



COUNCIL ECONOMIC DEVELOPMENT COMMITTEE

MEETING MINUTES – March 2, 2015

CALL TO ORDER: Mayor Halliday called the regular meeting to order at 4:02 p.m.

ATTENDANCE:

Committee Member	Present 3/2/15	All Meetings Year to Date		Meetings Mandated By Resolution	
		Present	Absent	Present	Absent
Michael Ly	✓	6	0	5	0
Didacus-Jeff Joseph Ramos	✓	6	0	5	0
Navneet Ratti	✓	5	1	4	1
Anjanette Scott	✓	5	1	4	1
Mayor Halliday (Chair)	✓	6	0	5	0
Council Member Jones	✓	6	0	5	0
Council Member Mendall	✓	6	0	5	0

OTHERS IN ATTENDANCE:

Fran David, City Manager; Micah Hinkle, Economic Development Manager; Paul Nguyen, Economic Development Specialist; Ramona Thomas, Economic Development Specialist; Frank Holland, Community & Media Relations Officer; Hayward Chamber of Commerce President Kim Huggett; and Suzanne Philis, Senior Secretary

PUBLIC COMMENTS

None

1. STATUS OF ECONOMIC DEVELOPMENT STRATEGIC PLAN UPDATE

Economic Development Manager Hinkle introduced the item noting Community & Media Relations Officer Holland would address Marketing & Branding, Economic Development Specialist Thomas, Retail, and Economic Development Specialist Nguyen, the Industrial Corridor.

Community & Media Relations Officer Holland explained that after compiling questionnaire responses,

feedback from stakeholder workshops and one-on-one interviews, and an online survey that received 1750 responses, the brand assessment and marketing platform were complete. He said the findings revealed commonalities in what participants associated with Hayward including its strategic location and that it was still a place of opportunity. Respondents also noted there were “unexpected gems” such as the Japanese Gardens and beautiful hiking trails, and signature restaurants like Buffalo Bill’s. Feedback regarding negative associations with Hayward showed that most were based on perception rather than actual experience, he said.

Mr. Holland explained that the goal was to position Hayward as a leader of mid-sized cities nationwide by promoting the city as a partner for businesses with emphasis on the Economic Development team’s new Business Concierge program that assists businesses either expanding or relocating here. Next steps include using baseline data and information to tell Hayward’s story, taking this information on a roadshow to potential businesses, and providing regular economic updates on the City’s website in the form of newsletters, success stories, and video clips.

Member Scott asked if Economic Development team members would meet with potential businesses once data was gathered and the marketing message clear. Mr. Holland said absolutely, and Economic Development Manager Hinkle added team members were already meeting with businesses, but would more aggressively pursue and target new businesses once marketing materials were finalized.

Member Ratti agreed with the positive findings but questioned how negative perceptions of Hayward could be changed. Community & Media Relations Officer Holland explained that changing perceptions was the purpose of rebranding efforts and explained that a strong marketing program could help refocus perceptions on the positive.

Member Ramos congratulated Mr. Holland on a recent TV news feature and mentioned the City’s mural tours were also a big attraction.

Mayor Halliday mentioned new visual elements had already been introduced and she asked Mr. Holland to forward members the selected logos. She said it was important to focus on the positive and favored working with other local agencies to showcase everything Hayward had to offer.

Regarding the retail goals of the Strategic Plan, ED Manager Hinkle said staff was focusing on busting myths with facts rather than anecdotal information and outlining why Hayward had some of the best opportunities for business.

Economic Development Specialist Thomas provided snapshots for major retail corridors that included anchor tenants and surrounding demographic information. She noted that the only Class A retail in Hayward was located on Hesperian at A Street. She said future efforts would focus on keeping workers, driving to Hayward from other communities, here to dine and shop.

Economic Development Manager Hinkle pointed out that because retail vacancies were so scarce, efforts would have to focus on redeveloping existing space. He pointed out that the older areas of retail in Hayward were performing well and only two blocks on B Street were underperforming.

ED Specialist Thomas commented that new residential projects will raise income levels and demand for goods and services. That demand, she said, would help attract new retail.

Mayor Halliday questioned the income levels reflected on the Tennyson corridor snapshot and ED

Specialist Thomas explained the demographic radius included some housing in Union City.

Council Member Mendall was surprised that Tennyson was the highest performing retail corridor and said he needed to adjust his thinking to match the numbers. He also requested that the South Mission Corridor be renamed to Fairway Park. He questioned why fast food restaurants were labeled as anchor tenants.

Council Member Mendall requested aggregate sales tax numbers generated for each corridor. Regarding the overall 2.5% vacancy rate for retail, he commented that it was a false statement to say retail was difficult to fill and developers should know that newer shopping centers filled immediately.

Council Member Jones expressed a desire to see distance-to-transit included on the corridor snapshots and asked who was being targeted with the information. ED Manager Hinkle explained for right now the information was for ED team members to outline opportunities. Council Member Jones emphasized the need for more Class A retail space and also noted restaurant space was consistently snapped up.

Member Scott asked how Hayward's \$2 price per retail square foot compared to neighboring cities. ED Manager Hinkle explained that Hayward was targeting \$2.50 per square foot, but still needed to develop a target market and one challenge was how spread out retail was throughout the City.

Council Member Mendall said he thought having retail around the perimeter of the City was an advantage to pull people in from surrounding communities. ED Manager Hinkle said existing retail centers were limited in size and draw, but noted the biggest opportunity site was in south Hayward along 880 due to its high visibility, traffic counts and size of parcels.

Member Scott asked where the City could locate retail to keep students and workers in town to do their dining and shopping. ED Manager Hinkle said potential retailers should take advantage of the larger parcels in South Hayward especially with a grocery store anchor.

Member Ramos suggested mixed-use developments to locate residents right above their needed retail.

Member Ly asked if older retail spaces should be torn down and who would do it. ED Manager Hinkle said property owners would have to be proactive about replacing old buildings and he noted with new mixed-use projects coming into downtown, demographics would improve and associated costs would be balanced.

Member Ly commented that Hayward needed five more restaurants like Buffalo Bill's and asked if staff would wait or target potential establishments. ED Manager Hinkle said staff would target potential restaurants, but needed to identify locations first. He emphasized that staff would also target quality operators for food options not already available in Hayward.

Mayor Halliday mentioned that in its day, the Community Improvement Committee had shopping center owners as members who would talk about the future direction Hayward should take. She suggested outreaching to current shopping center owners in order to gauge development interest. She commented that downtown Hayward was frustrating because the buildings were old, the owners were not making improvements, and the City didn't have any tools to require them to fill vacancies.

City Manager David confirmed that unless a building had safety issues, the City didn't have any tools or financial incentives to compel owners to make improvements.

Moving on to the Industrial Corridor, Economic Development Specialist Nguyen gave a presentation that outlined baseline employment numbers by business sector in the industrial area.

Member Ramos commented that certain industries generate higher paying jobs and said Hayward should aim for those. He also said the City should work to create entry points for potential workers and incubator space for potential start-ups.

Council Member Mendall said to attract businesses that fall under the Advanced Industries sector the City needed to adapt zoning policies to support those uses and invest in high-speed internet fiber to create a foundation for innovation.

Council Member Jones commented that the data in the presentation gave context to the industrial zone and agreed that the City needed to support the infrastructure that would bring industries to Hayward. He said the City needed to be ready by creating the environment and having the amenities that tech industry employees wanted. He noted that the Advanced Industries provided high paying jobs without requiring advanced degrees.

Member Ly pointed out that he only knew five other food manufacturers out of the 106 identified in the report and suggested reaching out to the different sectors to find out what they needed as a group.

Member Ramos asked Member Ly how he met the other manufacturers and Member Ly said at networking events such as the Chamber of Commerce's monthly meetings. Members discussed how CEOs could be galvanized to serve as executive champions by industry sector.

Member Scott asked about supply chains for the different industries and Member Ly said for food manufacturing, he bought local if he could, but frequently had to go outside of the City for competitive pricing and service. ED Specialist Nguyen said suppliers were usually regional. Member Ly emphasized that the more involved he became with the community, the more he wanted to give to the community.

Economic Development Manager Hinkle said now that staff had identified top employers by sector, the ED Team could spread the word and create business-to-business connections.

Council Member Mendall asked about staff's Next Steps. ED Manager Hinkle explained that staff would present the same report to Council and then use the information to determine zoning decisions, adjust regulations, and impact decisions moving forward. He also mentioned that next steps would tie in with the marketing materials previously mentioned by Media Relations Officer Holland.

Mayor Halliday asked if any progress had been made with the high-speed fiber infrastructure. ED Manager Hinkle said the situation was ever-changing and progress was slow. City Manager David said the City will have to make investments to make it happen and where and how much was the question. ED Manager Hinkle pointed out that now the City knows where to target its efforts.

Mayor Halliday suggested looking at financing tools at the State and Federal level.

2. 2014 SHOP HAYWARD CAMPAIGN

Economic Development Specialist Thomas gave a presentation outlining participation by both shoppers and businesses