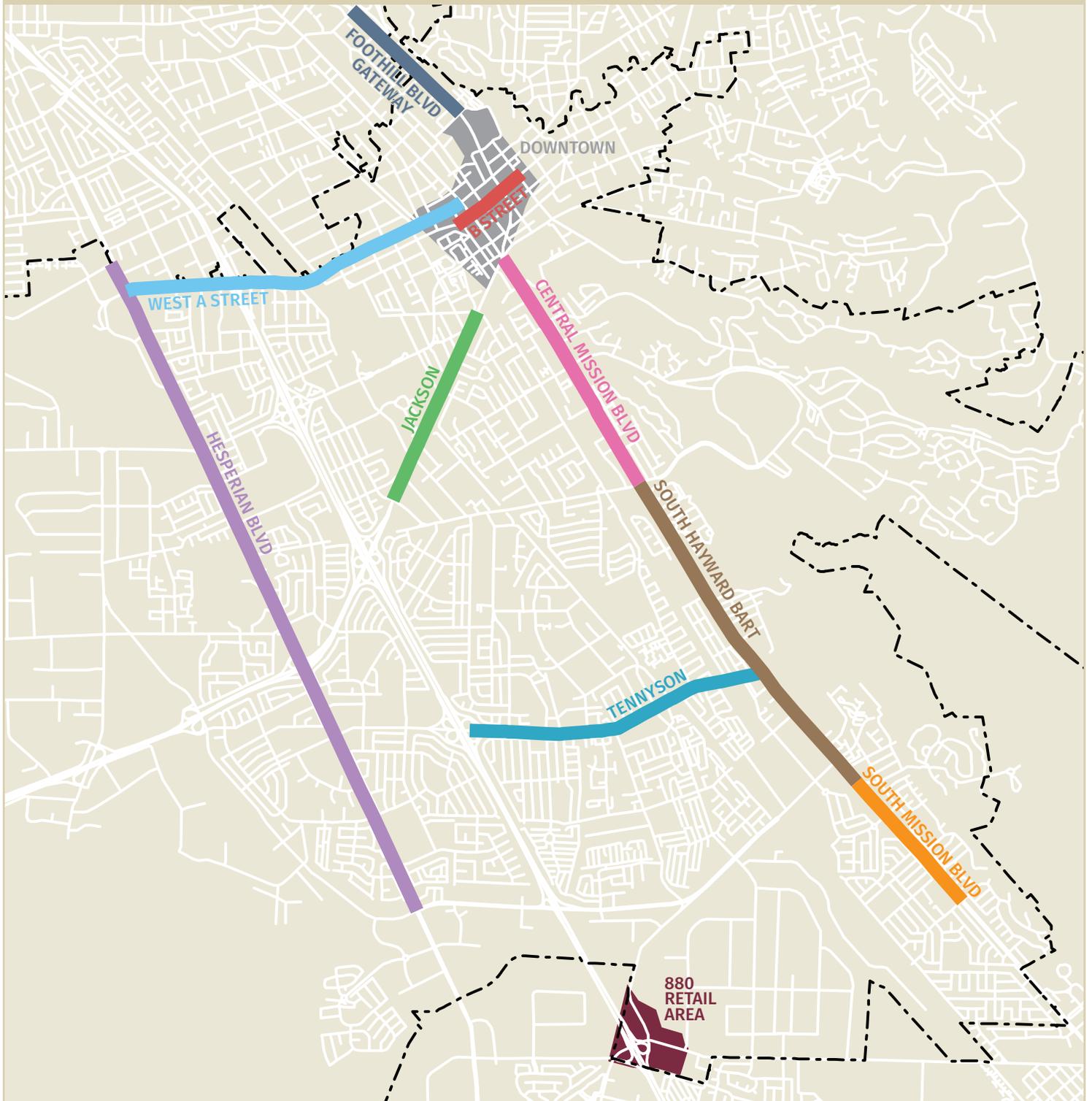
Average Age



Anchor Stores

- 76 Station
- KFC
- O'Reilly Auto Parts
- Walgreens

HAYWARD RETAIL CORRIDORS

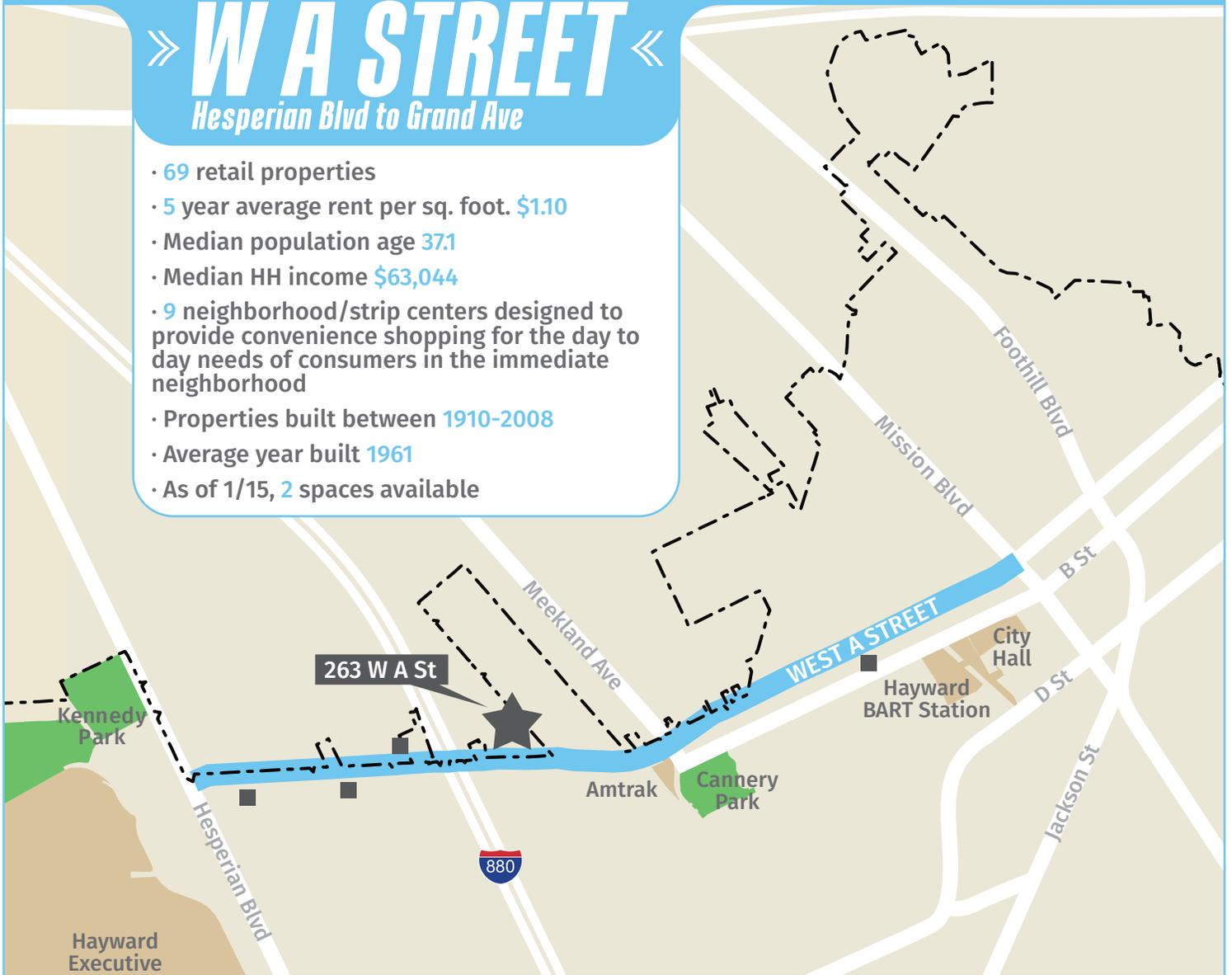


RETAIL CORRIDOR

» W A STREET «

Hesperian Blvd to Grand Ave

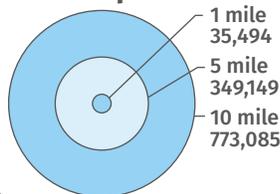
- 69 retail properties
- 5 year average rent per sq. foot. \$1.10
- Median population age 37.1
- Median HH income \$63,044
- 9 neighborhood/strip centers designed to provide convenience shopping for the day to day needs of consumers in the immediate neighborhood
- Properties built between 1910-2008
- Average year built 1961
- As of 1/15, 2 spaces available



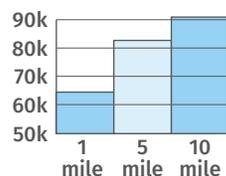
2014 DEMOGRAPHIC SNAPSHOT FOR 263 W A St

Source: Costar, Applied Geographic Solutions

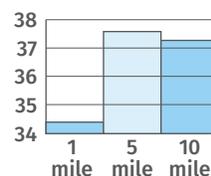
Total Population



Average HH Income



Average Age



Anchor Stores

- Burger King
- Carmen's BBQ
- Quick Stop
- Ray's Sushi
- Mi Pueblito Market

HAYWARD RETAIL CORRIDOR

» S MISSION BLVD « Garin Ave to Gresel St

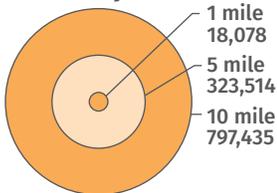
- 13 retail properties
- 5 year average rent per sq. foot. \$1.88
- Median population age 36
- Median HH income \$64,394
- 7 neighborhood centers, 5 within Fairway Park Shopping Center designed to provide convenience shopping for the day to day needs of consumers in the immediate neighborhood
- Properties built between 1940's-2000's
- Average year built 1971
- As of 1/15, 7 spaces available



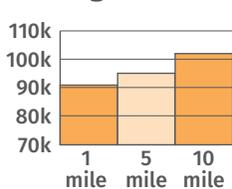
2014 DEMOGRAPHIC SNAPSHOT FOR 30100 MISSION BLVD

Source: Costar, Applied Geographic Solutions

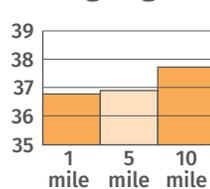
Total Population



Average HH Income



Average Age



Anchor Stores

- KFC/Taco Bell
- Jack in the Box
- RiteAid
- Shell Gas Station
- Sonic
- US Bank

DATE: March 2, 2015

TO: Council Economic Development Committee

FROM: Economic Development Manager

SUBJECT: 2014 Shop Hayward Campaign Review

BACKGROUND

Launched in 2009, the Shop Hayward Campaign is an effort to engage citizens and build awareness of the importance of supporting Hayward businesses during the Holiday shopping season. Shopper's showing proof of participation received a reusable tote bag filled with donated gifts and promotional coupons from Hayward businesses. In 2009, the Shop Hayward Campaign gave away reusable tote bags filled with coupons from local merchants and two free movie tickets to Cinemark Theaters to the first 100 shoppers. The campaign ran from 2009-2012 with increased bag distribution from 100 to 150 bags in 2012. The program was placed on hold for 2013, but was revitalized in 2014.

For the 2014 Shop Hayward program, a rebranding initiative occurred including a new logo design, new tote bag style, and an updated marketing campaign. The reward-driven incentive marketing campaign targeted more shoppers, offering reusable tote bags to 200 shoppers. Shopping dates for the 2014 "Shop Hayward" campaign were December 5-7th. Shoppers who spent at least \$150.00 at local restaurants and/or retail stores presented their receipts on Monday December 8th and 9th and were given their reusable "Shop Hayward" gift tote bag. Shopper's received stuffed toys, children's books, gift cards to local restaurants, and most notable, Cinemark Theater movie tickets. Additional promotional coupons from participating local merchants were valued over \$150.00 (see Attachment I).

The program was well received with over 100 bags distributed to participants on December 8th and total program participation was 180. Recognizing the difficulty for some to arrive at City Hall during standard business hours, redemption was extended to 6pm. The 2014 program also featured a new interactive social media component. Participants who took a picture of themselves at their favorite Hayward business and used social media to share their photo using the #Shop Hayward hashtag received a free Shop Hayward gift tote bag. This provided shoppers with a fun modern way of interacting with the City and a vehicle for the City to connect with our shopping community. The City Communications Officer was able to re-tweet the #Shop Hayward postings to more than 2,000 City of Hayward followers. This provided additional exposure to Hayward businesses while connecting with followers.

FISCAL IMPACT

For the 2014 Shop Hayward Campaign, costs totaled approximately \$8,578. The return receipts of participants were tallied and the average program shopper spent \$241 totaling \$43,621.

Marketing

As part of our data collection, participants were asked how they heard about the campaign. The following chart gives the breakdown of how participants received notification of the program:

Social Media	COH	Email/Newsletter	Friend	Walk-in	Print Media	Newspaper	Other
32	45	28	37	4	17	3	15

Testimonials

“I heard about the Shop Hayward weekend at the Foothill Gallery. I thought it was a great idea. I saved my receipts and went to City Hall early that Monday to pick up my bag. Then I rushed home to see what was in it; it was great -- I had hit the jack pot! There were movie tickets, free popcorn, a gift card for Buffalo Bill's, discounts from The Cobbler, Vintage Alley, Snappy's Cafe and much more. But when I saw a year free membership for the Hayward Arts Council I thought I'd died a gone to Heaven. That meant would save \$30.00 for my 2015 membership. Wow, and the Shop Hayward bag is really nice. Can't wait to see what they do this year for shop Hayward.”

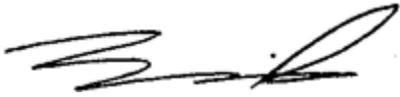
“We had never been to Acqua e Farina before and chose to eat dinner there on Friday to accumulate our “points” toward the goody bag. We have now discovered our favorite new restaurant! The food was absolutely amazing and the service and atmosphere was wonderful. We were delighted to find such a treasure in our own back yard and so pleased to see such a high quality restaurant in Hayward. We will definitely return!”

PROGRAM OVERVIEW

The 2014 Shop Hayward Campaign was successful given the participant interest, marketing exposure, merchant feedback and willingness to participate in the future. Going forward, potential growth opportunities exist for expanding the program to other shopping seasons (Back to School). The program expansion is predicated on staffing resources as it does require planning and coordination to successfully execute.

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Approved by:



Fran David, City Manager

Attachments:

Attachment I: Local Businesses Reporting

2014 Shop Hayward Campaign Results

2014 Shop Hayward Participants	Received	Coupons Redeemed	Coupon Type/Gift	Expiration	Average Spend	Participate Again?
Kraski's Nutrition	No	none given	Vitamin C	n/a		
Big 5	Yes	9	15% off reg. price/ 5% off sale item	12/31/2014	\$55.00	Yes
The Cobblers	no	0	\$5off shoe repair/\$10 off \$50	none		yes
Pho Restaurant	yes	20	Free Apetizer	none	\$18.00	Yes
Snappy Café	yes	3	50% off any drink		\$5.00	yes
Cinemark	yes	75	Free popcorn with drink	none	\$15.00	yes
Vintage Alley	Yes	4	10% off		\$75.00	yes
Zainido Vintage	yes	3	\$2.00 off		\$30.00	yes
Hayward Historical Society	yes	3	Free membership value \$30		n/a	yes
Cannery Café	Yes	15	Buy one entrée get one free		\$15.00	Yes
2525 Vintage	no	0	20% off		0	yes
Baskin Robbins	Yes	didn't track	Buy one cone get on .99/\$1.00 off	12/31/2014		Yes
Kin Café	no	0	20% off food	0	0	yes
Oh What A Find!	Yes	1			\$30.00	
Music Depot	no	no	Pay the sales tax	none	0	yes
Hayward Ace	yes	didn't track	\$15 off \$50/ \$10.00 off \$30	none	\$43.25	yes
Famous Dave's	yes		Lunch Specials card 7 get 8 th free	none		
Buffalo Bills	yes	Didn't track	\$10 off	none	?	Yes
Metro Taquero	yes	7			\$10.00	Yes
Arthur Murray	yes	1	Free dance lesson	none	\$400	yes
Doc's Wine Shop						