

CITY OF HAYWARD

Hayward City Hall
777 B Street
Hayward, CA 94541
www.Hayward-CA.gov



CITY OF
HAYWARD
HEART OF THE BAY

Agenda

Thursday, January 26, 2023

5:00 PM

Remote Meeting

Council Economic Development Committee

COVID-19 Notice: Consistent with Assembly Bill 361, the Council Economic Development Committee meeting includes teleconference participation by all Committee members and the public.

Please note that we are now using the Zoom Webinar platform to conduct meetings and receive live public comment.

How to submit written Public Comment:

Send an email to suzanne.philis@hayward-ca.gov by 2:00 p.m. the day of the meeting. Please identify the Agenda Item Number in the subject line of your email. Emails will be compiled into one file, distributed to the Council Economic Development Committee and staff, and published on the City's Meeting & Agenda Center under Documents Received After Published Agenda. Written comments received after 2:00 p.m. that address an item on the agenda will still be included as part of the record.

How to provide live Public Comment during the meeting:

Please click the link below to join the webinar:

<https://hayward.zoom.us/j/84055779803?pwd=UIA3ejNFQmlSSmpkb0FQdDc2emFRUT09>

Webinar ID: 840 5577 9803

Password: CEDC01-23!

Or

Dial: +1 669 900 6833 or +1 646 931 3860

Webinar ID: 840 5577 9803

Password: 2190507334

A Guide to attend virtual meetings is provided at this link: <https://bit.ly/3jmaUxa>

CALL TO ORDER

ROLL CALL

PUBLIC COMMENTS:

(The Public Comment section provides an opportunity to address the City Council Committee on items not listed on the agenda as well as items on the agenda. The Committee welcomes your comments and requests that speakers present their remarks in a respectful manner, within established time limits, and focus on issues which directly affect the City or are within the jurisdiction of the City. As the Committee is prohibited by State law from discussing items not listed on the agenda, any comments on items not on the agenda will be taken under consideration without Committee discussion and may be referred to staff.)

APPROVAL OF MINUTES

1. [MIN 22-117](#) Approval of the Sept. 22, 2022 CEDC Regular Meeting Minutes

Attachments: [Attachment I Draft Minutes from the Sept. 22, 2022 Regular Meeting](#)

REPORTS/ACTION ITEMS

2. [RPT 22-096](#) Hayward Upward Economic Recovery Plan Update: Hayward Open for Business Marketing Campaign (Oral Report Only)
3. [RPT 22-093](#) Hayward Upward Economic Recovery Plan Update: Together for Hayward e-Gift Card Program

Attachments: [Attachment I Staff Report](#)

FUTURE AGENDA ITEMS

4. [RPT 22-095](#) Future Meeting Topics as of January 26, 2023

Attachments: [Attachment I Future Meeting Topics as of Jan 26, 2023](#)

COMMITTEE MEMBER/STAFF ANNOUNCEMENTS AND REFERRALS

ADJOURNMENT



CITY OF HAYWARD

Hayward City Hall
777 B Street
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File #: MIN 22-117

DATE: January 26, 2023

TO: Council Economic Development Committee

FROM: Economic Development Manager

SUBJECT

Approval of the Sept. 22, 2022 CEDC Regular Meeting Minutes

RECOMMENDATION

That Committee members review and approve the attached draft Minutes from the Sept. 22, 2022 Regular Meeting.

ATTACHMENTS

Attachment I Draft Minutes from the Sept. 22, 2022 CEDC Meeting



COUNCIL ECONOMIC DEVELOPMENT COMMITTEE

MEETING MINUTES - September 22, 2022

CALL TO ORDER: The Regular meeting was called to order at 5:02 p.m.

ATTENDANCE (September 2022-July 2023):

Committee Member	Present 9/22/2022	All Meetings Year to Date		Meetings Mandated By Resolution	
		Present	Absent	Present	Absent
Council Member Salinas	✓	1	0	1	0
Council Member Wahab	✓	1	0	1	0
Council Member Andrews	✓	1	0	1	0

OTHERS IN ATTENDANCE:

Jennifer Ott, Assistant City Manager; Sara Buizer, Deputy Director of Development Services; Paul Nguyen, Economic Development Manager; Jeremy Lochirco, Planning Manager; Steve Kowalski, Associate Planner; Daniel Mao, Economic Development Specialist; Senior Detective Gabrielle Wright; Suzanne Philis, Senior Secretary; Alejandro Gamarra, Aric Yeverino, Paul Hodges, Bills.

PUBLIC COMMENTS

There were none.

1. APPROVAL OF MINUTES OF REGULAR MEETING JUNE 23, 2022

A motion to approve minutes from the June 23, 2022 Regular meeting was made by Council Member Wahab and seconded by Council Member Andrews. The minutes were unanimously approved.

2. APPROVAL OF THE FY23 CEDC REGULAR MEETING SCHEDULE

A motion to approve the FY23 Regular Meeting Schedule was made by Council Member Wahab and seconded by Council Member Andrews. The motion was unanimously approved.

3. STRATEGIC ROADMAP PRIORITY: UPDATE TO THE ALCOHOLIC BEVERAGE ORDINANCE

Economic Development Manager Nguyen introduced Associate Planner Kowalski who gave the presentation noting staff wanted direction per the questions listed at the end of the presentation.

Council Member Andrews asked Senior Detective Wright if she agreed with the staff recommendations. Senior Detective Wright explained that the City's initial intent in adopting the 60/40 food-to-alcohol sales ratio was to keep bars from pretending to be restaurants, but California Department of Alcohol Beverage Control (ABC) used a 50/50 split to define a bona fide restaurant. Regarding Happy Hours, she said she hadn't heard of any issues since the City began allowing restaurants to have them. Senior Detective Wright said she supported the shift from 4-9pm to 2-7pm and noted that the ordinance would still require that food and non-alcoholic beverages also be discounted during that time. Regarding breweries or brew pubs partnering with a food provider, she pointed out that ABC allowed it with some parameters and staff's proposed amendments would make the city's regulations consistent with ABC's practices.

Council Member Andrews said she would like to encourage ride sharing if the updated ordinance was adopted by Council. She asked Senior Detective Wright if she knew of any successful City programs that promoted ride sharing. Detective Wright said she did not but remembered that both Lyft and Uber had had promo codes that local restaurants could offer patrons when these programs launched, but restaurateurs would have to reach out to ride sharing companies to find out if those programs were still available.

Council Member Wahab said many residents had emailed her expressing concern about the revisions to the ordinance. She asked Senior Detective Wright how Hayward would compare against other cities if the ordinance was adopted and how many arrests were associated with establishments under the current 60/40 ratio requirement of food to drinks. Senior Detective Wright said she didn't have that data available, but she could get it. Based on her experience, however, she said that most complaints came in late at night and were associated with bars, not restaurants.

Council Member Wahab said residents wanted family-friendly establishments and she commented that breweries partnering with food vendors didn't seem like the best idea. She asked staff for more data on any negative impacts from these types of establishments. Council Member Wahab asked if the City was considering the revisions so restaurants could sell more alcohol and what the penalty would be if the establishment did not maintain the 50/50 ratio.

Senior Detective Wright explained that if Hayward Police conducted an inspection or received a complaint a citation could be issued, but the offense would need to be egregious like 80/20 alcohol to food sales. She wasn't sure if being cited would impact the establishment's ABC license. She noted that if the restaurant was offering food the complaint would not be a top priority for PD unless there were other issues that compounded the problem.

Council Member Wahab asked for the history of the 60/40 ratio currently in place in Hayward, noting a pending State bill would allow alcohol sales until 4am, and asked again for crime statistics and impacts related to these practices.

Assistant City Manager Ott said there were reasons for the proposed changes from a policy perspective and she asked staff to provide some background.

Deputy Director of Development Services Buizer explained that, in the past, Hayward elected officials were very anti-alcohol and adopted ordinances that separated bars from restaurants. Over time, the

priorities of the City Council changed and the desire grew to create a downtown entertainment district that included full-service restaurants and that led to the adoption of the current ordinance. She noted the City didn't used to allow Happy Hours, but after a successful trial period they were allowed as long as discounted food and non-alcoholic drinks were also available during the same time. Several years ago, a lounge wanting to come into downtown requested a change to the 60/40 ratio since it didn't align with ABC, she said. At that point staff began looking at how the City could be more supportive of full-service restaurants and the proposed changes to the ordinance were the outcome; the revision would allow the City to relax the current ordinance but still maintain some rules, she said. Deputy Director Buizer added that if a lot of calls came in for one particular establishment the City would investigate, but would never spend staff time trying to enforce the 60/40 ratio.

Council Member Wahab said she had heard that Council used to be strict and thanked staff for the background information. She commented that residents were leaving Hayward to go to full-service restaurants in other cities and suggested striking arbitrary laws like the no smoking ordinance since no one was enforcing it.

In response to staff's questions, Council Member Wahab said she was OK with relaxing the 60/40 ratio of alcohol to food, but wanted the data she requested, didn't like the idea of separate kitchens and bars, and was OK with proposed Happy Hour update. She asked what the timeline was for the changes. Associate Planner Kowalski explained that because the zoning ordinance was being amended, the proposed changes would have to go to both the Planning Commission and City Council. He estimated that if all went smoothly, it would take approximately four months or until early 2023 to be in effect.

Council Member Salinas thanked both Deputy Director Buizer for the background and Detective Wright for her work for the City. Regarding staff questions, he said he appreciated that staff was listening to business owners and being flexible. He supported moving to a 50/50 ratio to align with ABC.

Council Member Salinas commented that the definition of a full-service restaurant was changing and restaurant owners were turning to the City for more flexibility while they tried new ideas. He said the proposed revisions would provide that. He said his expertise came from enjoying restaurants and noted there were different modes of service including partnerships between bar owners and food providers. He never questioned who owned what, he said, he just ordered his food. Council Member Salinas said he was totally on board with opening the doors to creativity.

Regarding allowing a free-standing kitchen, Council Member Salinas said it worked. He went to an establishment in Pescadero, he said, that was totally family-friendly with kids and pets and no bad behavior that he saw. Having the ability to reconfigure what a restaurant looks like inside was the model the City was looking at, he said.

Council Member Salinas said moving the City's Happy Hour to 2-7pm made sense and he never understood the 9pm end time of the current ordinance.

As we come out of COVID-19 we really need to think about what new ideas were coming down the pipe for food and restaurants, Council Member Salinas said. It took a pandemic to drive changes and

he encouraged everyone to consider staff recommendations.

Council Member Andrews asked to hear Public Comments related to the item.

Aric Yeverino, owner of three establishments including The Dirty Bird in downtown Hayward, said hitting the 60/40 ratio was almost impossible especially since an expensive bottle of wine can completely shift the metric and that was why ABC used a 50/50 ratio. He noted he was already outsourcing his food vendor and said a Happy Hour from 2-7pm made sense. The only other concern he had was the number of empty buildings downtown and the lack of interest by those landlords to fill vacancies. But, he said, the City was moving in the right direction.

Alejandro Gamarra, owner of Casa del Toro, said lowering the ratio of food to alcohol would help full-service restaurants stay in compliance as the percentage of food sales could change dramatically month to month. Regarding separating food from alcohol sales, he asked what would happen if the restaurant didn't do well and suggested language in the ordinance to address that concern. He also expressed confusion with current Happy Hour timing and agreed 2-7pm made sense. Mr. Gamarra thanked the City for considering relaxing the current ordinance noting downtown businesses were dying to see more foot traffic and families. He said downtown had a lot of potential and he appreciated that the City was trying to make it more business-friendly. Mr. Gamarra said Senior Detective Wright was fantastic, very effective, and he thanked her for her assistance.

Council Member Andrews thanked the two callers noting they were the experts. She said she was in favor of supporting all four staff recommendations. She acknowledged she'd heard from residents who were not happy about the proposed changes, but the industry was changing and breweries were not just people drinking beer—she even attended a baby shower at one, she said. Casa del Toro and The Dirty Bird were changing downtown, Council Member Andrews said, and creating gathering spaces on B Street was desperately needed.

Council Member Andrews said if approved, she wanted to see an emphasis on safety including ride sharing. And although she was interested in seeing the requested data, this was the right direction to go.

Council Member Andrews commented that the toughest thing a person could do was run a bar and restaurant and allowing partnerships would allow both parties to do what they did best was a good idea. She said she understood the concern about potentially shady restaurant owners, but any issues would be complaint driven and fully investigated. She said again that she was supportive of all proposed changes.

Council Member Wahab said food should always be available if there was alcohol being served. She acknowledged the investment by Casa del Toro was significant and said she wanted more restaurants like that in Hayward. She noted there were plenty of places downtown and agreed the City needed to work with vacant building owners. She asked staff if there were any legal restrictions to changing the Happy Hour timeframe and was told no.

Council Member Wahab said safeguards were needed if the ordinance was changed including signage in establishments asking people to call a cab rather than drive home. She also encouraged staff to spread the word that any complaints related to the ordinance should go to Code Enforcement rather

than City Council Members.

Council Member Wahab asked the business owners what they thought of shutting down B Street to car traffic.

Mr. Yeveerino said he was all for shutting down B Street but knew local retailers didn't like the idea. He said he loved the idea because of how fast cars drive through downtown, but he had to support his neighbors.

Council Member Wahab said the City may have to make a drastic change by closing down B Street, putting out tables and chairs, and making downtown more family-friendly. She noted families stayed out until 11pm at Santana Row in San Jose. She said Hayward should try something new and suggested shutting down B Street every Friday night during summer. She said she looked forward to seeing the data and educating the public.

Mr. Gamarra said shutting down B Street would hurt retail merchants so that was a tough choice and he commented that parking was already tight. He agreed with Council Member Wahab about the popularity of Santana Row but noted there were other factors to consider. He liked the idea of a trial period for shutting B Street, but agreed they needed to be sensitive to retailers.

Assistant City Manager Ott said there were other examples of street closures, but they were usually in more densely populated areas. She noted that the City would have to look very carefully at shutting down B Street, noted there was a plan to reduce the street to one lane of traffic each way, but a trial period was possible.

Council Member Wahab said she understood the difference between Santana Row and B Street but pointed out the City couldn't continue to do the same thing for another two decades. She suggested closing down B Street every Friday night from the start of summer until the end and trying different activities each week. If we fail at least we tried, she said noting Downtown Street Parties were very well attended.

4. FUTURE MEETING TOPICS AS OF SEPTEMBER 22, 2022

Economic Development Manager Nguyen announced CSU East Bay would be presenting a first peek at the Hayward Open for Business video marketing campaign at the October meeting and staff would also be unveiling the holiday gift card promotion. He noted the DHIA item had been removed from the list since the update would be going to the full City Council on October 11th.

Council Member Wahab said she would like to see a pilot projects for downtown and for Tennyson Road.

Council Member Andrews gave a shout out to Council Member Zermeno for his work on B Street. She said she would like to schedule of tour of B Street with retailers and vacant property owners so they can see and hear the impact of having empty buildings on the street. If they weren't going to join us, she said, then the City needed to take over the sidewalks and streets in front of the empty buildings and put something there. She expressed her frustration that the same property owners complained about the homeless.

COMMITTEE MEMBER/STAFF ANNOUNCEMENTS AND REFERRALS

Economic Development Manager Nguyen noted that the new One Subaru of Hayward dealership on Mission Blvd. was doing gangbusters with the second-highest number of sales west of the Mississippi. He commented that automobiles from nearby Subaru dealerships were getting funneled to Hayward because the site was proving so successful.

He mentioned Veev, a maker of pre-fabricated accessory dwelling units, had taken the space at 2701 W. Winton Avenue previously proposed for a Amazon warehouse due to the concierge efforts of staff that rolled out the red carpet to make them feel welcome..

Economic Development Manager Nguyen also announced two new businesses: Shahi Darbar Indian Cuisine, a restaurant moving to the former La Victoria's site at 26953 Mission Boulevard; and VJ's Indian Grocery at 230 Jackson Street.

Economic Development Manager Nguyen also formally introduced Economic Development Specialist Daniel Mao to the Committee.

Council Member Andrews thanked One Subaru, Hippies Brew, the Agricultural Institute of Marin, and East Bay Community Energy for their support of the Juneteenth event. She also welcomed President and CEO Frank Ferral to the Hayward Chamber of Commerce.

Council Member Salinas also welcomed Mr. Ferral and expressed a desire to continue the partnership between the Chamber and the City.

ADJOURNMENT: The meeting was adjourned at 5:49 p.m.



File #: RPT 22-096

DATE: January 26, 2023

TO: Council Economic Development Committee

FROM: Economic Development Manager

SUBJECT

Hayward Upward Economic Recovery Plan Update: Hayward Open for Business Marketing Campaign
(Oral Report Only)

RECOMMENDATION

That Council Economic Development Committee (CEDC) members receive the presentation from the Cal State East Bay College of Business and Economics team, who will provide an update on the “Hayward Open for Business” marketing campaign.

SUMMARY

Following an extensive business engagement initiative, CEDC review in June 2021, and Council approval in July 2021, the City’s Economic Development Division established a three-year economic recovery strategy called the “Hayward Upward Economic Recovery Plan.” This plan includes nine different programs designed to aid businesses as they adapt in the post-COVID-19 marketplace. One of the nine programs included a “Hayward Open for Business” marketing campaign. This program seeks to entice consumers back to shop and dine in Hayward brick and mortar businesses.

In April 2022, the City entered an agreement with the Cal State University East Bay (CSU East Bay) College of Business and Economics to design and implement this program, which includes the development of 12 videos highlighting Hayward businesses’ stories of resilience, health and safety adaptation and unique product and services. This approach not only supports small business economic recovery efforts, but also builds upon the City’s efforts to engage with CSU East Bay students. This is also consistent with implementation of General Plan Economic Development Goal Number 4, which directs staff to foster a robust college-town economy through “town-gown” and “communiversity” partnerships.

At the October CEDC meeting, the CSU East Bay team will provide a detailed overview of the program’s purpose, their technical approach to engaging and filming businesses, and provide a preview of the work-in-progress video series trailer and a draft featured video. Representatives of this team will include:

- **Dr. Nancy Mangold:** Dr. Mangold serves as the Principal Investigator for this project. She currently is an Accounting Professor with CSU East Bay and serves as the Executive Director of the newly formed East Bay Small Business Development Center (East Bay SBDC);

- **Dr. Ivan Fedorenko:** Dr. Fedorenko is a Professor of Marketing with the CSU East Bay MBA Program. He teaches course on marketing principals, marketing management and consumer behavior. He is a leading educator in digital and social media analytics.
- **Justyn Neito:** Mr. Neito is a marketing student in the CSU East Bay MBA Program. He currently is a member of five teams of MBA students researching businesses, developing storyboards for videos and facilitating video shoots.
- **Bryce Root:** Mr. Root is a marketing consultant & small business advisor with the East Bay SBDC. He is providing videography and video editing for the project.



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File #: RPT 22-093

DATE: January 26, 2023

TO: Council Economic Development Committee

FROM: Economic Development Manager

SUBJECT

Hayward Upward Economic Recovery Plan Update: Together for Hayward e-Gift Card Program

RECOMMENDATION

That the Council Economic Development Committee receives updates on the Together for Hayward e-Gift Card program.

SUMMARY

As part of the City of Hayward COVID-19 economic recovery plan that was reviewed by the Council Economic Development Committee in June 2021, the Together for Hayward e-Gift Card program was launched in November 2021. This e-Gift card program is designed to encourage customers to shop and dine at Hayward brick-and-mortar businesses rather than spending money outside of the City or online. As part of the program, the City of Hayward infused American Rescue Plan Act (ARPA) funds into the program for marketing, bonus gift cards, and business support to participate in the program. The following report provides a summary of those efforts and results to date.

ATTACHMENTS

Attachment I Staff Report



DATE: January 26, 2023

TO: Council Economic Development Committee

FROM: City Manager

SUBJECT: Hayward Upward Economic Recovery Plan Update: Together for Hayward e-Gift Card Program

RECOMMENDATION

That the Council Economic Development Committee receives updates on the Together for Hayward e-Gift Card program.

SUMMARY

As part of the City of Hayward COVID-19 economic recovery plan that was reviewed by the Council Economic Development Committee in June 2021, the Together for Hayward e-Gift Card program was launched in November 2021. This e-Gift card program is designed to encourage customers to shop and dine at Hayward brick-and-mortar businesses rather than spending money outside of the City or online. As part of the program, the City of Hayward infused American Rescue Plan Act (ARPA) funds into the program for marketing, bonus gift cards, and business support to participate in the program. The following report provides a summary of those efforts and results to date.

BACKGROUND

To help with the efforts of bringing customers back to businesses and to drive new customers to businesses, the Together for Hayward e-Gift Card program was launched in November 2021, along with the companion Point of Sale Grant Program. A total of \$250,000 was allocated toward the gift card program.

DISCUSSION

Together for Hayward Gift Card Program

In October 2021, staff evaluated several community gift card operators and selected Yiftee to help implement the Together for Hayward Gift Card program. Yiftee has implemented similar programs in over 200 cities across the country and is headquartered here in the Bay Area. As part of the program, the City of Hayward infused the program with \$75,000 of initial funding to be used to cover the card fees when customers purchased the cards and to provide bonus

card dollars to encourage additional spending at the participating businesses. Up to 3 bonus cards could be obtained per email address.

Once Yiftee was chosen as the platform for the program, staff began the process of registering businesses to sign up as participants. Gift cards can only be used at those businesses that have registered. At the time of the program launch in November 2021, 35 businesses were active in the program located throughout the city. Over the course of that month and leading up to Black Friday, staff continued intensive efforts to sign-up and register over 75 business participants. This included personal visits to businesses and providing technical assistance to complete the sign-up process. Participating businesses range from food, professional services, and general retail.

For those businesses registered to participate in the program, staff designed and delivered printed signage, table tent cards, and drink coasters to businesses to help them advertise to their customers. Materials were provided in both English and Spanish languages. All marketing materials featured a QR code that would allow customers to easily purchase gift cards using their smartphone. To further promote the program, large posters were also displayed in the downtown, City Hall and Southland Mall and the billboard along I-880 also featured the new gift card program. Press releases, The Stack articles, and social media ads are also being utilized to spread the word to customers.

To support online marketing efforts, staff partnered with graphic designers in the Community and Media Relations Division to create content for Facebook, Instagram, and LinkedIn. These were disseminated to the business community to use on their own social media outlets. In addition, staff purchased advertisements on social media platforms.

As of October 31st, over 2,075 gift cards have been purchased, including the bonus cards, with a total value of \$134,300. Of the initial \$75,000 that was infused into the program, \$45,000 had been used thus allowing for the bonus card program to continue to be offered. Customers had redeemed \$104,700 of their gift cards at 63 different businesses located around the City. Donna Novitsky, CEO of Yiftee, recently remarked that the “Together for Hayward Gift card program has been a huge success.” A local resident loved the program so much, they reached out to Yiftee to be a volunteer as an ambassador to help other businesses and residents in the Hayward community to join and support the program.

One Year Anniversary Celebration

In celebration of the Together for Hayward gift card program operating for one year, the City launched a new purchase promotion to encourage additional gift card sales. To allow past purchasers to receive new bonus cards, all previous limits on bonus cards were set back to zero. In addition, the bonus cards were provided as follows: purchase a \$50 card, receive a \$25 bonus card, purchase a \$75 card, receive a \$40 bonus card, and finally purchase a \$100 card, and receive a \$100 bonus card. This was to encourage customers to purchase the larger value cards as we approached the holiday shopping season. An additional \$50,000 of ARPA dollars were added to the Yiftee account to cover the bonus card purchases to have a total amount of \$95,000.

In addition to the new promotional offer, each week stating November 1 through December 31, 2022, customers that purchase gift cards were entered into a drawing for a \$50 gift card. Emails were randomly selected each Monday at noon. Winners were notified and sent a gift card electronically. The number of customer entries into the contest each week matched the number of cards purchased by them. Bonus cards issued were not included in the entries for the contest. New promotional materials for this bonus promotion were delivered to the participating businesses and made available on the merchant information page for printing. A social media marketing campaign, a Stack article, and a billboard advertisement were also used to promote the new promotion and drawing contest. In addition, staff continued to recruit new businesses to join the program. Staff focused on geographic areas currently with no or low number of businesses that accept the gift card, past recipients of other COVID recovery programs, and new businesses that have opened during the past year.

Update on Anniversary Promotion

With the launch of the Anniversary promotion on November 1st, gift cards sales reached record numbers. In the first two weeks of the program, over \$67,800 in gift cards were purchased by customers. When combined with the bonus cards provided, \$134,200 of gift cards are now circulating in the community. Customers are not just buying cards; they are also spending the cards. Of the total value of cards purchased during the first two weeks of November, \$48,984 has been redeemed. With this significant increase in sales, over \$284,000 in gift cards have been issued to customers.

With the huge increase in sales that have occurred, an additional \$100,000 was added in hopes to cover the bonus cards through the end of the year. Sales continued at record pace and all of the bonus cards were distributed by December 17, 2022.

In addition to the large increase in sales that have occurred since the launch of the anniversary promotion, the program has also seen a significant increase in the number of participating businesses. Currently, 105 businesses from across the city have signed up with new businesses reaching out each week seeking information on how they can join the program. Much of the growth in participants is due to the word of mouth that businesses are sharing about their success after joining the gift card program. Some businesses have reported that since joining the gift card program, they have had some of their best sales days ever since they opened for business. Staff continues to reach out to businesses to solicit participation in the program. Staff is also providing customer support to businesses that need help training staff on how to redeem gift cards.

Point of Sale Grant Program

The Together for Hayward gift card is essentially a MasterCard that is processed through the store's existing point-of-sale system. No new equipment or software was needed to be able to accept these gift cards. This was one of the determining factors on why the Yiftee system was chosen to implement our new program.

In order to ensure that all businesses that wanted to participate in the Together for Hayward Gift Card program could, staff offered a Point-of-Sale Grant. The grant was available for any business interested in participating as it would allow them to purchase a new point-of-sale

system if they did not have one or to upgrade their system to a newer format that was easier to use. Each business could receive up to \$800 towards the equipment purchase.

This approach to aid businesses upgrade point of sale terminals is consistent with the “Get Digital” initiative within the economic recovery plan. While upgrading terminals enables businesses to process the e-gift card, it also enables them to modernize their operations. These terminals can often be used to accept online orders from third-party delivery companies, produce sales trend reports, and manage inventory.

To date, 19 businesses have received these grant dollars. There are still funds available in this program for any business that would like to participate. The grant is a reimbursement grant in that the equipment must be purchased and receipts submitted in order to receive payment. This program is open for all brick-and-mortar businesses located citywide.

ECONOMIC IMPACT

The Together for Hayward gift card program has had a positive impact for most of the businesses that are participating in the program. The City has received feedback from customers that they have used the gift cards at new businesses they discovered on the Together for Hayward webpage. In addition, because the gift cards can only be used at Hayward businesses, it ensures that the money being used to purchase the gift cards and provide the bonus cards stays locally. Studies have shown that dollars spent at locally owned businesses are recirculated in the community six times versus being spent at large chain operations.

Since the start of the gift card program in November 2021, over \$474,000 in gift cards have been issued and over \$340,000 in gift cards have been redeemed at 84 participating businesses. Staff analyzed where the cards are being used based on business categories. Restaurants have received the highest gift card redemption with a total of \$152,412. General merchandise retail has absorbed \$125,247 and personal service businesses, such as hair and beauty salons, have received \$60,849 in sales. This distribution of funds appears to successfully match up with the industry sectors most hard hit by the economic disruption caused by the pandemic.

FISCAL IMPACT

The Together for Hayward gift card program is funded from the Economic Recovery allocation the City designated as part of the ARPA program dollars. A total of \$250,000 was earmarked for the program, including the cost of the bonus dollars, marketing efforts for the program, and the business assistance grants provided under the Point-of-Sale Grant program. To date, \$8,000 of the original allocation remains for this two-year program. These dollars will continue to be used to market the program and aid businesses on updating their point-of-sale systems.

NEXT STEPS

With program implementation completed and the majority of funding expended, staff will now focus on evaluating the impact of the program to inform potential future initiatives. On January 5, 2023, staff launched a survey of the participating businesses to seek feedback about the program and any insights the businesses could offer on ways to improve the program. Staff will provide an oral report on results from the survey at the meeting. In addition, staff will continue to outreach to additional businesses regarding participation in the program as gift cards are still being purchased and redeemed by customers and will report back to CEDC on additional results from the program.

Prepared by: Catherine Ralston, Economic Development Specialist

Recommended by: Paul Nguyen, Economic Development Manager

Approved by:

A handwritten signature in black ink, appearing to read 'Kelly McAdoo', with a long horizontal stroke extending to the right.

Kelly McAdoo, City Manager



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File #: RPT 22-095

DATE: January 26, 2023

TO: Council Economic Development Committee

FROM: Economic Development Manager

SUBJECT

Future Meeting Topics as of January 26, 2023

RECOMMENDATION

That Committee members review and comment on the attached Future Meeting Topics.

ATTACHMENTS

Attachment I Future Meeting Topics as of January 26, 2023



**Council Economic Development Committee
Future Meeting Topics as of
January 26, 2023**

RESPONSIBLE STAFF	FUTURE MEETING AGENDA ITEMS	PRESENTATION DATE*
Economic Development	Economic Impacts of COVID-19 & Trends	Standing Item
Economic Development	Downtown Activation Pilot Programs	February
Economic Development	Tour of Downtown with Retail Expert	Spring/Summer
Economic Development	Southland Mall Update	2023
Public Works/ Information Technology	Update on City Fiber/Broadband Initiatives (Following update to CIC)	2023
Economic Development	Impact of Cannabis Industry on Economic Development*	2023
Planning Staff	Update on Status of Issued Cannabis Permits*	2023

*Subject to change and data availability