



SPECIAL JOINT CITY COUNCIL/HAYWARD REDEVELOPMENT SUCCESSOR AGENCY BOARD/HAYWARD ECONOMIC DEVELOPMENT CORPORATION BOARD MEETING
777 B Street, Hayward, CA 94541
Conference Room 2A and Virtual Platform (Zoom)
<https://hayward.zoom.us/j/83639328548?pwd=ZUdDZE5lM2R1dHNFbVJoVXJBckdmQT09>
Monday, January 8, 2024, 6:20 p.m.

The Special Joint City Council/Hayward Redevelopment Successor Agency (HRSA) Board/Hayward Economic Development Corporation (HEDC) Board of Directors meeting was called to order by Mayor/HRSA/HEDC Chair Salinas at 6:20 p.m. The City Council/HRSA/HEDC Board of Directors held a hybrid meeting in Conference Room 2A and virtually via Zoom.

Pledge of Allegiance: Mayor/HRSA Chair/HEDC Chair Salinas

ROLL CALL

Present: COUNCIL MEMBERS/HRSA/HEDC BOARD OF DIRECTORS Andrews, Goldstein, Roche, Syrop, Zermeño
MAYOR/HRSA/HEDC CHAIR Salinas
Absent: COUNCIL MEMBER/HRSA/HEDC BOARD DIRECTOR Bonilla Jr.

Mayor/HRSA/HEDC Chair Salinas announced that Council Member/HRSA/HEDC Board Director Bonilla Jr. was on a business trip and had intended to join the meeting via teleconference participation pursuant to AB 2449 as noticed on the agenda; however, due to challenges with the hotel, his participation was not feasible and therefore he would not be able to participate in the meeting.

PUBLIC COMMENTS

There were none.

CONSENT

1. Adopt Resolutions Pertaining to: City of Hayward Authorizing Conveyance of Funds to the Hayward Economic Development Corporation (Corporation); Hayward Redevelopment Successor Agency Approving the Conveyance Agreement and Consenting to the Transfer of the Property Located at 22631-228522 Foothill Blvd., and the Assignment of the Seller's Rights, Duties, and Obligations to the Corporation; and Corporation Approving the Conveyance Agreement and Assignment of Enforceable Obligations; and Finding the Action is Exempt from CEQA Review **CONS 24-014**

Staff report submitted by Assistant City Manager Claussen, dated January 8, 2024, was filed.

City Manager McAdoo provided a synopsis of the staff report and Assistant City Manager Claussen reviewed details of the transaction.

Discussion ensued among members of the City Council, City Manager McAdoo, Finance Director Claussen, and Deputy City Attorney Sidelnikov and the following points were clarified:

The duty of the Hayward Redevelopment Successor Agency (Successor Agency) is to wind down the affairs of the former Redevelopment Agency including disposing of assets, and by consenting to the transfer, the Hayward Economic Development Corporation (Corporation) would own the leaseholds; at the end of the ground lease, the Successor Agency transfers the ownership of the land to the City at no cost and the Corporation continues to own the building; according to the Property Disposition Plan, the City could dispose of the land to a developer at fair market value with proceeds distributed to various taxing entities, the City could retain the land for its own use but would have to pay for fair market value to the taxing entities for the land, or the City could keep part of the property and dispose of another part; City staff could serve as both staff to the Corporation and the City, and the Corporation would issue the RFP and potentially contract with a consultant; the benefit of acquiring the leasehold interest gives the City the ability to have some control and incentivize bringing in a new business to downtown; the proposed transfer would be subject to approval rights of the Countywide Oversight Board and the State Department of Finance; there was a concern about spending \$8.6 million from the City's General Fund and the repayment taking several budget cycles; \$8 million would not be enough to close the gap on unfinished projects such as the Stack Center or La Vista Park and there would be revenue returning from the \$8.6 million investment; the proposed transaction would not be an expense but a loan issued and the goal was to achieve a balanced mid-year budget; the City could get into an agreement with Cinemark Century for three years to provide stability; the Economic Development team could explore working with local restaurants to generate more sales tax in order to raise more revenue; coworking space could help occupy empty storefronts in the interim and help support businesses in the downtown; the goal with the consultant was to review a long-term strategic assessment of the theater to improve patronage; if the market plummeted, staff could come up with a proposal for another development for the site; and since the Corporation would own the building, the Corporation's staff could hold tenants accountable for certain standards.

There being no public comments, Mayor Salinas opened and closed the public comment period at 6:57 p.m.

Mayor Salinas stated the City went through a process to help 1069 B Street, LLC restructure its agreement with the City and after this was done the owner without informing the City went to auction, and therefore he was not interested in the City pursuing a partnership with this group; added that the proposed site had the potential to change the entire B Street corridor, downtown and be a model site; believed the City was capable of pursuing the proposed and build La Vista Park and the Stack Center and could reaffirm the commitment at the priority setting meeting; and added that although it would take resources amounting \$8.6 million, it was the City's opportunity to demonstrate its commitment to economic development; and made a motion to move the item.

Council Member Zermeño seconded the motion.



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Council Member Syrop hoped the community would see the proposal as an investment and that the City was not just concerned about the building but also about generating sales tax revenue from tenants operating at the site and attracting other businesses to a vibrant downtown; suggested one of the spaces be allocated as an incubator for a small set of kitchens to get businesses started; noted that as the Corporation's loan gets paid off, there was potential to make loans for renovation of other buildings and launch newer programs; saw the proposal as a way to invest capital and get ahead of an issue; and was happy to support the initiative.

Council Member Zermeño stated that the proposed project was the right thing to do for the downtown and the City and emphasized the value of investing in real estate.

Council Member Roche stated that she remained skeptical about the project due to the amount of money that would be allocated from the City's General Fund and the uncertainty of when this would be paid back; was concerned about other upcoming obligations and considered the City as responsible for delivering services to the community and not managing retail; noted that despite all positive prospects there were other properties in the area that the City had a hard time attracting businesses to and was not sure if the proposed would prove to do better; appreciated the creativity that went into the recommendation; underscored her position on being fiscally conservative; and stated that part of the problem with the property was garage access and suggested this is something that could be looked into.

Council Member Andrews noted she had similar concerns expressed by Council Member Roche; was concerned the proposed site was vacant and represented a public safety issue; expressed she would be inclined to support the proposal if there was a promise to prioritize the Stack Center and La Vista Park; shared that the proposal could be an opportunity for event space which could also be a community benefit; wondered if it would be possible to have community service officers' presence in the downtown to improve public safety; remained concerned about the amount of money and absent landlords in the downtown; concurred with her colleagues that the downtown was an important space and referenced cities known for their downtowns; expressed she would be inclined to support the proposal if there was reassurance that the City would not lose focus on its priorities and there would be a balanced mid-year budget.

Council Member Goldstein stated he favored the proposal and his inquiry about the City getting any hard assets had been addressed; trusted staff had evaluated the risks and opportunities of the proposal; was optimistic taxpayers would benefit because the City would manage the property, receive income and make a long-term difference in the downtown; added that in addition to the La Vista Park, the Stack Center, and other priorities, the surrounding area to the St. Regis property needs attention as businesses will not locate

near it due to issues related to homelessness; and added that the City needs to make sure the downtown looks clean, feels safe, warm and welcoming.

City Manager McAdoo commented that staff appreciated the trust the Council had placed in them, noting that staff worked hard to bring forth recommendations that have been well thought through and analyzed.

It was moved by Mayor/HRSAB Chair/HEDCB Chair Salinas, seconded by Council/HRSAB/HEDCB Member Zermeño, and carried by the following roll call vote, to adopt the resolution.

AYES: COUNCIL/HRSAB/HEDCB MEMBERS Andrews, Goldstein, Syrop,
Zermeño
MAYOR HRSA/HEDC CHAIR Salinas
NOES: COUNCIL/HRSAB/HEDCB MEMBER Roche
ABSENT: COUNCIL/ HRSAB/HEDCB MEMBER Bonilla Jr.
ABSTAIN: None

Resolution 24-001, “Resolution of the City Council of the City of Hayward Authorizing the Conveyance of \$8.6 Million from the General Fund to the Hayward Economic Development Corporation for Purchase of 1069 B Street, LLC’s Leasehold Interest in the Cinema Place Property and Finding the Action is Exempt from CEQA Review”

HRSA Resolution 24-01 “Resolution of the Board of Directors of the Redevelopment Successor Agency of the City of Hayward Approving the Conveyance Agreement and Consenting to the Transfer of the Leasehold Interest in the Cinema Place Property from 1069 B Street, LLC, to the Hayward Economic Development Corporation, and Approving Assignment of Rights and Duties Under the Various Agreements that Govern the Relationship between the 1069 B Street, LLC and the Successor Agency, as Well as Finding the Action is Exempt from CEQA Review”

HEDC Resolution 24-01 “Resolution of the Board of Directors of the Hayward Economic Development Corporation Approving the Conveyance Agreement for the Transfer of the Leasehold Interest in the Cinema Place Property from 1069 B Street, LLC, to the Hayward Economic Development Corporation, and Accepting the Assignment of Rights and Duties Under the Various Agreements that Govern the Relationship Between 1069 B Street, LLC and the Successor Agency”



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COUNCIL REPORTS AND ANNOUNCEMENTS

There were none.

COUNCIL REFERRALS

There were none.

ADJOURNMENT

Mayor/HRSAB Chair/HEDCB Chair Salinas adjourned the special joint City Council/Hayward Redevelopment Successor Agency Board/Hayward Economic Development Corporation Board of Directors meeting at 7:36 p.m.

APPROVED

Mark Salinas
Mayor, City of Hayward
Chair, Hayward Redevelopment Successor Agency Board
Chair, Hayward Economic Development Corporation Board

ATTEST:

Miriam Lens
City Clerk, City of Hayward
Secretary, Hayward Redevelopment Successor Agency Board
Secretary, Hayward Economic Development Corporation Board