



DATE: November 4, 2019

TO: Council Economic Development Committee

FROM: Deputy City Manager

SUBJECT: Economic Development Marketing Program Needs Assessment and Work Plan

RECOMMENDATION

That the Council Economic Development Committee reviews this report detailing the economic development marketing workplan and provides feedback to staff at the November 4 meeting.

SUMMARY

Economic Development staff are the primary marketers of the City of Hayward to prospective businesses and investors. With the filling of the vacant Economic Development Manager and one of two Economic Development Specialist positions, resources are now available to update the Economic Development work program. The first phase of this effort involves conducting a thorough assessment of the existing marketing program and formulating a workplan, which is detailed in this report.

This workplan is designed to continue the evolution of Hayward's economic development marketing program by: 1) taking stock of existing work and available tools; 2) identifying areas of improvement based on experience and gathering feedback from end-users; and 3) systematically updating existing and creating new materials to further the City's goals of business attraction, retention, and expansion.

BACKGROUND

Marketing is the core function of the Economic Development Team (ED Team) as these efforts seek to:

- Attract, retain, and expand businesses by defining the community's key descriptors, competitive advantages, and available support services;
- Improve the community's image both inside and outside the City; and
- Promote overall investment and interest in the community.

To achieve these objectives, the ED Team relies heavily on electronic and print material to engage new, existing, and prospective businesses and investors. Often referred to as “collateral” or “leave behinds,” this material is distributed during business engagement visits, trade shows, site selection conferences, and one-on-one meetings with businesses or investors. This material helps start and frame conversations about the City’s place in the market, presents the City organization in a positive business-oriented fashion, and provides the information businesses need to make decisions.

Over the last six years, the ED Team worked to implement the City’s marketing/branding identity and shaped the content toward business recruitment. These materials were tested through tradeshows, meetings with new and prospective businesses, developers, and site selectors. For the most part, economic development material was well received with recipients praising the quality of the collateral and unified messaging from the ED Team and other City staff. However, there is an opportunity to continue to evolve and improve the City’s business-oriented marketing efforts.

DISCUSSION

The signature of Hayward’s award-winning economic development program is the City staff’s responsiveness and commitment to providing “the information you need to make a business decision.” Marketing Hayward’s value proposition involves providing accurate, current, and pertinent information to potential prospects for locating, investing, or expanding in Hayward. In order to define the future direction of the marketing program, the ED Team conducted an inventory and evaluation of our existing materials to identify improvements and needs. This inventory is provided as Attachment II.

Economic Development Marketing Work Plan

The following summarizes results of the needs assessment and outlines the economic development marketing plan.

Task 1: Conduct New Data Collection & Analysis

The objective of this task is to update information, photos, and other infographics for the marketing materials listed in the inventory and provide new data to create fresh content. Specific work tasks to be completed over the next 12 to 18 months include:

- a. **Collecting new socioeconomic and demographic data.** Staff will conduct independent research and work with our partners at the Alameda County Workforce Development Board, California Employment Development Department, East Bay Economic Development Alliance, Cal State East Bay, Chabot College, Life Chiropractic College and others, to develop updated and more specific characterizations of Hayward’s current and projected demographics. There are also privately available data sources that will be

explored to craft a better picture of the forecasted population and consumer demand growth associated with the housing stock under development.

- b. **Applying lean innovation principles to shape collateral content and design.** In order to develop marketing materials that explicitly address the data and other information needs of our target audiences, the ED Team will design and implement surveys and empathy interviews. Stakeholders will include real estate brokers, site selectors, and prospective businesses. Staff will seek feedback on existing and new draft material. This process will help the ED Team continue to cultivate relationships with our partners and create products that meet their needs.
- c. **Procuring new stock imagery and video:** Partnering with Community and Media Relations Division staff, ED staff identified a list of potential events, points of interest, businesses, and other assets that can be photographed or video recorded to develop an inventory of stock material to integrate into marketing materials. Special emphasis will be placed on capturing images with diverse groups of people, dynamic activities or special events and brighter daylight scenes.
- d. **Integrating new data and pictures to update existing material:** As the previous work tasks are completed, ED staff will work with Community and Media Relations staff and other graphic design consultants to incorporate the data and information developed to update existing marketing brochures and online information.

Task 2: Develop New Targeted Marketing Materials

The objective of this task is to capitalize on Council's adoption of the new Downtown Specific Plan and Industrial District Regulations and focus marketing efforts on targeted industry sectors. ED Team recommends the creation of four new tools including:

- a. **Discover Hayward Brochure** – While real estate costs and predictable development timelines are often the primary drivers in business attraction, site selectors are looking for more specific information about the City's quality of life. The ED Team's business attraction efforts found that prospective commercial and industrial businesses regularly ask for more information on housing options, new construction, neighborhood profiles, retail and recreational opportunities, and educational amenities.

Business owners understand Hayward is a good fit from an operational standpoint due to location and value, but they also seek a "sense of place." Businesses want to be sure the City offers owners, employees, and their families the amenities they want. Businesses have stated that they need to be located near vibrant places and amenities to attract and retain talent.

As a result, the ED Team will develop a new brochure about the Hayward community with emphasis on quality of life elements including commercial and recreational amenities. Staff will begin developing this material in Q3 2020.

- b. Biotechnology/Life Sciences Brochure** – There continues to be an influx of new biotechnology companies and investment in Hayward. In order to capture this migration, biotech-oriented messaging and marketing materials are needed. Staff will create a brochure to leverage the existing information used in all other collateral but will also focus on highlighting major businesses and startups in this growing sector. ED Team members can use this material during business retention and attraction engagements. This can also be used to attract developers of life science and office space. Staff proposes to begin developing this brochure in Q4 2020.
- c. Special Advertising Inserts in Industry Publications** – In 2016 and 2017, the City of Hayward engaged the San Francisco Business Times to develop special advertising inserts to promote major development, quality of life, and business activity occurring in the City. The readership of the publication targets existing and startup businesses, real estate and venture capital investors, and corporate site selectors. The printed copies of these publications became a staple in the ED Team’s business recruitment package and were well received. Cities throughout the region, including Oakland, [San Leandro](#), and Richmond recently also published special inserts.

Staff will explore development of a special insert in a printed publication during Q4 2020 or Q1 2021. Timing of the special insert will be dependent on alignment with the calendar of a publication’s editorial themes. This is a resource intensive project involving securing advertising partners to reduce costs, identifying business partners for profiles, crafting fresh new content, and working to shape overall positive narrative of the City’s growth trajectory.

Task 3: Initiate Educational Partnerships for Workforce and Business Development

The objective of this task is to work towards achieving Hayward General Plan Program ED-10, which directs staff to coordinate with Chabot College and California State University East Bay (CSU East Bay) to develop a “Town-Gown” initiative that focuses on “enhancing the college-town economy and culture of Hayward.” This task includes two work tasks:

- a. Partner with Educational Institutions on Business Engagement and Workforce Development:** The value of having major educational institutions such as Cal State University East Bay, Chabot College, Life Chiropractic and other educational institutions is described in the City’s current marketing materials. Both the City and CSU East Bay are working to engage businesses for workforce development (job placements or internships), research partnerships, fund raising, and other initiatives. As a result, there is an

opportunity to better partner with these organizations to share and support each other's respective programs.

This year, the ED Team and the CSU East Bay STEM Institute formed a working group of CSU East Bay departmental stakeholders to work towards better information exchanges and joint initiatives. The ED Team suggested CSU East Bay develop a marketing program that is business-oriented and communicates their value proposition and pathways for businesses to engage with them.

The ED Team will continue collaborating with this group to help define the content and format CSU associated marketing materials. The goal will be to incorporate CSU's information, themes and material into the City's marketing package in 2020, which will help attract and retain businesses and support local workforce development connections.

- b. Initiate a College Connection Project:** The General Plan recognizes the importance college students' role in supporting revitalization and economic health of Hayward's commercial corridors. The ED Team is currently formulating an action plan to effectively promote Hayward to college students as a destination for fun, food, events, and entertainment. The first phase of this work involves developing relationships with college and student organizations to understand their needs and existing efforts.

In December 2019, ED staff will host the CSU East Bay Center for Community Engagement's "Leadership Hayward" program participants. The goal is to attract these students to the economic development field. This will be followed by a focus group session to discuss what type of promotions or events the students feel will be most effective in drawing their peers to the City's retail corridors. Similar outreach will be made to Chabot College and Life Chiropractic.

Following this engagement, the ED Team will be able to formulate a more specific plan and should have the partnerships in place to execute it in 2020.

Task 4: Create Economic Development Website

The objective of this task is to create a standalone website catered to prospective business and developer needs. It is an industry standard for cities and economic development organizations to have unique websites to provide site selectors. In fact, a 2017 survey of business executives and location decision-makers completed by Development Counsellors International, a site selection and place marketing firm, found that most effective economic development marketing tool was an internet/website presence (followed by planned visits to businesses). Standalone business-focused websites of other jurisdictions include Fremont's [Think Silicon Valley](#), San Jose's [SJ Economy](#) and Sacramento's [Select Sacramento](#).

Staff will craft a plan and explore the associated costs for developing the website in 2021. By this time, most previous tasks will be completed. This new data and content will form the basis for the website. In the interim, staff will continue to work on updating content available through the Economic Development webpage hosted on the City's main site.

Work Completed to Date

Recognizing the need to continue to promote Hayward in this current economic climate, ED staff has already completed updating key pieces of collateral and developed several new products. New material currently available and in active use by the ED Team include:

- ✓ **Updated Small Business Grants and Façade Incentive Program Booklets** – Both of these core program materials have been updated and are currently being deployed.
- ✓ **Updated Development Pipeline Brochure** - ED staff completed a comprehensive update to the brochure in late September 2019 and provided professionally printed copies to CEDC members at the October 7th meeting. Additional copies are available upon request. Printed copies are being distributed to developers and commercial real estate brokers. The Development Activity website is also currently being updated.
- ✓ **Newly Created Opportunity Zone Investment Guide and Website** – The ED Team took the initiative to develop a new Opportunity Zone Investment Guide and [dynamic website](#). The printed brochure is being finalized and will be available by the end of November. Staff plans to develop a more robust initiative to promote this information in the marketplace. Work to be completed in 2020 will include a directed campaign that will include a press release, distribution of the brochure and website to developers and finance groups, direct engagement of developers and attendance at related conferences and workshops.

FISCAL IMPACT

There are no anticipated fiscal impacts associated with work tasks involving updates to existing marketing materials. Resources will come from existing budgeted funds for the Economic Development Division for FY 2020. Work tasks in future years will be analyzed against approved budget allocations and any required adjustments will be requested through the budget process.

STRATEGIC INITIATIVES

This agenda item supports the Complete Communities Strategic Initiative. The purpose of the Complete Communities Strategic Initiative is to create and support structured services and amenities to provide inclusive and equitable access for all with the goal of becoming a thriving and promising place to live, work and play. This item supports the following goal and objective: Goal 1: Improve quality of life for residents, business owners, and community members in all Hayward neighborhoods. Objective 2: Foster a sense of place and support neighborhood pride.

PUBLIC CONTACT

Staff intends to seek feedback on data needs from current and potential developers, commercial real estate brokers, businesses and associated organizations.

NEXT STEPS

Following feedback from CEDC, staff will continue working toward completion of the marketing plan and begin execution of the works tasks.

Prepared by: Paul Nguyen, Economic Development Manager

Recommended by: Jennifer Ott, Deputy City Manager

Approved by:

A handwritten signature in black ink, appearing to read 'K. McAdoo', written over a horizontal line.

Kelly McAdoo, City Manager