

CITY OF HAYWARD

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



CITY OF
HAYWARD
HEART OF THE BAY

Agenda

Monday, October 3, 2016

4:30 PM

City Hall, Conference Room 2A

Council Economic Development Committee

SPECIAL COUNCIL ECONOMIC DEVELOPMENT COMMITTEE MEETING

***** Please Note 4:30p.m. Start Time *****

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 16-081](#) Approval of the Minutes of the Special Council Economic Development Committee Meeting on Sept. 7, 2016

Attachments: [Draft Minutes of Sept. 7, 2016](#)

REPORTS/ACTION ITEMS

2. Update of Hayward High Speed Fiber Optic Network Grant (Oral report only)
3. [RPT 16-120](#) Economic Development Strategic Plan - Industrial Sector Work Tasks Update

Attachments: [Attachment I Staff Report](#)
[Attachment II Work Task Chart](#)

FUTURE AGENDA ITEMS

4. [RPT 16-121](#) Future Agenda Items

Attachments: [Future Meeting Topics as of Oct 2016](#)

COMMITTEE MEMBER/STAFF ANNOUNCEMENTS AND REFERRALS

ADJOURNMENT



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File #: MIN 16-081

Attached is a copy of the Draft Minutes of the Special Council Economic Development Committee Meeting on September 7, 2016.



COUNCIL ECONOMIC DEVELOPMENT COMMITTEE

MEETING MINUTES – September 7, 2016

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

ATTENDANCE:

Committee Member	Present 9/7/16	All Meetings Year to Date		Meetings Mandated By Resolution	
		Present	Absent	Present	Absent
Michael Ly	✓	1	0	1	0
Didacus-Jeff Joseph Ramos	✓	1	0	1	0
Mayor Halliday (Chair)	✓	1	0	1	0
Council Member Márquez	✓	1	0	1	0
Council Member Mendall	✓	1	0	1	0

OTHERS IN ATTENDANCE:

Kelly McAdoo, City Manager; David Rizk, Director of Development Services; Stacey Bristow, Deputy Director of Development Services; Micah Hinkle, Economic Development Manager; Paul Nguyen, Economic Development Specialist; Ramona Thomas, Economic Development Specialist; Kim Huggett, President and CEO, Hayward Chamber of Commerce; Suzanne Philis, Senior Secretary

PUBLIC COMMENTS

Hayward Chamber of Commerce President and CEO Kim Huggett announced the 31st Business Expo on Wed., Oct. 5th, from 4:30-7:30pm in the Grand White Tent at St. Rose Hospital. He also noted the Chamber released its Year in Review which included a list of over 50 speakers who spoke to Chamber members and guests throughout the last year.

Mayor Halliday mentioned the Annual Volunteer Recognition and Awards Dinner coming up the night before, also in the Grand White Tent.

1. APPROVAL OF MINUTES OF JUNE 6, 2016

Motion to approve minutes made by Council Member Mendall with a second by Council Member Márquez. Minutes from the June 6, 2016 Regular Meeting were approved with Mayor Barbara Halliday abstaining.

2. APPROVAL OF CEDC REGULAR MEETING SCHEDULE

Motion to approve made by Member Ramos with a second by Council Member Márquez. The proposed CEDC Regular Meeting schedule for 2016-2017 was unanimously approved.

3. REPORT BACK ON WINTER IN JULY EVENT

Economic Development Manager Hinkle introduced the item and Senior Secretary Philis provided a copy of a press release to members and some details of the event. She noted the free event was an expansion of the Movies on the Plaza series and included decorations, games, arts & crafts—all with a winter theme—a jumpie house, free samples from both Rita's Italian Ice and Charlotte's, and 300 free dinners provided to all children 18 and under provided by Hayward Unified School District's Food Services. She explained that by partnering with Hayward Area Parks & Recreation Department and the City's Education Services resources went further and approximately 1,000 kids and their families participated. The evening culminated, she said, with the showing of children's movie Norm of the North.

Mayor Halliday asked how the event was publicized and Ms. Philis said via City Hall meeting notice boards and social media sites, a poster in the kiosk at B and Main Streets, and most importantly, via Education Services 5,000 event postcards were distributed to Hayward Unified School District students via take-home packets and through the after school homework program. Mayor Halliday commented that postcards must have gone out early to catch students before summer break started and Ms. Philis confirmed distribution started in May.

In an effort to get the word out, Economic Development Manager Hinkle noted the high quality of the poster and postcards and that they were translated in Spanish to increase accessibility. He said the cost of the event to Economic Development was minor compared to the outcome of the event and the positive feedback received was worth it. Manager Hinkle mentioned that staff specifically targeted business community for engagement and would continue to do so for future events.

Council Member Márquez said she saw photos on social media and people were very excited and happy to attend. She asked if the free dinners were given at the event and Ms. Philis explained that the "Let's Do Lunch" truck arrived at the event with the dinners packaged in popcorn bags. Anyone who looked 18 and under was offered a free dinner, she said.

Council Member Márquez asked if people were told to bring blankets and chairs for the lawn area to watch the movie. Ms. Philis said yes, families had their spaces reserved on the lawn early while the kids took part in the activities. Council Member Márquez also asked if the movie was shown on a jumbo screen and Ms. Philis explained that an inflatable screen was anchored to the fountain and the movie was projected from behind.

Economic Development Manager Hinkle said it was a good event and staff would look to partner with other departments and agencies in the future for additional community events of this nature.

4. ECONOMIC DEVELOPMENT STRATEGIC PLAN SERVICE & RETAIL INDUSTRY WORK TASK UPDATE

Economic Development Manager Hinkle introduced the item noting staff was taking the Economic Development Strategic Plan (EDSP) section by section, conducting analysis of existing tasks and performance measures, and making recommendations to the CEDC Committee on changes, additions, and deletions. He mentioned staff would present the Industrial section to members at their October meeting. Based on the feedback received from members, Manager Hinkle said a full review of the EDSP would go before Council before the end of the year.

Manager Hinkle noted for the Service & Retail Industry section of the EDSP no major changes were being recommended, most items had been successfully implemented, and listed tasks were accurate descriptions of the work being done.

Manager Hinkle and Economic Development Specialists Nguyen and Thomas elaborated on completed and current projects.

Project accomplishments included: The Island Pacific Market at the Hesperian Fresh & Easy location; the opening of Dick's Sporting Goods, Buffalo Wild Wings, Sephora at JC Penny, and the currently under constructed Cinemark theater at Southland Mall; a ribbon cutting for the Mitsubishi dealership on Mission Blvd.; three pending hotels; new entertainment venues in downtown; the renovation of the Green Shutter Hotel; and the development of Lincoln Landing at the former Mervyn's headquarters.

Manager Hinkle confirmed for Mayor Halliday that staff was still working with Rouse Properties and Southland Mall Senior General Manager Ashton Simmons to provide a report on improvements to the Committee and schedule a tour of the mall. He also noted that staff was still working to attract a grocery store at the former Rite Aid location at the mall.

Mayor Halliday asked if the opening of Dick's Sporting Goods would hurt Big 5 and Manager Hinkle explained that the two stores offered a different variety of goods at a different price point. He also pointed out that sporting goods were a regional draw and the regional population could probably support a third store. Member Ramos asked if there were any sporting goods stores in Castro Valley and members said no.

When Council Member Mendall asked if Hayward had more room for more car dealerships, Economic Development Hinkle explained that what the City needed was relocation space for some of the uses that had come into former domestic dealership locations. He said issue for car dealerships was finding the right property at the right price and someone holding franchise rights.

Regarding the former Ford site on Mission, Manager Hinkle said a hotel and residential development was coming in at the location and was just one of three hotels that were tracking through the permit and planning process. He noted that hospitality was not historically a major market for Hayward.

Member Ramos said the hotels could provide much needed meeting space. Council Member Mendall said Hayward didn't lack mid-sized hotels with a few meeting rooms, what the City lacked was a large meeting facility. He also encouraged staff to save smaller spaces for retail uses rather than to force a facility into the space.

Economic Development Manager Hinkle agreed with Council Member Mendall that the City needed a large meeting facility and pointed out even City Hall was in demand. He said staff was targeting downtown for a large meeting space. Council Member Mendall requested free parking and Manager Hinkle added close proximity to public transit.

Mayor Halliday asked if three hotels were over saturation and Economic Development Manager Hinkle explained that hotels liked to cluster and the addition of the hotels reflected market demand.

Member Ramos pointed out that Cal State East Bay was holding more events and having more hotels in town would keep people from staying in Oakland. Mayor Halliday said the same was true for the PGE Tour held at Stonebrae.

Member Ly asked when the hotels would open and Economic Development Manager Hinkle said it would take one to two years to build. Member Ly asked how many jobs would be created and Manager Hinkle said an economic impact analysis was in progress.

In the downtown, Economic Development Manager Hinkle said the expansion of a second location for High Scores from Alameda to Hayward was a perfect fit for the downtown entertainment district. He mentioned the Business Concierge Program played a large role in the permit processing.

Economic Development Specialist Thomas said she had been working with the owner of Kin's Cafe at 1019 B Street to remove some of the wedding-related goods at the front of the store that could confuse patrons interested in participating in Xcapade—a themed escape room that was garnering very favorable reviews on Yelp. She also noted The Tree House Café, also at the same location, was doing well.

Mayor Halliday noted that that area of B Street was really lively and had a good vibe. Staff said the owner of Brews & Brats had reported a 33% jump in revenues since they opened their outdoor seating. Member Ramos commented that they were also open more days and for longer.

Economic Development Manager Hinkle commented that the refurbishing of Green Shutter Hotel would also make a huge difference downtown, especially with the improved commercial space. He thanked Building Inspection staff for keeping the project moving. Deputy Development Services Director Bristow added that staff had gone above and beyond their standard work duties and hours and appreciated the recognition of their efforts. Mayor Halliday asked staff to pass along their thanks for their hard work and for providing such excellent customer service. Council Member Mendall encouraged the City Manager to recognize the dedication of staff whenever the opportunity arose.

Regarding the catalyst site Lincoln Landing (the former Mervyns building), Economic Development Manager Hinkle noted the project was one of the city's biggest with over 80,000 square feet of new retail space and was taking substantial amounts of staff time, across multiple departments, to keep the project moving forward. Member Ramos noted the project plans had been rejected by Council, but Mayor Halliday said the latest proposal had been completely changed.

Economic Development Specialist Nguyen added another project in south Hayward; the Phoenix Lodge on Industrial was being reskinned and would reopen as a Red Roof Inn. Council Member Mendall said that project was a big deal because the previous Lodge had generated many calls for

service. Council Member Márquez asked about the restaurant next door and staff said the owner was going to deal with that next.

Specialist Nguyen also noted the Phoenix Lodge on A Street had a different owner but was also being refurbished as a Vagabond Inn. He commented that any chain or recognized brand was good for Hayward.

Getting back to the EDSP update recommendations, Economic Development Manager Hinkle said the only change he wanted to make was to change the master category from Retail & Service Industry to Commercial which would add hospitality and office. He commented that office hasn't been included in past discussions, but that demand was ready to happen. By changing to a Commercial heading, he said the section would include retail, hospitality and office.

Mayor Halliday asked staff if they wanted to redo the section and bring it back to Council and Manager Hinkle said he needed feedback from the Committee on this section and then would package all three sections of the Plan for Council approval.

Member Ly asked if the new businesses coming in were having any problems finding and recruiting workers. Manager Hinkle said yes, there was high demand for skilled workers. Mayor Halliday said she had heard at a regional meeting just that morning that food workers were being recruited by the tech industry.

Member Ramos asked how the changes and plans mentioned impacted south Hayward, in particular the Tennyson area. Economic Development Manager Hinkle said the area was strong with most spaces tenanted so businesses and property owners weren't looking for change. He mentioned the old Kaiser site was being looked at as a catalyst site for the area.

Economic Development Manager Hinkle said he wanted to take a look at the Jackson Corridor and was working with several retail brokerage firms to figure out why sales were down in the area. He said one thought was that the downtown loop had changed traffic patterns and had made it more difficult for customers to get in out of centers during peak traffic times.

Member Ramos asked for update on the Maple and Main project. Development Services Director Rizk said the project would be up for Planning Commission review in October, noting the California Environmental Quality Act review was already completed. Director Rizk also mentioned the Environmental Impact Report for Lincoln Landing was ready for release.

Council Member Márquez said she was fine with the staff recommendation to change the master category to Commercial and she asked if the Strategic Plan was on the CEDC agenda every month or if it could be discussed quarterly. Economic Development Manager Hinkle explained that the current ED team was relatively new and was trying to catch up with some of the timeline goals stated in the Plan and many had been completed. He noted that a lot of the current activities and progress was market driven and staff was just taking advantage of the momentum to meet some of the goals of the Plan. She commented that noted grocery stores were still needed off of Hesperian and at Fairway Park.

Council Member Márquez noted staff did not attend the latest International Council of Shopping Centers (ICSC) event and asked how ED staff conducted outreach to potential retailers. Economic

Development Manager Hinkle said through the brokerage community, and he explained that staff did not attend the ICSC event because outside of downtown the City didn't have a lot of open retail locations. When the senior housing project on A Street was complete, he said, then staff would have space to market. Manager Hinkle also noted that when space was created, staff would target quality retail that provided needed goods and services for area retail nodes.

Economic Development Specialist Thomas also pointed out that large retailers had specific space needs and that helped staff determine what retailers could be targeted. Manager Hinkle pointed out that the vacant Fresh & Easy location in south Hayward was too small for many grocery store formats. Specialist Thomas noted that there might be flexibility by taking some space from the Dollar Store next door.

Council Member Márquez agreed that the City needed a large conference center with partitions for various sized events and asked, as an example, how many Centennial Hall used to seat. Other members said 500-600 people could be seated for a formal dinner and staff confirmed had an overall capacity of 1500.

Development Services Director Rizk agreed any conference space should be downtown and said staff was targeting the City Center location.

Council Member Mendall pointed out that the Fairway Park Shopping Center had several vacancies and wondered if businesses next to the Fresh & Easy location could be shifted to the openings to create more space.

Council Member Mendall said he was in favor of relabeling the section "Commercial," and appreciated the Business Concierge service staff was providing, but said he wanted more guidance from staff in terms of where Council should hold space open for future retailers. For example, he asked should Council protect the Holiday Bowl site for large retail. He said he was still looking to staff to provide data and evidence for these decisions. Council Member Mendall said he was also still waiting for sales tax revenue per acre data for retailers. He didn't know, for example, if a car dealership or a hotel or a gas station or a coffee shop provided the most sales tax revenue per acre and said he should know to be able to make policy decisions. Council Member Mendall said staff should also be targeting entertainment uses in the downtown and at Southland Mall and asked if there was more staff could be doing.

Member Ramos said he spoke with the workers at Trader Joe's and they said the market was looking for another location close by and Hayward, especially south Hayward, would be the perfect location. Economic Development Manager Hinkle said that staff was trying, but noted Trader Joe's was one of the most difficult retailers to attract.

Mayor Halliday said she partially agreed with Council Member Mendall. She pointed out that staff had to be reactive to the retailers asking to come in and the market was the primary driver. She said she totally agreed that Hayward needed more entertainment activities for young people. She asked when the theater at Southland was scheduled to open and staff said the renovations to the Mall had to be completed first.

Mayor Halliday said relabeling the category to include office and hospitality made sense and said she was in favor of holding out for a hotel at the City Center location. She said the conference center

didn't necessarily need to be self-contained and pointed out there was a lot to do and see in the downtown including the new library.

Regarding sales tax revenue data, Mayor Halliday said it would be interesting to know, but she was in favor of a mix of retail with a focus on what residents wanted.

Member Ramos asked if the community had ever been surveyed. Members said some information had been captured as part of other projects and activities, but not a specifically regarding retail.

Development Services Director Rizk announced the Downtown Specific Plan initial kick-off meeting was tomorrow.

5. FUTURE AGENDA ITEMS

Senior Secretary Philis noted per Committee request, Future Agenda Items would now be a separate report moving forward.

Major Halliday asked if there were any changes or additions and Council Member Mendall said he would like to see a report back on what other jurisdictions in Alameda County were doing about minimum wage increases.

Member Ly mentioned the Committee had had a speaker who provided sales tax data and asked if that person could come back with the information being requested by Council Member Mendall. Staff identified the speaker as being from MuniServices and confirmed he could provide the data.

COMMITTEE MEMBER ANNOUNCEMENTS AND REFERRALS

Mayor Halliday noted Kelly McAdoo had replaced Fran David as City Manager.

Member Ly said he continued to have difficulty finding skilled workers and asked if any efforts were being made to address the problem. Mayor Halliday cited several ongoing efforts including educational and workforce development programs. Members discussed a number of factors that contributed to the problem including marketing positions and variety of housing options.

Senior Secretary Philis mentioned the winning designs of a recent 3-D design challenge were on display in the case outside of the City Council Chambers. She said local high school students were given the opportunity to learn 3-D design and judges selected three winners. Economic Development Manager Hinkle noted Economic Development partnered with the Chamber of Commerce for the challenge.

ADJOURNMENT: The meeting was adjourned at 5:27 p.m.



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File #: RPT 16-120

DATE: October 3, 2016

TO: Council Economic Development Committee

FROM: Economic Development Manager

SUBJECT

Economic Development Strategic Plan - Industrial Sector Work Tasks Update

RECOMMENDATION

That the Committee reviews report and provides feedback to staff.

ATTACHMENTS

Attachment I	Staff Report
Attachment II	Work Task Chart



DATE: October 3, 2016

TO: Council Economic Development Committee

FROM: Economic Development Manager

SUBJECT

Economic Development Strategic Plan – Industrial Sector Work Tasks Update

RECOMMENDATION

That the Committee reviews report and provides feedback to staff.

BACKGROUND

In 2013, the City of Hayward adopted an [Economic Development Strategic Plan](#) (EDSP) in order to create a purposeful and concentrated effort to further establish Hayward as a desirable place to conduct business and to grow the City's economic base. The EDSP features three focus areas: 1) Branding and Marketing; 2) Industrial Sector; and 3) Service and Retail Sector. Each focus area includes a number of work tasks that staff is executing to achieve the plan's goals and objectives.

Economic Development staff presented an annual update on the EDSP to City Council on December 1, 2015. The annual update identified program accomplishments over the past year and acknowledged the completion of the baseline foundational data. Significant time and effort has been dedicated to understanding Hayward's business community in order to assist in business retention, attraction, and expansion. In addition, through coordinated efforts, staff has been working on development opportunities within the City, and customer service enhancements to facilitate business investment. City Council requested that the EDSP be updated by staff and revised to reflect and address strategic approaches and activities of the Economic Development Division.

In order to update the EDSP, staff is focusing separately on each of the three areas: 1) Branding and Marketing; 2) Service and Retail Industry and 3) Industrial Sector. The update process involves reviewing each section's goals and work tasks. Staff provided an update to the CEDC on proposed updates to the [Branding and Marketing program on April 2, 2016](#) and the [Service and Retail Industry program on September 7, 2016](#). The following report outlines proposed updates to the Industrial Sector work program.

DISCUSSION

INDUSTRIAL SECTOR

Much of the City's economic development program activities in the industrial sector are driven by the research and analysis set forth in the [Industrial Technology and Innovation Corridor Baseline Study](#) published in March 2015. This study provided detailed information on the type, location and employment levels of industrial businesses, identified the economic development benefits of targeting "Advanced Industries," and outlined key issues that needed to be addressed to attract and support this sector's growth. Armed with this new set of data and tools including modern marketing materials and formal Business Concierge, Business Ombudsman and Business Visitation programs, staff is well prepared to continue making data-driven resource allocations to maximize the City's impact on attraction, retention and expansion of targeted industries.

Overall, the industrial sector economic development program is successful. Driven by the competitive Bay Area real estate market and supported by the City's new suite of enhanced customer service programs, Hayward continues to benefit from new business attraction, expansion and construction activity. According to CoStar, a real estate data provider, as of September 2016, the vacancy rate for industrial and flexible space in Hayward is 2.8 percent. This represents a 10-year low. This lack of modern space is driving redevelopment and new construction. Selected major new industrial construction projects underway include:

- Hayward 92 Industrial Center (3596 Baumberg Avenue), a 333,365 square foot building preleased to Federal Express; and
- Hayman Distribution Center (31775 Hayman Street), a 378,720 square foot building leased to LA Specialty, a wholesaler of food products to restaurants.

While successful, the industrial sector work program in the EDSP can be refined to continue to maximize the City's economic development impact. A full update of the industrial sector work tasks is included in Attachment II. The exhibit outlines the status of programed activities and presents staff recommendations. Staff carefully formulated revisions to the EDSP to reflect feedback from the business community, recognition of where staff activities made the most impact, and real-world experience working toward the plan's work tasks and overarching goals. Staff welcomes CEDC comments on the recommended staff direction.

A selection of key proposed EDSP revisions are as follows:

1. Carry Forward Expansion of Business Visitation Program (Work Task IS1.E):
Onsite visits are a vital part of business retention and expansion efforts. Meeting with business owners to discuss their needs and assess their industry enables staff to: A) identify key issues that the City may be able to address; B) learn more about the business' products, which enhances our ability to connect businesses to one another;

and C) uncover business expansion plans, which feeds directly into the Business Concierge Program. Using the business sector and employment statistics database, staff identified the city's major employers by sector and major revenue generators. Staff proposes to allocate additional resources to expand the visitation program in order to develop and expand relationships with the top sales tax generators and employers. Cultivation of these relationships is critical for achieving other EDSP goals that call for increased business partnerships of Hayward schools and job development initiatives.

2. **Revise Expansion of Marketing Efforts to Advanced Industries and Other Targeted Businesses (Work Task IS2.A):** With new polished and data-driven marketing materials, refined messaging themes and several examples of successful business expansions and attractions, the ED Team is now ready to magnify the City's visibility through trade shows, regional events, and host our own targeted outreach events. Staff recommends allocating resources to more proactively recruit advanced industries. To achieve this, we will continue to leverage our partnerships with state, regional and national economic development organizations such as the East Bay Economic Development Alliance, Team California, Select USA, and Governor's Office of Business and Economic Development. These organizations secure space at events and often extend an offer to the City to participate for free or at a reduced cost. This work will also include creation of new industry-specific marketing materials and seek out digital and print marketing opportunities to draw interest from site selectors and business representatives.
3. **Revise Work Task IS3.A to Include Development of Place Making Programs:** Goal IS3 of the EDSP is to maintain and expand public infrastructure that businesses need to thrive. Staff recommends revising Work Task I3A, which included an assessment of infrastructure deficiencies in the industrial area. This work was completed by Public Works and reflected in the [current adopted FY 2017-FY 2026 Capital Improvement Program](#) (CIP). Staff recommends revising the task as follows: "Explore the Development of place making programs in the Industrial Corridor to attract new business investment." This work, which will carry forward through 2018, may include identifying potential locations, types, costs and funding sources for gateway markers and other wayfinding elements and amenities to create a sense of place in the industrial area.
4. **Carry Forward and Expand Scope of Work IS4.B to Ensure That Current Zoning Allows for Desired Uses:** Goal IS4 directs staff to aid in creating proactive, site-specific land use policies that clearly convey information to potential businesses. Development Services and Economic Development staff are initiating a project to update the Industrial District Regulations. The goal is to revise the zoning ordinances to encourage the establishment and expansion of knowledge and innovation-based industry clusters and advanced and specialized manufacturing businesses and promote a desirable and attractive amenity-rich industrial environment with minimum detrimental impacts to surrounding community and properties. This work,

which will carry forward to 2018, will require extensive staff resources to complete comprehensive public outreach, research and analysis.

5. Revise IS6.A to Expand Support to Other Hayward Workforce Development & STEM Career Pathways Initiatives: Goal IS6 seeks to improve Hayward's education-to-job bridge through an active community partnership. Work Task IS6.A directs staff to "encourage and support HUSD efforts to develop a mentoring/internship/skill-development program for students." Staff is supporting HUSD efforts and works to connect local businesses to Hayward educators and classrooms. However, to maximize the City's impact, staff recommends expanding this work task to include expanding support levels for skills training and workforce development programs at Chabot, CSU East Bay and the Chamber of Commerce's Work Based Learning and Career Pathways Program. This work, which will carry forward to 2018, may include additional in-kind and financial support of events, marketing and employer engagement efforts.

NEXT STEPS

Staff will continue to refine the industrial sector based on the Committee's feedback and present a complete EDSP update to Council in the Fall.

Prepared by: Paul Nguyen, Economic Development Specialist

Recommended by: Micah Hinkle, Economic Development Manager

Approved by:



Kelly McAdoo, City Manager

Attachment II: Work Task Chart

Industrial Sector				
GOAL IS1: Support existing business, especially in the area of safety				
Work Tasks		Year to be Completed	Current Status	Recommendation
IS1.A	Identify key safety concerns and crime patterns in the industrial area, utilizing information from the new CADRMS and anecdotal evidence collected from businesses over a 12 month period	2014	Ongoing. As part of the Business Visitation Program, staff collects information from owners regarding their security concerns. Issues are recorded in the ED Activity Log and communicated to Police Department, Code Enforcement and other staff as needed for follow-up. Crime statistics are reported to Council by the Hayward Police Department (HPD) each quarter.	Ongoing Task - Recommend moving to 2018 and have staff continue collecting information, tracking trends and referring to appropriate departmental staff for action.
IS1.B	With the Police Department and Code Enforcement, establish a crime prevention and beautification program for property managers	2014	Complete. HPD established the Crime Prevention Through Environmental Design Program. This program involves advising businesses and property owners on proper design, maintenance, and use of the built environment in order to enhance the quality of life and to reduce both the incidence and the fear of crime. Customized for the individual needs of the businesses and property owners, PD conducts site visits that offer guidance and feedback on site design, maintenance and operational strategies. ED staff markets this program in conjunction with the Concierge Program and Business Visitation program.	Recommend Deletion - Task Complete
IS1.C	Design and offer incentives to existing industrial businesses for expansions and improvements	2015	Incomplete. Following the outcomes of the Community Benefits District effort for the Downtown area, ED will allocate resources to develop a similar industrial area improvement program or other incentive program.	Ongoing Task - Recommend moving to 2017
IS1.D	Establish a comprehensive retention program for existing businesses	2014	Complete. Economic Development established a comprehensive business retention program within the Business Concierge Program, Business Visitation Program and our new formal partnerships for workforce development and lay-off aversion support from the Governor's Office of Business and Economic Development and the Alameda County Workforce Development Board. This program monitors the health of businesses, identifies issues and develops solutions that cut across multiple agencies and organizations to resolve them.	Recommend Deletion - Task Complete
IS1.E	Expand the business visitation program	2018	Ongoing. Using the Industrial Baseline Profile and resulting Business Database, which tracks major employers by sector, ED staff developed a more robust and targeted Business Visitation Program. The goals of these visits are to engage the business owner, evaluate their economic health and inform them of available programs and resources available to help retain and expand their operation in the City. Visitation is the number one tool for to support business retention and expansion.	Ongoing Task - Recommend allocating additional resources to expand outreach capabilities.

Work Tasks		Year to be Completed	Current Status	Recommendation
IS1.F	Complete a transit and amenity needs assessment for employees in the industrial areas and create an implementation plan based on recommendations	2016	Complete. ED staff supported Public Works Engineering and Transportation staff with a Transit Shuttle Feasibility Study, which assessed the existing transit connectivity conditions, identified the needs of industrial area employees/employers, and analyzed the logistical and financial feasibility of establishing a transit shuttle from Hayward and South Hayward BART stations to major employment areas. The Industrial Baseline Profile and ED staff's engagement of businesses through the Business Visitation Program were key data sources for this ongoing effort. PW E&T staff is now working with businesses to implement customized solutions for shuttle connection services.	Recommend Deletion - Task Complete
IS1.G	Explore a Facilities Maintenance District to fund amenities in the industrial areas	2016	Incomplete. Pending outcomes of the Community Benefits District effort for the downtown area, ED will seek to develop a similar industrial area improvement program or other incentive program.	Ongoing Task - Recommend moving to 2018
IS1.H	Develop a method to survey businesses that close or leave Hayward to learn from common issues	2016	Complete. ED staff developed and continually refines the questionnaire used during in-person and telephone interviews with businesses that leave or close. Feedback from these firms is captured and logged in the ED Activity Log, which is analyzed to identify patterns and potential solutions.	Recommend Deletion - Task Complete
IS1.I	Identify a method to track how different ethnic groups are represented in the Hayward economy	2016	Ongoing. ED staff has not identified readily available data to track how ethnic groups are represented in the Hayward economy. Staff focuses on encouraging investment off all types that offer employment opportunities for the community and revenue generation for the City. Development of a data collection program to track this information would be resource intensive and unlikely to yield actionable information.	Ongoing Task - Recommend moving to 2018

Work Tasks		Year to be Completed	Current Status	Recommendation
Industrial Sector				
GOAL IS2: Recruit and secure new businesses in priority locations/industries that are a good fit for Hayward				
IS2.A	Establish a comprehensive attraction program for key business types	2014	Completed. In addition to the Business Concierge Program, staff worked to develop and update existing marketing materials that are being used to attract targeted industries. Targeted industries include advanced industries, which include manufacturers, bioscience, technology and specialty food and beverage producers.	Recommend replacement of this task with the following: "Expand marketing efforts to advanced industries and targeted businesses by attending conferences and tradeshow and advertising in industry media outlets."
IS2.B	Design and offer incentives to new industrial businesses for site preparation and for those that offer good paying jobs	2015	Incomplete. Pending outcomes of the Community Benefits District effort for the Downtown area, ED will seek to develop a similar industrial area improvement program or other incentive program. Additional resources will be needed if such programs are to be established.	Ongoing Task - Recommend moving to 2018. Staff will research and propose potential industrial incentive options to attract targeted businesses.
IS2.C	Develop relationships with the property owners of the opportunity sites in the industrial area	2018	Ongoing. Staff continues to engage existing and new property owners in the industrial area to identify opportunities and trends.	Ongoing Task
IS2.D	Develop a Bioscience Council	2018	Incomplete. Given the amount of resources necessary to establish and convene a working group, staff elected to partner with existing Bay Area biotechnology and life science associations such as the California Life Science Association, East Bay Bio-Manufacturing Network, and the Ohlone College Biotechnology Council, whose membership include Hayward businesses. These larger groups are better suited for attracting membership and addressing industry needs.	Recommend replacement of this task with the following: "Attend and participate regional bioscience organizations efforts to market Hayward." Additional resources may be necessary to achieve this goal.
IS2.E	Expand the Food Manufacturing Council membership	2018	Incomplete. As noted above, management of a working group takes significant resources. Staff expanded the City's partnership with the Chamber of Commerce and Alameda Small Business Development Center, which organizes and conducts training workshops and business mixers for food sector companies.	Recommend elimination of this task and addition of the following: "Expand marketing efforts to specialty food and beverage manufacturers by developing industry specific marketing collateral and attending conferences and tradeshow."
IS2.F	Expand venture capital forums and investor round tables	2018	Incomplete. Staff is collecting data on venture capital funding raised by Hayward businesses. However, given staffing resource constraints and the private nature of venture capital organizations, staff has not yet pursued engaging venture capital forums and roundtables.	Recommend elimination of this task and addition of the following task: "Track private capital investment in Hayward businesses and initiate immediate outreach to businesses that receive venture capital funding. " This contact would represent the City's proactive efforts to assist businesses that are poised to move or expand.
IS2.G	Develop marketing materials for the opportunity sites in the industrial area that can be used by brokers	2018	Ongoing. Staff continues to develop marketing brochures for the City as a whole. The next evolution of this effort will include more refined marketing materials of opportunities sites and providing input to broker developed marketing materials.	Ongoing Task
IS2.H	Identify metrics to measure private investment in Hayward	2016	Ongoing. DSD staff currently tracks investment as part of the building valuation and permit fee calculation. ED staff is currently collecting data on venture capital raised by Hayward businesses. This data is used to identify and initiate retention and expansion efforts.	Ongoing Task - Recommend moving to 2018

Work Tasks		Year to be Completed	Current Status	Recommendation
Industrial Sector				
GOAL IS3: Maintain and expand the public infrastructure that businesses need to thrive				
IS3.A	Complete an assessment of infrastructure deficiencies in the industrial area, as well as strengths that could be used for marketing, such as rail access and water supply	2015	<p>Complete. PW E&T staff conducted an assessment of both pavement and sidewalk conditions in the industrial area, and arrived at the following conclusions:</p> <ul style="list-style-type: none">• An estimated \$7 million in pavement rehabilitation projects are required to bring pavement conditions in the Industrial West area from the current pavement condition Index (PCI) of 57 to a PCI of 65. For the Industrial Parkway Mixed-Use area, another \$5.5 million will be needed to bring the PCI from its current index of 53 to a PCI of 65• Based on input from businesses in the industrial area, there was a clear need to implement a connector service that would allow for better access from this area to the Hayward BART station and the Downtown• As the industrial area was undergoing significant development during the 1950's and 1960's, transportation policies focused on constructing wider travel lanes for vehicular traffic and did not emphasize the need for developing pedestrian-related facilities (i.e. sidewalks). Therefore, there is a limited amount of sidewalk in this area of the City. However, recent policies have mandated that the construction of new roads throughout the industrial area include sidewalks or other pedestrian-friendly facilities. More sidewalks can be added to existing streets.	Recommend replacement of this task with the following: "Explore the development of place making programs in the Industrial Corridor to attract new business investment." This work, which will carry through 2018, may include identifying potential locations, types, costs and funding sources for gateway markers and public art.
IS3.B	Ensure water/sewer main capacity, especially for opportunity sites	2018	Complete. The City offers ample sewer and water main capacity to opportunity sites.	While Hayward utility connection rates are competitive with neighboring communities, these fees can be a barrier to entry for target businesses such as a restaurant, food and beverage producer or manufacturer. As a result, staff recommends replacement of this task with the following: "Explore the development of incentives or assistance programs for utility connection fees for targeted industries."
IS3.C	Explore a public/private partnership to secure broadband/fiber optic network in the industrial area	2018	Ongoing. in 2015 and 2016, ED developed a tentative public-private partnership (P3) framework with San Leandro Dark Fiber and submitted a grant to the U.S. Economic Development Administration to fund the development of a fiber loop in the industrial area. The EDA issued a notice on award the grant on September 14, 2016. In April 2016, Staff also began working with a consultant to prepare a Fiber Optic Master Plan to provide an assessment of current conditions, potential options and implementation strategies to achieve this goal.	Ongoing Task. It is anticipated that the Fiber Optic Master Plan will be complete in December 2016 and construction of the fiber optic loop will commence in 2017.

Work Tasks		Year to be Completed	Current Status	Recommendation
IS3.D	Complete the Whitesell/Cabot extension	2015	Ongoing. The project is under construction with anticipated completion of Phase 1 in the Fall of 2016. Phase 1 is comprised of local street system modification and widening of West Winton Avenue at the Intersection of Hesperian Boulevard along with minor signal phasing modifications, the widening and extension of Whitesell Drive between Depot Road and State Route 92. Phase 2 will be the reconstruction of the SR 92 Clawiter Road – Whitesell Street Interchange. The timeline of Phase 2 has yet to be determined by the Alameda County Transportation Commission.	Ongoing Task - Recommend moving to 2018
IS3.E	Create an implementation plan to address infrastructure deficiencies, especially the quality of roads	2016	Complete. The Engineering and Transportation Department has a program (Pavement Management Program) in place for managing the City's streets infrastructure and addressing deficient streets. This program contains information for all of the City's streets, such as their current pavement condition and the level of funding needed to bring each street to an acceptable condition. Program implementation relies on available funding provided each fiscal year through the City's Capital Improvement Program (CIP). A portion of available paving funds will continue to be applied towards projects in the Industrial Area. In addition to streets and roads, staff will also focus on infrastructure deficiencies associated with pedestrian and bicycle facilities, such as sidewalks, curb ramps, etc.	Recommend Deletion - Task Complete
IS3.F	Create and implement a plan to link and expand existing biking and walking trails in the industrial area	2017	Ongoing. Staff are currently in the process of updating the current Bicycle Master Plan and creating a Pedestrian Master Plan. These studies, which are currently funded through Measure B in the CIP, will commence during the summer of 2015. Staff will ensure that a focal point of each plan will be the consideration and potential development of a loop for the existing trail system, which will include the industrial area. In the interim, City staff are in the process of updating the Downtown Specific Plan. A portion of this document will contain elements of both the Bicycle and Pedestrian Master Plan, as well as identify new facilities that align with the City's policies, such as Complete Streets. Funding for this project was secured through a grant from Alameda CTC.	Ongoing Task - Recommend moving to 2018

Work Tasks		Year to be Completed	Current Status	Recommendation
Industrial Sector				
GOAL IS4: Create proactive, site-specific land use policies that clearly convey information to potential businesses				
IS4.A	Identify desired uses for the opportunity sites in the industrial area with the CEDC and ensure that current zoning allows for the desired uses	2014	Complete. Opportunity site developments are vetted through the ED Concept Review process, which enables CEDC and Council to provide informal feedback to potential applicants before acquisition or an official application is submitted.	Recommend Deletion - Task Complete
IS4.B	Confirm the City's zoning assessment with commercial brokers	2014	Underway. DSD Planning Division, in consultation with staff from ED and Fire/Hazmat, is preparing a comprehensive review and update of the Industrial Zoning District regulations. This work will include extensive engagement of commercial real estate brokers and industrial property owners.	Ongoing Task - Recommend moving to 2018
IS4.C	Update the City's Hazmat policies to address advances in the biotech industry	2015	Underway. DSD Planning Division, in consultation with staff from ED and Fire/Hazmat, is preparing a comprehensive review and update of the Industrial Zoning District regulations. This review will include a review and update of allowed uses and creation of performance standards to address advances in the biotech industry. The objective is to make permitting more predicable for new businesses.	Ongoing Task - Recommend moving to 2018
IS4.D	Develop preferential zoning areas that support the desired business types	2015	Underway. DSD Planning Division, in consultation with staff from ED and Fire/Hazmat, is preparing a comprehensive review and update of the Industrial Zoning District regulations. This update may include the addition of buffer areas between traditional industrial uses and residential; new sub-districts to encourage desired business types and commercial use overlays that will help add goods and service amenities to the Industrial District.	Ongoing Task - Recommend moving to 2018
IS4.E	Assess opportunities for recreational uses in sections of the industrial area that are near retail areas	2016	Underway. DSD Planning Division, in consultation with staff from ED and Fire/Hazmat, is preparing a comprehensive review and update of the Industrial Zoning District regulations. This update may an examination of recreational opportunities in the Industrial District.	Ongoing Task - Recommend moving to 2018

Work Tasks		Year to be Completed	Current Status	Recommendation
Industrial Sector				
GOAL IS5: Ensure a timely and predictable permit process				
IS5.A	Develop an ombudsperson program to streamline industrial business applications and permits	2014	Complete. Staff developed an Ombudsman Program and produced marketing material that is distributed to businesses during site visits.	Recommend Deletion - Task Complete
IS5.B	Optimize the permit process by utilizing online technology and other available tools	2018	Ongoing. DSD launched a new permitting and inspections module on the City's ERP System (MUNIS) in FY 2014. This system allows for permit applicants to view the current status of their permit applications in real time, including reviewing plan check comments from various departments as soon as they are completed. This system also has the capability of allowing permits to be applied for online, but that feature is not currently active. Staff is developing a phased implementation program to allow for online permit application and plan submittal, and electronic plan checking.	Ongoing Task
IS5.C	Expand the permit performance measures to include other departments that are involved in permitting and inspections	2016	Ongoing. Staff continues to develop improvements to the internal process and performance evaluation of the permitting and inspection process.	Ongoing Task - Recommend moving to 2018
IS5.D	Streamline the bioscience permitting	2016	Underway. DSD Planning Division, in consultation with staff from ED and Fire/Hazmat, is preparing a comprehensive review and update of the Industrial Zoning District regulations. This review will include a review and update of allowed uses and creation of performance standards to address advances in the biotech industry. The objective is to make permitting more predicable for new businesses.	Ongoing Task - Recommend moving to 2018

Work Tasks		Year to be Completed	Current Status	Recommendation
Industrial Sector				
GOAL IS6: Improve Hayward's education-to-job bridge through an active community partnership				
IS6.A	Encourage and support HUSD efforts to develop a mentoring/ internship/ skill-development program for students that are interested in specific careers	2018	Ongoing. ED staff regularly supports and collaborates with HUSD, the Chamber of Commerce's Work Based Learning Program, and Cal State East Bay STEM Institute efforts to develop career pathways for Hayward students. This work includes sponsoring Hayward Manufacturing Day in 2014 and STEM Career Awareness Events in 2016.	Ongoing Task
IS6.B	Explore business sponsorships and employee volunteer programs to grow the City's existing afterschool programs	2018	Ongoing. Staff is focused on supporting the development of a connected and active business community. As better relationships are forged and corporate champions are identified programs such as business sponsorships and volunteer programs, will be more feasible.	Ongoing Task
IS6.C	Complete an inventory of desired skills from Hayward industrial businesses	2018	Ongoing. Through business visitations and working through our workforce partners at the Alameda County Workforce Board, East Bay Career Pathway Consortium (via the Hayward Chamber of Commerce Workforce Development Program), and the CSU East Bay STEM Institute, information regarding the skillsets required by industrial employers is widely available. These skills directed tied to STEM education. As a result, ED staff actively sponsors and supports Hayward STEM initiatives. This includes the Hayward 3D Challenge where the City partnered with the Chamber of Commerce, HSUSD to provide a work-based learning project using 3D printing equipment and software.	Ongoing Task
IS6.D	Create an annual award to recognize businesses that support schools	2015	Ongoing. Staff is focused on supporting the development of a connected and active business community. As better relationships are forged and corporate champions are identified programs, such as business awards for school adoptions will be more feasible.	Ongoing Task - Recommend moving to 2018
IS6.E	Facilitate an adopt-a-classroom and employee volunteer program in partnership with HUSD, starting with the Promise Neighborhood middle and high schools	2018	Ongoing. Staff is focused on supporting the development of a connected and active business community. As better relationships are forged and corporate champions are identified programs, such as business adoption of classrooms, will be more feasible.	Ongoing Task

Work Tasks		Year to be Completed	Current Status	Recommendation
IS6.F	Facilitate school tours of industrial businesses	2018	Ongoing. The City provided support and resources to facilitate school tours of advanced industries in Hayward through to major events: East Bay Manufacturing Day in November 2015 and CSU East Bay's STEM Career Day in April 2016. ED staff plans to support additional events as opportunities arise. A National Manufacturing Day event is being planned by the Hayward Chamber of Commerce in November 2016. This event will enable Hayward students to tour advanced industries.	Ongoing Task
IS6.G	Design and launch an annual Career Day at Chabot and Cal State that highlights the skills needed to work in Hayward industries	2016	Complete. The City provides staff support and resources to facilitate career related events, such as East Bay Manufacturing Day and CSU East Bay's STEM Career Day. ED staff plans to continue supporting these events as opportunities arise.	Recommend Deletion - Task Complete
IS6.H	Partner with the Chamber to incorporate a job fair element at the annual Business Expo	2018	Incomplete.	Ongoing Task
IS6.I	Identify metrics that connect academic achievement to employment, such as job placement after graduation	2016	Incomplete. Staff will work with HUSD and CSU East Bay as they are the appropriate partners to track and report this data.	Ongoing Task - Recommend moving to 2018
IS6.J	Research and develop a local hire program to encourage and support businesses to hire Hayward residents	2017	Incomplete. Staffing resources are not yet available to sustain the research and development of a Local Hire program. Staff has focused on leveraging partnerships with local workforce development efforts led by HUSD, CSU East Bay STEM Institute and Chabot Community College. These efforts emphasize providing students with the skill sets need to compete for local jobs in advanced industries.	Recommend elimination of this task and placement of additional resources to complete Work Task IS6.A, which focuses on encouraging businesses to partner with schools for job training and internship programs.



CITY OF HAYWARD

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Attached is a copy of Future Agenda Items for the Council Economic Development Committee



**Council Economic Development Committee
Future Meeting Topics as of Oct. 3, 2016**

RESPONSIBLE STAFF	FUTURE MEETING AGENDA ITEMS
Development Services	Quarterly update from Development Services
Economic Development	Report back on PopUp Program
Economic Development	Presentation from Southland Mall reps on the new theater and updates
Economic Development	Provide more statistical data and analysis of existing retail (Spring 2016)
Economic Development	Report on the changing demand for retail
Economic Development	Update on the Community Benefits District process
Economic Development	Improve marketing of City events to local businesses to keep workers in town
Economic Development	Discuss effectiveness of concept meetings with Council (Spring 2016)
Economic Development	Report on impact of minimum wage increase in Alameda County (When data is available)
Economic Development	Additional major retailer comparison data from MuniServices
Economic Development	Report back on the impact of additional housing on property and sales tax revenues
Economic Development	Report back on workforce development activities