



COUNCIL ECONOMIC DEVELOPMENT COMMITTEE

MEETING MINUTES – April 1, 2019

CALL TO ORDER: Mayor Halliday called the Regular meeting to order at 4:03 p.m.

ATTENDANCE (September 2018-July 2019):

Committee Member	Present 4/1/19	All Meetings Year to Date		Meetings Mandated By Resolution	
		Present	Absent	Present	Absent
Mayor Halliday (Chair)	✓	6	0	5	0
Council Member Mendall	✓	6	0	5	0
Council Member Salinas	✓	3	0	3	0

* Council Member Salinas appointed as of Feb 2019

OTHERS IN ATTENDANCE:

Kelly McAdoo, City Manager; Jennifer Ott, Deputy City Manager; Laurel James, Management Analyst II; Catherine Ralston, Economic Development Specialist; Jay Lee, Associate Planner; Suzanne Philis, Senior Secretary; Kim Huggett, Chamber of Commerce; Levi Coulter, Kaur Barn, U-Haul; Paul Hodges, HARD; Andy Rabens

PUBLIC COMMENTS

Hayward Chamber of Commerce President and CEO Kim Huggett announced the update of the Chamber's Hayward Business and Membership Directory coming out in the summer. He noted advertisements were being accepted and said he would be glad to accept a letter of welcome from Mayor Halliday to be included.

1. APPROVAL OF MINUTES OF REGULAR MEETING MARCH 4, 2019

A motion to approve minutes with minor corrections was made by Council Member Mendall with a second by Council Member Salinas. Minutes from the March 4, 2019 Regular Meeting were approved.

2. REVIEW OF A SITE PLAN REVIEW FROM U-HAUL TO DEMOLISH AN EXISTING HISTORIC BUILDING AND CONSTRUCT TWO NEW INDUSTRIAL BUILDINGS FOR A CORPORATE FACILITY ON A 7.3-ACRE PARCEL LOCATED AT 4150 POINT EDEN WAY

Associate Planner Jay Lee gave the presentation noting the site was previously occupied by the Oliver

Brothers Salt Company which ceased salt production operations in 1982. In 1994 the site was deemed a rural historic landscape and added to the National Register of Historic Places. On February 25, 2019, he continued, U-Haul submitted a Site Plan Review application that would demolish the existing historic wooden warehouse for two new concrete tilt-up buildings totaling 96,134 square feet.

Mayor Halliday asked if the applicant had a separate presentation. Levi Coulter, Marketing Company President 815, explained that this was their first submittal and after speaking to staff had a better vision of what the City wanted and would be resubmitting a building plan that “pops.” He said U-Haul understood that this was a gateway location and everyone wanted something they could be proud of.

Council Member Salinas said he wasn’t impressed with the proposed building and wondered if U-Haul was the best and highest use for such a visible location. He said the next submittal would have to be an incredible building. In particular, he said, he did not want stucco walls and windows.

Council Member Salinas asked what would be at the location and if trucks would be coming and going. Mr. Coulter said the majority of space would be used for warehousing of storage containers (with dock doors at the back of the building not visible from the freeway) with some truck traffic.

Council Member Salinas asked Mr. Coulter what U-Haul would do if the Committee gave him a hard no. Mr. Coulter said his CEO was intent on keeping the property and had given him a hard no on any use other than a development for U-Haul. Mr. Coulter emphasized U-Haul’s desire to work with the City and said they would be willing to install a Welcome to the City Hayward sign, extend the Bay Trail along the shoreline, and add amenities for Bay Trail users.

In response to the question from staff if the existing building should be demolished, Council Member Salinas asked if there was any other option. Associate Planner Lee said there was potential to work around the existing building but there would be considerably less available land. He noted that in 2009, the historic evaluation determined that the warehouse could be refurbished, but he wasn’t sure if that was still true. Council Member Salinas asked for the size of the existing building, but staff didn’t know.

Associate Planner Lee pointed out that an updated historic evaluation would need to be completed as part of the environmental review and that would determine what could be done to the existing building.

Council Member Mendall said he agreed with his colleague but felt the existing building needed to be demolished regardless of what the City decided to do with the site. He said the proposed use wasn’t appropriate for the site and the current design was not even in the ballpark. Whether building plans could be modified enough that the City was satisfied and still function for U-Haul was possible, he said, but unlikely. Council Member Mendall pointed out that the maintenance yard would not be allowed under the soon-to-be updated industrial district zoning ordinance.

Council Member Mendall questioned if it would be easier to say no the project and look for another, more appropriate, location in Hayward. He said he would be very enthusiastic about having the use and expansion of U-Haul in Hayward, but just not at that site.

Mayor Halliday asked what would be stored in the warehouse and what was a corporate

maintenance facility. Mr. Coulter explained that portable storage units, or pods, would be shipped to and from, and stored at, the location. U-Haul vehicles would be serviced at the maintenance facility, he said.

Mayor Halliday agreed with Council Members Salinas and Mendall that this wasn't an appropriate use for this site. And although she was in favor of preserving history, she agreed that the existing building had no historical significance. She said she did want to preserve the history of the salt industry in Hayward and some mitigation might be required due to the loss of the building.

Council Member Salinas summarized the Committee's feedback as U-Haul needed to come back with a building that wowed them and if that didn't happen, the City would move forward with updating industrial zoning. Mayor Halliday said any future proposals would go to the Planning Commission and ultimately, City Council for approval.

Council Member Mendall requested that all future proposals for this site and any other gateway location along the shoreline or freeway come to City Council for review, even if the project doesn't require a zone change and/or receives Planning Commission approval.

3. EQUAL PAY PROTECTIONS WORK SESSION

City Manager McAdoo introduced the item noting the topic was a referral from Council Member Wahab who had asked staff to consider an ordinance that would be applicable to all businesses in the City. She said the presentation would also analyze what other cities were doing and what protections were already in place. Management Analyst II Laurel James gave the presentation noting a minimum wage ordinance would be analyzed and reported on separately.

Council Member Salinas supported the staff recommendation to amend Article 7 of the Hayward Municipal Code to include gender identity and expression. He commented that if the issue ever does go to Council that data regarding the intersection of race, culture, and language should receive further review.

Council Member Salinas asked if the Personnel Commission could monitor businesses for compliance and maintain contract data. City Manager McAdoo said they could, but it would still take staff time to prepare reports and data to bring to the Commission. She noted that City contractors already sign an exhibit to the contract that stated they would abide by Article 7 and if an employee of a contractor ever complained, the City could investigate.

Council Member Salinas asked what the City could do to bring the highest level of awareness to businesses about the existing ordinance and have them publicly acknowledge and state how they comply. Management Analyst James noted under Article 7, businesses were required to post the ordinance, Equal Opportunity, and Department of Employment and Fair Housing information at the worksite. Although the City did not actively enforce the ordinance, she said, if the City received a complaint, the business would be required to provide responsive information. She also noted as a Compassionate City, Hayward could direct community members to other related resources.

Council Member Salinas asked if the Chamber offered workshops on how to contract with the City. President and CEO Huggett said the Chamber had partnered with Economic Development for a

series of workshops through the Alameda County Small Business Development Center as well as offer workshops with other local agencies.

Council Member Salinas encouraged staff to develop an educational component for the business community so compliance could be easily checked if the City received a complaint. City Manager McAdoo said the City could generate marketing materials related to the ordinance or amend the Article to include information on how to file a complaint.

Council Member Mendall also supported amending the Article to include gender identity and expression before the end of the year. He said he appreciated the data and what stood out for him was the strength of California state laws and that the wage gap in Hayward was lower than the state and national averages. Because of that he said hiring staff to monitor business compliance wasn't his highest priority; he would rather hire someone in Maintenance, Library or Housing. Council Member Mendall said he would support leveraging partnerships and developing marketing materials.

Council Member Mendall asked Management Analyst James if she thought the City should be taking stronger action. She responded that related conversations extended beyond the City's jurisdiction and noted there was no clear link between City-level equal pay protections and improving the lives of residents. Even with state and federal protections, she said there were many causes of wage gaps and solving them was a larger societal conversation and cultural change. She did see more opportunity for communication and to empower community members in exercising their rights by funding agencies that provided support (which, she said, the City already did).

Council Member Salinas said he would be interested in seeing a wage gap comparison between cities with and without a community college and university. Members discussed various hiring and workforce trends.

Mayor Halliday also supported amending Article 7 and focusing employee resources elsewhere, noting compliance hadn't come up as a problem. When she commented that it was good to hear Hayward was doing better than the state and nation, it was pointed out that government agencies were typically less discriminatory. Mayor Halliday said Option 3 of the staff report was the most appealing and she encouraged staff to make information available at the new main library, offer programs, and engage groups like the Hayward Promise Neighborhood to help spread information.

Mayor Halliday asked if the item would go to Council. City Manager McAdoo said Council would need to approve the amendment to Article 7 and said a brief report would be drafted with links to the CEDC report and recommendation along with a timeline for the amendment.

4. UPDATE ON ECONOMIC DEVELOPMENT ACTIVITIES

Deputy City Manager Ott announced Paul Nguyen would be starting as Economic Development Manager on April 8th and would fill the second Specialist position once he got settled.

Economic Development Specialist Ralston gave the presentation of recent activities including: the success of the Small Business Assistance Grant program; outreach via the Business Visitation Program; site location and high-level project feedback provided through the Business Concierge

program; and design services provided to downtown businesses participating in the Façade Improvement Rebate Program.

Council Member Mendall confirmed that the food court at Southland Mall was not going away. Specialist Ralston explained that potential entertainment uses in the basement of the mall would be accessed by going through the food court.

Members discussed the growing employee shortage for Hayward businesses. Staff reported higher housing costs were not keeping up with wages and businesses were having trouble finding and keeping employees with many manufacturers reporting dozens of vacancies. Mayor Halliday noted many were already paying more than minimum wage.

Council Member Mendall asked for a report that examined the history of industrial vacancy rates. Staff confirmed that a report was already coming.

Specialist Ralston announced the Tarlton Group had purchased the former Impax Laboratory properties and planned to build a 3-story office building as one of their first projects. Council Member Mendall said that was outstanding and encouraged staff to spread the word. Deputy City Manager Ott noted that Tarlton was open to funding bicycle improvements because it was such an important part of their employment model.

When Specialist Ralston mentioned that the Shea Development site on Industrial was approaching full capacity, City Manager McAdoo mentioned that the Fire Chief was instrumental in Falck Ambulance relocating to Hayward and although it was logistical in nature, improved response times was a benefit.

After it was announced that a new retail strip center was in the third round of plan check for the Uncle Roy's property on Mission Boulevard, Council Member Mendall requested a photo rendering on a "Coming Soon" sign. He mentioned that he received a lot of complaints about the building and a sign would be helpful when the new main library opened.

Council Member Salinas asked that the CEDC could approve the tenants for the five retail spaces. City Manager McAdoo said retail uses would be approved by-right. He asked if cannabis would be permitted and was told not by-right because of the vicinity of the library. Mayor Halliday asked about massage parlors and was told that use required an administrative use permit. Deputy City Manager Ott said staff could provide tenant updates to members.

Council Member Mendall asked if the new library was impetus for the development. Staff didn't know but indicated that plans had been in process for quite some time.

Because the business was so new it wasn't included in the presentation, Specialist Ralston announced a new Dunkin Donuts was coming in on Jackson Street. Council Member Mendall was particularly pleased.

Mayor Halliday asked when the bowling alley was opening at Southland Mall and was told the first of July. Council Member Mendall asked that the opening be advertised and staff said the business would start make an announcements when they got closer to the Grand Opening.

5. FUTURE MEETING TOPICS AS OF APRIL 1, 2019

Council Member Mendall suggested keeping the schedule of upcoming topics flexible until the new Economic Development Manager got started. Deputy City Manager Ott noted that reports would be moved as new projects came in.

COMMITTEE MEMBER ANNOUNCEMENTS AND REFERRALS

Council Member Salinas said he recently attended a CALED conference and the main subject was economic development and homelessness. He said many small cities in Southern California didn't have Housing Departments so Economic Development was tasked with trying to find resolutions. He said, in comparison, the City of Hayward was much further along in the planning process.

Deputy City Manager Ott mentioned that the Council Homelessness Task Force was thinking strategically on how to allocate the initial 45 beds at the new Navigation Center. She said staff would be working with Economic Development staff because of the focus on downtown noting the two couldn't be separated because of the potential impact on businesses. City Manager McAdoo said a report of impacts to various commercial areas would come back for Committee review.

Mayor Halliday mentioned she attended an event earlier in the day that focused on introducing low income and kids of color to technology. She said basketball players were investing their money into the program. Members said they would like to hear more about the program.

ADJOURNMENT: The meeting was adjourned at 5:40 p.m.