



## COUNCIL ECONOMIC DEVELOPMENT COMMITTEE

### MEETING MINUTES – October 02, 2023

**CALL TO ORDER:** Mayor Salinas called the regular meeting to order at 5:00 p.m.

### ATTENDANCE: (October 2023-July 2024)

Meeting Attendees	Present 6/5/2023	All Meetings Year to Date		Meetings Mandated By Resolution	
		Present	Absent	Present	Absent
Mayor Salinas	✓	1	0	1	0
Council Member Andrews	✓	1	0	1	0
Council Member Bonilla	✓	1	0	1	0

### OTHERS IN ATTENDANCE:

Paul Nguyen, Chief Economic Development Officer; Daniel Mao, Economic Development Specialist; Amber Green, Economic Development Specialist; Javier Castro, Administrative Assistant; Phillip Nichols, Code Enforcement Manager; Michelle Torres, Senior Code Enforcement Inspector; Roland Hull, Code Enforcement Inspector I; Michael Berne, MJB Consulting; Sonia Waraich; Favio Martinez.

### PUBLIC COMMENTS

Chief Economic Development Officer Nguyen introduced Amber Green as the new Economic Development Specialist. Ms. Green served with the City's Code Enforcement Division prior to joining the Economic Development. Ms. Green will initially be tasked with engaging downtown vacant property owners and their real estate brokers.

#### 1. APPROVAL OF MINUTES OF REGULAR MEETING June 5, 2023

A motion to approve the minutes from the June 5, 2023, Regular Meeting was made by Council Member Bonilla and seconded by Council Member Andrews. The minutes were approved.

#### 2. VACANT PROPERTY MONITORING PROGRAM UPDATE

Chief Economic Development Officer Nguyen introduced Code Enforcement Manager Nichols who then presented on the status of the Vacant Property Monitoring Program's activities.

Mayor Salinas asked if this program covers properties that have no building. Specifically, he asked if the program applied to the vacant land on B Street at Main Street. Senior Code Enforcement Inspector Torres stated that particular property has an active planning entitlement application under review and

as a result is not currently subject to the program.

Council Member Andrews asked about current vacant buildings on Hesperian Boulevard. Senior Code Enforcement Inspector Torres answered that they are working with those properties and are aware. Council Member Andrews asked are we able to motivate property owners to fill the vacant space. Senior Code Enforcement Inspector Torres stated that they can only motivate property owners to keep the properties clean. There are no incentives to motivate property owners to fill vacant spaces.

Code Enforcement Manager Nichols stated that outreach and education will be essential for the program to move forward. He stated that bringing people to the table will help and stated Code Enforcement Inspector Hull had experience with the commercial industry and will facilitate the conversation with vacant property owners.

Code Enforcement Manager Nichols stated that the Division plans to explore with Housing and Economic Development staff on utilizing funds from fees and penalties to establish mitigation programs.

Council Member Andrews questioned if Code Enforcement is looking at bigger square footage buildings such as vacant banks or big restaurants differently. Chief Economic Development Officer Nguyen answered the question and stated that they are combining resources to engage the property owners. Staff works collaboratively to give property owners ideas on potential reuses, steers prospective tenants to the property owners, and offers the resources of the Business Concierge Program to help fill the vacancy. He also stated that it is often cost-prohibitive for a large building to be subdivided into smaller tenant spaces or turned into a food hall.

The committee thanked Code Enforcement Manager Nichols and his team for the presentation.

### **3. DOWNTOWN RETAIL WALKING TOUR AND VACANT PROPERTY DISCUSSION (ORAL REPORT ONLY)**

Chief Economic Development Officer Nguyen introduced Consultant Berne who then gave a brief presentation describing the route and themes to be discussed on the tour.

The Committee thanked Consultant Berne for his presentation and the Committee proceeded to participate in a downtown walking tour narrated by Consultant Berne.

Consultant Berne walked to the corner of B Street and Watkins Street and discussed the challenging state of the grocery store market. He stated cities typically support two major grocery chains, but the market has been shifting to one and a half stores. Consultant Bernes added currently Kroger and Albertsons may be merging, which would have even more implications for grocery store development in the future. Consultant Berne stated that Starbucks wants to expand its drive-thru locations, and if the Starbucks on Mission Blvd. and A St can acquire a drive-thru it would open more opportunities on B St. He stated that one detractor to B Street is the one-way traffic does not maximize visibility needed to attract businesses or visitors downtown.

Consultant Berne then stopped near 946 B Street. (Music Depot and Ska Dog Records). He discussed the changing retail evolution and synergy. He stated the benefits of two record stores near each other. He stated that if there was only one record store that operated downtown, it alone may not have

survived.

Consultant Berne stopped at 1049 B street and discussed the economics of subdividing floor plates, and “second generation” restaurants spaces. Consultant Bernes stated retail stores in the past were bigger and subdividing the space into two or three smaller spaces is more common today. He stated that there is no purpose in subdividing if the rent will not cover the costs. He also stated that subdividing can also create other code compliance concerns such as access, restrooms, and other required building standards.

Consultant Berne stopped at 1069 B Street (Century Theaters) and discussed the state of cinemas, non-traditional retail formats, attracting (seasoned) operators from beyond Hayward, and daytime synergies. He added that Cinemark is one of the healthiest movie chains in comparison to Regal and AMC. He discussed how the streaming of movies is a major competitor to movie theatres and that to be viable movie theaters need to offer different experiences compared to watching a movie at home. He stated that the Century Theater on B St. should consider improvements such as adding recliners, offering beer and wine, and having concessions delivered to the seated patrons. He noted that the Cinemark at Southland Mall upgraded to these amenities.

Consultant Berne added that the new Arthur Mac’s restaurant, which will use modified shipping containers and offer outdoor seating, is an interesting new concept. If this business does well, this could lower the barrier to new entrepreneurs and help attract other businesses. He stated that allowing new food concepts downtown can bring excitement and draw more seasoned operators from outside of Hayward.

Consultant Berne stopped at B Street and Foothill Blvd. and discussed public art and placemaking. He added that adding public art or a point of interest at this intersection could serve as a major attraction given the volume of traffic on Foothill. It would signal to people that this is the gateway to downtown Hayward.

Consultant Berne stopped at 22501 Foothill Blvd (Former CVS Pharmacy) and discussed the changing landscape of retail pharmacies, which are shrinking their physical footprints as online mail-order pharmacies, and larger brick-and-mortar stores such as Walmart and Target gain more market share.

Consultant Berne made his final stop at 1025 A street (East Bay Eats Food Hall). He described this project as an example of the exciting developments in downtown Hayward. He stated that while the project was not on B Street, it did have the potential to be a catalytic project. Consultant Berne concluded the tour stating that there was no “silver bullet” in transforming a downtown district. He stated that Hayward was unique in that there were not many downtowns of this scale in the East Bay. He stated that combined businesses such as East Bay Eats, Vivotz, Buffalo Bills and Aurthur Macs show there is an upward trajectory for downtown Hayward.

The committee thanked Consultant Berne for the tour.

**ADJOURNMENT:** The meeting was adjourned at 6:07 p.m.