

# **COUNCIL DOWNTOWN COMMITTEE**

**Monday, March 27, 2006  
7:00 p.m.**

**Work Session Room 2A - Hayward City Hall  
777 B Street  
Hayward, CA 94541**

**Public Comments: (Note: For matters not otherwise listed on the agenda. The Committee welcomes under this section but is prohibited by State Law from discussing items not listed on the agenda. Your item will be taken under consideration and referred to staff.)**

- 1. Renovation of the Palmtag Building**
- 2. Downtown Retail Attraction Initiative**

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**CITY OF HAYWARD**  
**STAFF REPORT**

AGENDA DATE 03/27/06

AGENDA ITEM \_\_\_\_\_

WORK SESSION ITEM \_\_\_\_\_

**TO:** Council Downtown Committee  
**FROM:** Director of Community and Economic Development  
**SUBJECT:** Renovation of the Palmtag Building

**RECOMMENDATION:**

It is recommended that the Committee review and comment on this report.

**DISCUSSION:**

In recent years, the Downtown has experienced positive changes. City Hall provides a focal point and gateway of activity, and new commercial and residential activity has revitalized the area.

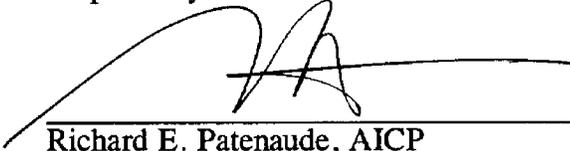
Browman Development has purchased the Palmtag Building at the northwest corner of B Street and Mission Boulevard. This building has experienced deferred maintenance and alterations over the years resulting in unattractive street fronts with inappropriate metal awnings and architectural features, obstructed transom windows, conflicting styles of storefront glazing, and an unattractive color palette. However, Browman Development plans to renovate the building to enhance retail and office opportunities for future tenants and to create a new identity at this important intersection. The project includes renovation of all façades, including that facing the Albertson's parking lot.

The building has been vacated in anticipation of the reconstruction. Browman Development has entered into an agreement with a significant tenant for the space formerly occupied by Silver Spoon Hofbrau, the name of which will be announced at the meeting.

The proposed improvements for the Palmtag Building revive the Vernacular Victorian commercial architecture that was typical for Downtown Hayward at the time these buildings were constructed. They provide rich detailing, especially on the first floor to enliven the pedestrian experience. The arched main entry on B Street would be retained. New storefront glazing provides window-pane patterns typical of the architectural style and transom windows would be reopened and enhanced, providing for light and air into the shops. The continuous metal awning is replaced with segmented fabric awnings to fit the storefront openings. The second-story windows are enhanced with the addition of sills, prominent crowns and shutters. The building is capped with a new entablature featuring a cornice with dentils. An earth-tone color palette further differentiates the two floors with the darker colors reinforcing the pedestrian level and the cap of the building. The now-blank parking lot elevation is punctuated with new window openings for the restaurant space on the first floor.

A portion of the improvements will be paid with proceeds made available from the City's façade improvement program. Browman Development anticipates starting construction at the beginning of June with completion in November. The tenant could then complete its tenant improvements and be ready to open for business early spring of 2007.

Prepared by:



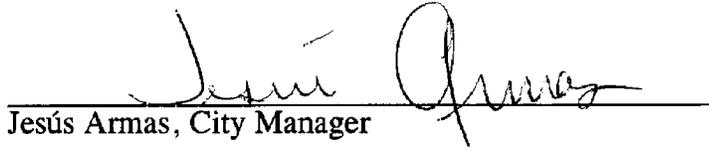
Richard E. Patenaude, AICP  
Principal Planner

Recommended by:



Sylvia Ehrental  
Director of Community and Economic Development

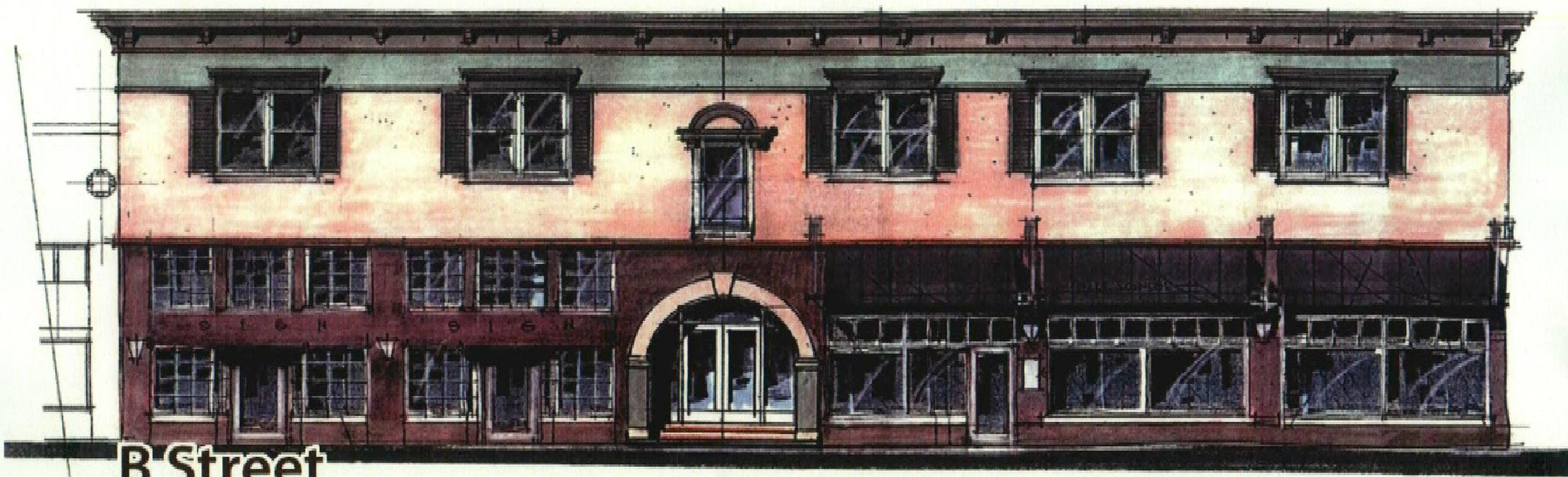
Approved by:



Jesús Armas, City Manager

Attachments:

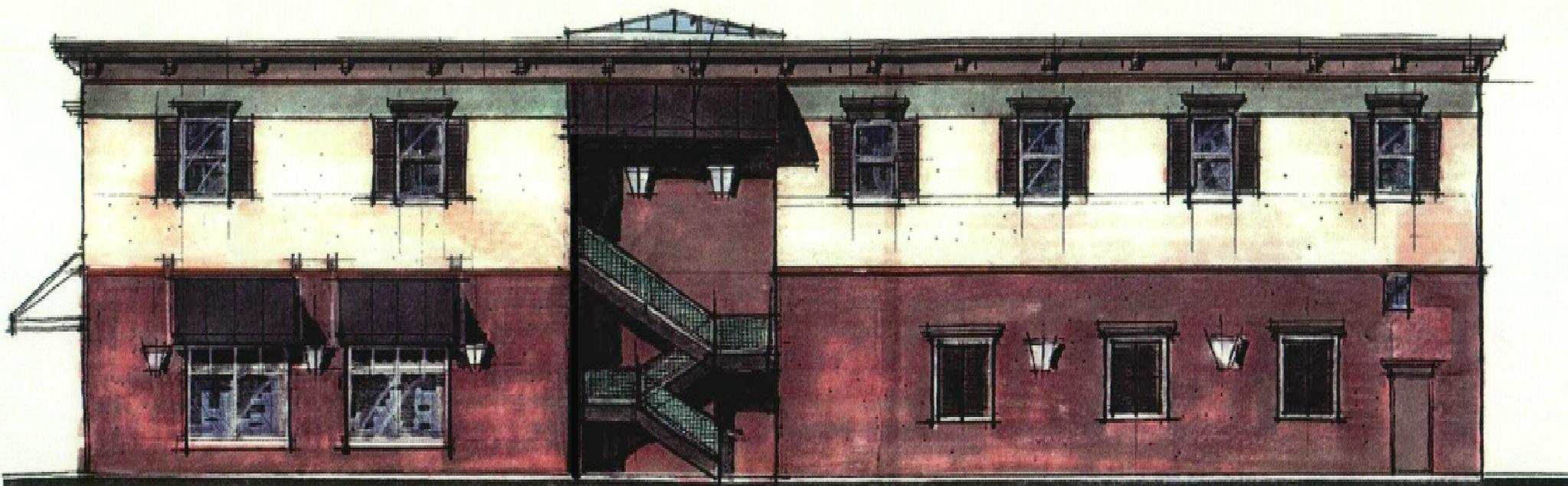
Proposed Elevations



**B Street**



**Mission Boulevard**



**Albertson's Parking Lot**



**CITY OF HAYWARD  
STAFF REPORT**

AGENDA DATE 03/27/06

AGENDA ITEM \_\_\_\_\_

**TO:** Council Downtown Committee  
**FROM:** Director of Community and Economic Development  
**SUBJECT:** Downtown Retail Attraction Initiative

**RECOMMENDATION:**

It is recommended that the Committee review and comment on this report.

**BACKGROUND:**

The efforts of the City, the Hayward Redevelopment Agency and various private property owners to revitalize Downtown have been successful in many ways over the past several years. Nevertheless, there remain numerous vacancies in downtown commercial buildings. Recently, staff counted 14 vacant shop spaces out of a total of approximately 67 ground floor spaces on B Street between Watkins and Foothill Boulevard (21% vacancy). Some properties have been vacant for an extended period, while others have only recently become vacant. Some have suggested that the newer vacancies are a result of landlords increasing their shop rents, based on an expectation of an increase in demand when the Cinema Place project is finished. In some cases rising rents are certainly the consequence of property owners renovating their buildings, and in other cases are due to the fact that retail properties have sold at significantly higher prices during the past two years. Regardless of the reason, the fact remains that to have such a large inventory of vacant spaces is not helpful in promoting a vibrant and energetic downtown.

The Cinema Place development is expected to begin construction this summer and be complete in the fall of 2007. Other than the theater itself, the majority of the tenants are expected to be restaurants or related food uses. During a recent report to the City's Economic Development Committee, an active area retail broker expressed the opinion that it could be up to two years from the opening of the center before the effects of spin-off demand from the Cinema Place are noticed, and that such spin-off demand will likely extend only to the buildings that are within a short distance of the complex.

It appears that the time is ripe for the Redevelopment Agency to take a proactive role in reducing the number of vacant spaces downtown. While the concept needs to be developed more fully, we anticipate that this role will take some form of direct financial assistance in order to place targeted retail business types into vacant properties. The survey of downtown residents, as well as the City and Agency's recent experience in working with retail developers and with its own properties can be used as a basis for moving forward to develop a target list

and with its own properties can be used as a basis for moving forward to develop a target list of retail business types to pursue. With regard to financial assistance that may be needed, the Agency can consider several forms ranging from loans for tenant improvements or to offset City fees, to direct rent offsets for a period of time.

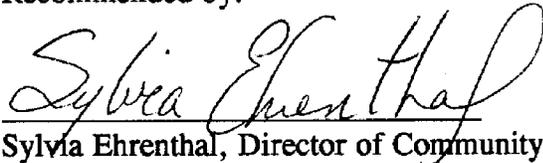
If the Committee is supportive of such an effort, staff will proceed to further develop the concept for presentation to the Agency Board as part of the upcoming budget.

Prepared by:



Maret Bartlett, Redevelopment Director

Recommended by:



Sylvia Ehrenthal, Director of Community and Economic Development

Approved by:



Jesús Armas, City Manager