

# **CITY OF HAYWARD**

Hayward City Hall  
777 B Street  
Hayward, CA 94541  
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**HAYWARD**  
HEART OF THE BAY

## **Agenda**

**Monday, June 4, 2018**

**4:00 PM**

**City Hall, Conference Room 4A**

**Council Economic Development Committee**

**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 18-080](#) Approval of Minutes of the Council Economic Development Committee Regular Meeting May 7, 2018.

**Attachments:** [Attachment I Draft Minutes from May 7, 2018](#)

**REPORTS/ACTION ITEMS**

2. [RPT 18-104](#) Retail Corridor Study - Mid-Point Project Update

**Attachments:** [Attachment I Staff Report](#)  
[Attachment II Mid-Point Project Update](#)

**FUTURE AGENDA ITEMS**

3. [RPT 18-106](#) Approval of Future Meeting Topics as of June 4, 2018

**Attachments:** [Attachment I Future Meeting Topics as of June 4, 2018](#)

**COMMITTEE MEMBER/STAFF ANNOUNCEMENTS AND REFERRALS**

**ADJOURNMENT**



# CITY OF HAYWARD

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**File #:** MIN 18-080

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**DATE:** June 4, 2018

**TO:** Council Economic Development Committee

**FROM:** Economic Development Manager

**SUBJECT**

Approval of Minutes of the Council Economic Development Committee Regular Meeting May 7, 2018.

**RECOMMENDATION**

That members review and approve draft minutes.

**ATTACHMENTS**

Attachment I          Draft Minutes from May 7, 2018



## COUNCIL ECONOMIC DEVELOPMENT COMMITTEE

MEETING MINUTES – May 7, 2018

CALL TO ORDER: Mayor Halliday called the meeting to order at 4:01 p.m.

### ATTENDANCE:

Committee Member	Present 5/7/18	All Meetings Year to Date		Meetings Mandated By Resolution	
		Present	Absent	Present	Absent
Michael Ly	✓	4	2	4	2
Didacus-Jeff Joseph Ramos	✓	5	1	5	1
Mayor Halliday (Chair)	✓	6	0	6	0
Council Member Márquez	✓	6	0	6	0
Council Member Mendall	✓	6	0	6	0

### OTHERS IN ATTENDANCE:

Kelly McAdoo, City Manager; Stacey Bristow, Interim Director of Development Services; Micah Hinkle, Economic Development Manager; Ramona Thomas, Economic Development Specialist; Chuck Finnie, Communications & Marketing Manager; Suzanne Philis, Senior Secretary; from Tarlton: President & CEO John Tarlton, COO Ron Krietemeyer, and VP of Operations Elizabeth Krietemeyer; Debbie Leong, Cross Point Academy; Susan Ojeda-Cobos and Diane Laine, Hayward Chamber of Commerce; Hassan Fallah, Marriott Hotels; Paul Hodges, HARD; and Julia Lang, Downtown Streets Team

### PUBLIC COMMENTS

None

### 1. APPROVAL OF MINUTES OF REGULAR MEETING APRIL 2, 2018

A motion to approve minutes was made by Member Ramos with a second by Council Member Márquez. Minutes from the April 2, 2018 Regular Meeting were approved.

## 2. PRELIMINARY CONCEPT REVIEW – 25800 CLAWITER ROAD (FORMER GILLIG SITE)

Economic Development Manager Hinkle introduced the item explaining that five months after joining the City of Hayward as the Economic Development Manager, he was told Gillig (bus manufacturing) was relocating to Livermore. Gillig, he said, was Hayward's largest employer and sales tax generator, and one of the City's oldest companies. Almost immediately a strategy was developed to position one of the best and biggest catalyst sites in the City, he said, with the goal to exceed the number of jobs and the investment to the community left behind by Gillig. Manager Hinkle said all the hard work had paid off with the following proposal from Tarlton. He introduced Board of Directors President and Chief Executive Officer John Tarlton, and Chief Operating Officer Ron Krietemeyer, who gave the presentation.

Mr. Tarlton explained that they were there because they won an extraordinarily competitive bidding process for the site. He said the project they were proposing was very different from their competitors' and he hoped CEDC members would see their project as an opportunity to revision that area of Hayward and build on the success of existing life science businesses with a first-class life science innovation center similar to their cornerstone property in Menlo Park.

Mr. Tarlton also noted that his father started Tarlton Properties in 1980 after he was asked to step aside as the real estate development arm of Mervyns because the owner's son had come of age and was ready to work. Since then, he said, Tarlton had developed over four and a half million square feet of building space in the Bay area and currently owned a million and a half. For the past 30 years, he said, their Menlo Park life science portfolio has had three of the top 25 sales tax generators for the city, and for much of that time, the number one sales tax generator.

Mr. Krietemeyer provided information on past and present projects including Green initiatives, alternative transportation options and charging stations, and general amenities. He then introduced the Clawiter project noting the site was 26 acres comprised of six parcels that included a rail spur to Dupont. The project would have two phases, he said, totaling approximately one million square feet of building space. Phase I would have three buildings totaling between 470-530,000 square feet on eight and half acres south of the rail spur. Mr. Krietemeyer noted plans were still conceptual, but they anticipated constructing four, possibly five-story buildings 70-90 feet tall with each floor approximately 17 feet high. Phase I would include a reutilization of the Gillig facility to provide income (pro forma) during entitlement and construction. Currently, 23 percent of the site was open space and landscaping, but he said they were working to increase that to 25-30 percent.

Phase II would demolish the Gillig facility and replace it with three more four- to five-story structures along with structured parking for 2,000 cars on 17.5 acres, he continued. The two phases would be connected with green belts and landscape buffers, Mr. Krietemeyer said, and most likely they would reactivate Seal Street to create another point of access. Phase II would add another approximately 500,000 square feet of building space. For life science uses, Mr. Krietemeyer anticipated two employees per 1,000 square feet or approximately 800-1,000 employees per phase. Building tenants would include bio pharmaceuticals, medical device companies, or diagnostics companies, he said.

Regarding the proposed incubator, Mr. Krietemeyer said it would serve a well-spring of products. At their Menlo Park campus, the incubator was 75,000 square feet and was occupied by about 50 companies. He commented that the life cycle of life science companies was long because various

approvals got tied to the site and companies used the campus as their main address while they built out their portfolio. Mr. Krietemeyer concluded the presentation by noting tenants at the Menlo Park campus had made more than \$250 million in sales that generated tax revenue for the City of Menlo Park.

Looking at the proposed site plan, Council Member Mendall confirmed the location of the parking structure. He then asked for more information about the estimated 10-year timespan between the buildout of the two phases. Mr. Tarlton said that the incubator would be set up rather quickly in Phase I with approximately 20 businesses, mostly coming from local universities, occupying the space. He said it would take about a year to completely tenant the space. Mr. Tarlton explained they needed to reutilize the Gillig facility to satisfy lenders; they needed the income while Phase I was constructed. He said they would need to lease the facility for an industrial use for at least five years. After that term expired, he said the tear down and build out of Phase II would take about two and half years, therefore they were estimating seven to eight years between phases.

Council Member Mendall said he loved the proposal and that it was exactly what he wanted. He was fine with the proposed height and said they could go even taller. Mr. Tarlton said height was somewhat limited by the soil and they were trying to access samples from the seller. Council Member Mendall said they should not be worried about getting his approval for this project.

Council Member Mendall said this project should look great, set a higher standard, be visible and eye-catching, and make people say “Wow” when they saw it. Although he wished it could be faster, he said the timing of the phases was acceptable.

Member Ly asked when Phase I construction would start. Mr. Tarlton asked Manager Hinkle how fast he could receive his approvals. Interim Development Services Director Bristow said there were a lot of expedited opportunities. Mr. Tarlton said they did everything fast. Mr. Krietemeyer said entitlements aside, it would take 16-18 months to get the building shells off the ground. He explained that they do everything at-risk and construction would parallel escrow; any delays would not come from them.

Member Ly confirmed the estimated number of employees for Phase I (800-1,200) and asked where they would be coming from and how many employees working in Menlo Park also lived there. Mr. Tarlton said at the Menlo Park campus the mix was about a third each for the north, south and east bay. Mr. Tarlton said the mix would probably be the same at the Hayward campus but then would shift and become increasingly more local as new housing options became available.

Mr. Krietemeyer said they liked the site because of its proximity to UC San Francisco, UC Berkeley and Stanford, which were the three largest intellectual property generation engines in the Bay area. He also noted other life science companies already in Hayward were the start of a competitive ecosystem.

Member Ly asked how many companies would occupy the space when fully built out. Mr. Tarlton estimated 40 businesses in the incubator and an additional 40 businesses in the park. Mr. Krietemeyer said it could also be just one business noting there were companies looking for the equivalent space of Phase I. Mr. Tarlton said it is their pattern to build a core, and this would be their East bay core, and purchase additional properties around it to grow the portfolio over time.

Council Member Márquez said it was a very impressive presentation and thanked them for being there. Regarding the type of people who would be hired to work at the center, she asked the level of education most employees would have and if there would be any opportunity for someone with only a high school education or an Associate degree.

Mr. Krietemeyer said it would depend on the company doing the hiring and noted in Menlo Park they now had a fairly broad array of educational backgrounds. He noted that the smaller the company footprint the more likely the workers would have advanced degrees while they flushed out their product line. Once a business had a product and grown their footprint, he said, then demand broadened to include employees from a variety of socioeconomic backgrounds. In his experience, Mr. Krietemeyer said, about 10 percent of employees had lower than advanced degrees.

Council Member Márquez asked Tarlton's philosophy toward working with the building trades related to construction. Mr. Tarlton said they honored labor and although not all workers were union, most were. Mr. Krietemeyer said 80 to 90 percent of workers would be union (throughout both phases) with a few odd trades that weren't. Mr. Tarlton noted they had a good relationship with the mechanical trade unions because of the quality of work required for life science. Mr. Krietemeyer said the turnover of non-union trade workers was low so they must be paid well.

Council Member Márquez asked if the entrance to Phase I would be facing Highway 92. Mr. Tarlton said no and indicated they would be putting in a new street leading to the center of the park to improve access. Council Member Márquez emphasized that lighting would be key especially for employees working late.

Member Ramos asked if energy production for the center would mostly be solar. Mr. Tarlton said because of the energy demands of life sciences, coupled with venting and rooftop equipment, they hadn't been successful in incorporating photovoltaic (PV) solar into their projects. Member Ramos asked about solar glass. Mr. Tarlton said solar glass wasn't totally clear, it had a film, and there just wasn't enough room on the roof to utilize it. He said they could only generate five percent of the energy demand using rooftop PV.

Member Ramos said he would like to see synergy between the businesses and local schools to give residents better employment opportunities. Mr. Krietemeyer said they would work with tenants to create opportunities and incentivize the creation of programs that engaged local STEM students. Mr. Tarlton noted they had had the best success engaging high school students and getting them excited about taking life science courses in college.

Member Ramos asked if there would be eateries on site. Mr. Tarlton said yes and a conference center and a gym. Member Ramos asked if those amenities would be open to the public and Mr. Tarlton said the eateries would be open to the public as long as the Planning Department allowed the use.

Mayor Halliday said she had been on the job only a week when Gillig called to say they were moving to Livermore. She said she was also happy to have reached this moment with a very exciting prospect in front of them that would enhance the entire area.

Mayor Halliday agreed the buildings should not front to Highway 92, but they should be interesting compared to what drivers see now. Council Member Mendall encouraged them to use a lot of glass. Mr. Tarlton said the buildings would make a 92-facing statement that this was where life science was happening.

Mayor Halliday said she met with Tarlton representatives the previous week to discuss the project including the rail spur. Mr. Tarlton explained the holder of the rail spur easement did not want to give it up. When the Mayor asked if that was a problem, he said he would love to have it disappear so they could unify the campus, but in the meantime, they were working around it. Mayor Halliday said she thought Dupont was being swallowed up by Dow, and Mr. Tarlton said there was something at the site that was making a fair amount of revenue.

Mayor Halliday said the City's Fire Chief and Department was extremely concerned about safety, but she was happy to report to them that Tarlton was too. The Mayor said that during their meeting she also emphasized Green initiatives and community benefits including relationships with local schools and that she thought Tarlton would make great partners.

Mayor Halliday said Tarlton had heard a lot of excitement from the Committee which included three of the seven Council Members. She asked if they were going to Council for an early review and Mr. Tarlton said yes.

Council Member Mendall said he couldn't imagine anyone on the Council being opposed to the project and Mayor Halliday agreed.

City Manager McAdoo said they could discuss how preliminary concept review could parallel entitlement applications.

Mr. Tarlton said today's feedback from the Committee was incredibly valuable in assuaging investors' fears, who come from afar, and were already worried about California's Environmental Quality Act. To be able to go back to them, Mr. Tarlton said, and tell them how fantastically the proposal was received with all green lights was important.

He thanked Mayor Halliday for her comments and for reminding him to mention that the reason why he trusted Ron (Mr. Krietemeyer) with safety was because the United States Navy had trusted him with nuclear submarines. Mr. Krietemeyer assured the Committee that they do take safety seriously and would expect tenants to do so, too.

Mayor Halliday thanked Mr. Tarlton and Mr. Krietemeyer and said she looked forward to seeing them in the future.

### 3. BUSINESS ENGAGEMENT PROGRAM STRATEGY

Economic Development Specialist Thomas introduced the item noting the Business Engagement Program was the pro-active branch of the Business Concierge Program by focusing on retention and business growth assistance. She explained that staff worked to get in front of businesses to introduce themselves, build relationships, gain an understanding of needs and concerns, and then provide assistance and access to resources.



During the presentation, Specialist Thomas reviewed the four-step engagement process that concluded with Engagement Success. She introduced Julia Lang, Project Manager for the Hayward Downtown Streets Team (ending homelessness by restoring the dignity and rebuilding the lives of unhoused men and women), who described the assistance she received in successfully placing one of her team members with Mission Foods and connecting to Sugar Bowl Bakery. Ms. Lang thanked the City for their assistance and said she was grateful for their partnership.

Specialist Thomas said she had also worked with the Hayward Adult School to create a successful partnership with Casa Sanchez and between Hayward Unified School District and Sugar Bowl Bakery. She noted that workforce development continued to be a common need among businesses.

Moving forward, Specialist Thomas said program goals included increasing annual engagements to 50 businesses, assisting 20 existing businesses, attracting 25 new businesses, and creating new initiatives like letters of welcome to new businesses, online surveys to gauge business satisfaction, and generation of a mission statement for Economic Development.

Council Member Márquez said it was good work connecting students to local businesses.

Member Ly suggested the survey include a question about the biggest challenges businesses faced (noting his continued to be finding employees), and then relay the results to Council or City staff for possible solutions or mitigation.

Council Member Mendall said he was not impressed by the proposed Program and had heard the exact same presentation from the previous economic development team. He said the City had been doing this for years, Council had expressed dissatisfaction and asked for a change. He said he expected more and was disappointed.

Mayor Halliday asked him what he would like to see and Council Member Mendall said he wasn't sure, but this wasn't it. He said the City had seen success on the Industrial side of business assistance and attraction with programs that were different and new and effective. He said he didn't have hope that the proposed Program would be effective in moving the needle.

Member Ramos said he was an Economic Development Specialist and the proposed program was what he did 10 years ago. He said although it wasn't new, the Program was the lackluster, but necessary, part of the job. He asked if the Industrial Specialist was going to be replaced and noted that even with three people, Hayward was a large area to cover. Member Ramos said the key word from the presentation was "pro-active," and it would be commendable if staff could outreach businesses before they came to the City with a complaint.

Member Ramos said contracting with the County to provide workshops and online trainings was not enough. He said Hayward residents should be in a better position to get local jobs and to do that the City needed to have relationships with businesses.

Member Ramos said he wasn't disappointed that staff was doing the same thing as five years ago; he was disappointed that the level of success was still low. He said 25 or 50 engagements was not enough when there were over 10,000 businesses in Hayward, but that was a personnel issue more than anything. Member Ramos said in his opinion, Economic Development was one of the most important, if not the most important, departments in the City.

City Manager McAdoo noted staffing was expensive and by doing things differently, maybe by utilizing technology, staff could increase the number of touchpoints. She said the incentive programs Specialist Thomas mentioned in her presentation were another way to increase outreach.

Member Ramos said businesses needed a point of contact at the City and asked who Specialist Thomas was taking to the outreach meetings. She explained that at the initial meeting she would determine who was the most appropriate to bring in. She said sometimes it was the entire ED Team or an Executive Team member, but most often the explicit need was workforce so that's why she brought in representatives from the County Workforce Development Board.

Member Ramos suggested a series of forums to get in front of more businesses at one time. Specialist Thomas pointed out that the recent Business Appreciation Event brought over 70 businesses together, and events like ribbons cutting and partnerships with the Hayward Chamber of Commerce also provided opportunities for businesses and City staff to meet with owners. On a day-to-day basis, she said, contact was also made when customers called staff, referrals came from other departments, and businesses used Access Hayward. She noted the Engagement Program was how the City outreached targeted businesses including the Top 100 sales tax generators.

Member Ramos asked if other cities were doing something else that Hayward could emulate. Manager Hinkle said the City of Fremont was a good example.

Manager Hinkle said the biggest difference between the success of business visitation programs was knowing what to do with the results of the visit. Maybe it wasn't presented well in the report, Manager Hinkle said, but the cornerstone of business retention was meeting with companies to create relationships, discover upcoming challenges and generate trend analysis so results could be addressed with future programs.

Council Member Márquez said it was extremely valuable to have the face-to-face interactions and pro-active contact because people typically only reached out when they were upset. She said the presentation was good, but besides workforce development, what were the top two or three issues the City could plan for and the Council could respond to with policies. Specialist Thomas said a recap was prepared for each outreach, calls were tracked and an overview of the meeting saved so that information could be provided.

Member Ly commented that the City of Hayward had always been supportive of his business. Mayor Halliday asked who reached out when he was having employee parking problems. Member Ly said he reached out to Economic Development Manager Hinkle and the City's response had been fast.

Member Ly said his biggest challenges now were workforce development and wages and he thought those were caused by the housing crisis. He asked what the realistic expectation was of the Economic Development Committee to solve these issues. He suggested surveying employees of Hayward businesses and present the results to Council. He said he brought in automation to supplement his workforce, but would still need more employees as his business continued to grow. Member Ly said the United States had improved the workforce by having a great immigration policy. He suggested mayors advocate immigration policies to the state to avoid gentrification and a Bay area consisting of only high-tech, high pay workers.

Mayor Halliday said she participated in the Business Visitation Program and the proposed Program sounded a bit like that. She emphasized the need to prioritize the businesses that had already engaged the City over new outreach efforts. She said events like the Business Appreciation Event brought together business representatives who had already received assistance and were happy with the City, but also created a place to build community both with each other and the City. Mayor Halliday said those relationships should be strengthened first.

Mayor Halliday said she was tired of surveys and just ignored them. She pointed out that businesses that weren't responsive to outreach efforts probably didn't need any assistance. She suggested concentrating on marketing pieces that let businesses know about services available and training all City staff to share information when contact with a business had been made and tracking the reason for the visit to identify patterns.

Mayor Halliday said the Program seemed overly bureaucratic and instead of setting goals of a specific number of visits, instead do as many visits as possible while maintaining other job duties and building on any positive momentum already generated.

Mayor Halliday commented that several of the survey questions seemed intrusive and she recommended asking if there was anything the City could do to help them instead. She did like that a record of the visit was kept for future reference and background information.

City Manager McAdoo said feedback was good and staff would continue to think about how they could do things differently and take advantage of trend analysis opportunities.

Mayor Halliday said just don't send a survey asking business owners to rate the visit.

#### 4. FUTURE MEETING TOPICS AS OF MAY 7, 2018

Mayor Halliday asked what was slated for June and Manager Hinkle said the agenda was still in development. Council Member Mendall recommended another project similar to Tarlton.

#### COMMITTEE MEMBER ANNOUNCEMENTS AND REFERRALS

Mayor Halliday said the Cinco de Mayo event was a great success with an even higher turnout than the Downtown Street Parties with participants streaming in all day including from out of town. She also noticed that people were going into local businesses to buy food and make purchases. She asked if there had been any problems reported and City Manager McAdoo said no.

Council Member Márquez thanked City staff for their assistance with the event and Member Ly for his business sponsorship. She said she had not heard one negative comment about the event, that everyone loved the music, vibe, and family fun, and she recommended they prep for an even bigger turnout the next year.

Member Ramos said having the event on B Street rather than just City Hall Plaza, was a thrill. People enjoyed the number and quality of cars, he said, and having a good, happy, safe time. He said having music at the crossroad of B and Main Streets was fantastic.

Council Member Márquez noted the proceeds from the event would benefit the Commemorative Room at the new library. She said the goal was \$75,000 but she didn't know how much was raised. She said scholarships were also given to local youth.

ADJOURNMENT: The meeting was adjourned at 5:58 p.m.



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**File #:** RPT 18-104

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**DATE:** June 4, 2018

**TO:** Council Economic Development Committee

**FROM:** Economic Development Manager

**SUBJECT**

Retail Corridor Study - Mid-Point Project Update

That the Council Economic Development Committee (CEDC) accepts the project update.

**SUMMARY**

This staff report presents preliminary findings from the three retail corridors in Hayward, which include Mission, Tennyson, and the Industrial retail corridors. Attachment II is MJB Consulting Consultant's mid-point status report which includes market area, demographics, and initial retail market impressions of these three retail corridors.

**ATTACHMENTS**

Attachment I	Staff Report
Attachment II	Mid-Point Project Update



DATE: June 6, 2018

TO: Council Economic Development Committee

FROM: Economic Development Manager

SUBJECT: Retail Corridor Study – Mid-Point Project Update

#### RECOMMENDATION

That the Council Economic Development Committee (CEDC) accepts the project update.

#### SUMMARY

This staff report presents preliminary findings from the three retail corridors in Hayward, which include Mission, Tennyson, and the Industrial retail corridors. Attachment II is MJB Consulting Consultant's mid-point status report which includes market area, demographics, and initial retail market impressions of these three retail corridors.

#### BACKGROUND

On November 7, 2017, the City contracted with MJB Consulting to complete a retail strategy for three retail corridors in Hayward. Multiple tasks are associated with the contract agreement which include potential new retail sites, identification of unmet retail needs, creation of consumer profiles (psychographic data), and assisting in identifying where retail should be targeted along commercial corridors.

The project kicked off in December 2017 and the mid-point memo outlining preliminary consultant findings is attached (Attachment II).

#### DISCUSSION

The retail consultant was engaged to assist in targeted Economic Development work tasks from the Economic Development Strategic Plan which include:

- SR2.A – Establish a comprehensive retail attraction program for desired retailers
- SR2.D – Update psychographic data
- SR4.A – Identify desired uses for the catalyst sites with the CEDC and ensure that current zoning allows for the desired uses.

In addition, with the catalyst level development occurring in Hayward, additional retail opportunity sites will need to be identified and potentially re-zoned to allow or protect retail/commercial uses. The project scope is intended to assist the CEDC and Council with potential policy related questions related to retail/commercial development sites.

## STRATEGIC INITIATIVES

This agenda item supports the Complete Communities Strategic Initiative. The purpose of the Complete Communities Strategic Initiative is to create and support structured services and amenities to provide inclusive and equitable access for all with the goal of becoming a thriving and promising place to live, work and play. This item supports the following goal and objective:

Goal 1: Improve quality of life for residents, business owners, and community members in all Hayward neighborhoods.

Objective 2: Foster a sense of place and support neighborhood pride.

## ECONOMIC IMPACT

There are no identified economic impacts associated with the consultant study. This study is an informational item to help inform City staff and the City Council of the potential for retail/commercial development within commercial corridors in Hayward. This information is a snapshot of current retail trends and market analysis for an evolving retail industry. With the protection or enhancement of retail sites within Hayward, the City could provide needed goods and services to the Hayward community and use the information obtained from the retail analysis and strategy to assist in review of development proposals within the identified commercial corridors.

## FISCAL IMPACT

The consultant services agreement is for \$44,000 and is within the approved FY2017-2018 budget for the Economic Development Division.

Recommended by: Micah Hinkle, Economic Development Manager

Approved by:



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Kelly McAdoo, City Manager



**A Retail Real Estate Consulting Firm**

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Memorandum

To: Micah Hinkle and Sally Porfido, City of Hayward  
From: Mike Berne, MJB Consulting  
Re: Midpoint Deliverable – Retail Growth Strategy  
Date: May 23, 2018

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In late 2017, the City of Hayward's Economic Development Division retained Berkeley, CA-based MJB Consulting (MJB) to devise a retail growth strategy for three separate commercial corridors in Hayward (see map below): 1) Mission Boulevard, from Downtown to the Union City border; 2) Industrial Parkway SW / Whipple Road, in the vicinity of I-880; and 3) Tennyson Road, from I-880 to Mission Boulevard.

Specifically, MJB was charged with identifying parcels and stretches along these corridors that remain viable for retail or mixed-use development, so as to inform zoning and land use policy. MJB was also asked to gather data and fashion arguments that could be used to more effectively frame and sell such opportunities to prospective tenants and the leasing community in general.

The first phase of MJB's scope-of-work consisted of extensive field work and data gathering. Specifically, it included the following, for each of the three corridors:



- \* Guided and self-guided driving tours
- \* Evaluation of current retail mixes and development sites
- \* Assessment of existing competition in adjacent communities
- \* Retrieval and review of reports on resident demographics
- \* Gathering of available information on other demand sources
- \* Calculation and analysis of sales-leakage data

The purpose of the midpoint deliverable is merely to summarize our findings from this initial phase. For each of the corridors, we will first describe how we defined the trade area, then profile its residential population as well as other relevant submarkets, and finally, offer some preliminary guidance on the kinds of retailers that could realistically be enticed to locate there.

This is not, however, the final report, which is scheduled for a future presentation and will include both the content in this memorandum as well as the following: 1) identification of specific sites and nodes that are viable for retail, and if so, for what kind and in what physical form; and 2) strategies for raising the profile and changing the perceptions of the individual corridors within the tenant and leasing communities.

Finally, as we realize that some in our audience might have had limited exposure to and experience with the retail industry in the past, we have started this memorandum with a “Definitions and Concepts” section (#1) before proceeding to our discussions of the three individual corridors (#2, #3 and #4), and we have also added a glossary of terms in the Appendix.

## I. Definitions and Concepts

“Retail” for the purposes of this assignment, shall be understood to encompass commercial tenants that welcome customers on a walk-in basis. This includes, then, traditional shops and services as well as cafes, restaurants and for-profit entertainment venues.

A “trade area” refers to the geographic area from which the overwhelming majority (say, 70%) of a given corridor’s customers are drawn. Importantly, its borders are defined by shopping habits, not political jurisdictions. As a result, a trade area can range across several municipalities.

A trade area provides geographic definition to a given corridor’s “draw,” that is, the distances from and the purposes for which it is able attract customers. Roughly speaking, a draw can be either local, catering primarily to the daily or weekly needs of nearby residents (e.g. grocery, drug, etc.) or regional, pulling from further afield as a destination (e.g. fashion, entertainment, etc.).

For most market analysts and many retailers, a trade area typically takes the form of a circle with a given radius from a central location (e.g. a three-mile radius), or a polygon

with the edges corresponding to a particular “drive time” in any direction from that location (e.g. a five-minute drive).

We at MJB Consulting feel, however, that such approaches are insufficiently nuanced, and so we demarcate the borders of our trade areas on the basis of a constellation of factors, including visibility and access, physical and psychological barriers, anchor retailers and uses as well as the location and draw of nearby competitors.

Once the borders of a trade area have been established, a series of reports can be ordered from a national data-mining outfit like ESRI, providing demographic and spending data on the residents living therein. This population can also be segmented by “psychographics,” that is, by qualitative characteristics like lifestyles, sensibilities and aspirations (as opposed to quantitative ones such as age and income).

Such reports also include data on “sales leakage.” This refers to the difference between the expenditures of trade area residents in particular retail categories, versus the sales of trade area merchants in those same categories. If the former exceeds the latter, sales (and sales-tax revenue) are said to have “leaked” beyond the trade area – and could conceivably be “recaptured.” If the reverse, the trade area is “importing” sales from and effectively acting as a destination for consumers who live beyond it.

It is important to keep in mind that all of this information refers to residents who live within the boundaries of the given trade area, and does not account for the demographics, psychographics or expenditures of other consumers who might spend money there but who reside elsewhere, like, for example, workers or students who commute in.

Furthermore, sales-leakage data only provides a starting point for assessing retail potential, and must be interpreted in light of other variables. The ability of a trade area to attract new operators and “recapture” leaked sales in a particular category depends also on the overall trajectory of that category as well as the existing locations and site preferences of its market leaders.

For example, certain categories, like office supplies, might be in the process of contraction and/or transition, with neither large chains nor small-scale entrepreneurs looking to open new locations even in submarkets with apparent leakage. In others, such as books, there has been a marked increase in independently-owned stores even as the well-known brands have remained more cautious.

As we proceed, however, to the task of assessing the tenanting potential of specific corridors and sites, we will be focusing primarily on their appeal to the large national and regional chains (“market leaders”) since they are the ones with the kind of creditworthiness that can help to underwrite the costs of redevelopment, as well as the capital to afford the higher rents typically associated with new or renovated space.

In most cases, these tenants already operate locations in the East Bay and will be evaluating Hayward’s opportunities with an eye towards tapping underserved submarkets as well as

avoiding cannibalization of existing stores. They will also insist on sites and spaces that meet their specific requirements with regards to size and configuration, parking, visibility, access, etc.

In addition, retailers in certain categories concern themselves with the existing “co-tenancy,” that is, the other retailers that sit in close proximity, as the cross-traffic and visibility generated by such neighbors leads to additional sales beyond what would have been possible in a stand-alone location. Clothing stores, for instance, want to be near other fashion-oriented businesses that attract a similar customer.

In these cases, retailers seek locations that have achieved “critical mass” in their respective categories, that is, they want to be where consumers already gravitate in large numbers to buy the kinds of goods that they sell. The fast-food purveyor, for example, yearns for a spot in the mall food court, where it would have visibility to all of the shoppers who are looking for something to eat.

All of this means that even if a given trade area is leaking sales in a particular category, it still might not be able to land a retailer in that category, because the large chains capable of catalyzing redevelopment believe that their existing stores already cover the submarket or that other nearby locations would more closely align with what they need in terms of real estate, co-tenancy, etc.

In other words, such decisions are not always straightforward nor do they take place in a vacuum. Rather, they are both multi-determined and contextual. For example, a given location might meet the population and income thresholds required by a specific retailer, but if another site offers the potential of drawing from on an even larger and/or more affluent trade area, then it will likely be the one that attracts that tenant.

In devising the tenanting strategies that follow for each of the corridors, we have considered all of these variables, running the market-leading retailers through a proprietary filtering process designed to pinpoint the ones most likely to consider the opportunity. Owing to space constraints, we have not detailed our thinking here, but we will be discussing the nuances of site location more fully in the final report.

One final qualification, though: our assessment of tenanting potential necessarily rests on existing conditions, both in the retail industry, within particular categories and for specific retailers. The one certainty going forward is that these conditions will change: indeed, they are likely to do so well within the time horizon of this planning exercise. References to individual brands, then, become less meaningful beyond the near term.

That said, while this midpoint deliverable is largely focused on capturing and explaining current market dynamics, the final report will also be looking more intently inside the proverbial “crystal ball,” offering guidance on how these corridors might evolve in the longer run and proposing recommendations for how the City should plan and prepare for the different directions that they could take.

## II. Mission Boulevard

### a. Trade Area Boundaries

Mission Boulevard is a major north-south arterial road traversing multiple communities along the inner East Bay, effectively starting at Lake Merritt in Oakland (as International Boulevard) and continuing south to Warm Springs in Fremont. The relevant stretch for the purposes of this study, from Downtown Hayward south to the Union City border, boasts high traffic counts ranging from 26,000 to 43,000 cars per day.

This stretch lacks, however, the sort of freeway access needed for a regional draw, and as a result, the retail mix, tends to be more localized in its appeal. Except maybe for Kmart and Eco Thrift, its anchor stores – Food Source, Chavez Supermarket, Dollar Tree, etc. – are probably not pulling from much beyond the neighborhoods immediately abutting its length.

The trade area boundaries for Mission Boulevard, then – corresponding to the polygon in the image below – speak to the locally-oriented, grocery-anchored competitors that currently exist in Downtown Hayward (to the northeast), along Jackson Street / SR 92 (to the northwest), on Hesperian Boulevard (to the west), at Union Landing (to the southwest) and on Decoto Road (to the south).

Note that the trade area does extend far into the Hayward Hills, encompassing the Cal State University-East Bay campus as well as high-value subdivisions along Hayward Boulevard. For residents of the latter, Mission Boulevard might seem quite removed, yet it is still closer by drive time than the nearest competitor in the other direction, the Safeway-anchored 580 Marketplace shopping center in Castro Valley.

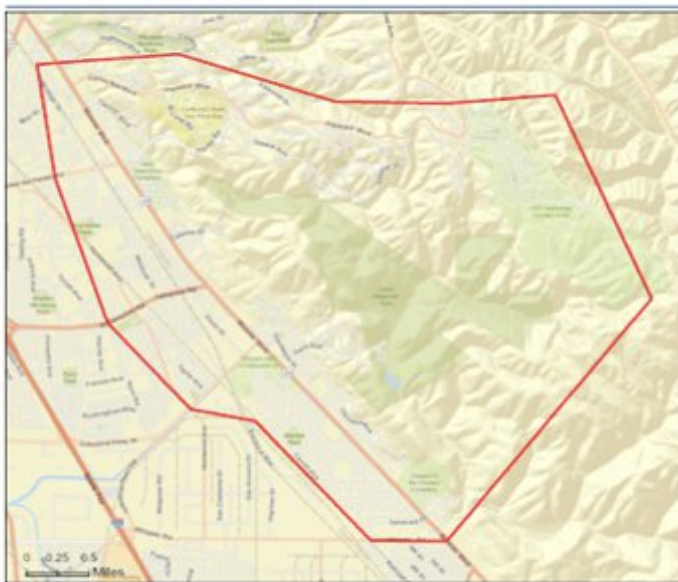


Image 1. Mission Boulevard Trade Area (ESRI, MJB Consulting).

## b. Demographic Profile

The aforementioned retail anchors along Mission Boulevard point to a customer base dominated by lower-income households. The demographics of the residents actually living in the trade area, however, suggest a different narrative that could potentially appeal to a broader range of prospective tenants. ESRI data show the following:

- \* 51,000 residents -- at a population density of 4,100 people per square mile (higher than the 3,500 for Hayward as a whole)
- \* 11.1% population growth since 2010
- \* 30% of 25+ residents with a B.A. degree or more -- not including most Cal State University, East Bay undergraduates (aged 18 to 24)
- \* 33% of 16+ residents working in well-paid managerial / business / financial or professional occupations
- \* \$71,000 median household income, including 36% (5,600 households) which earn \$100,000 or more, and 21% (3,600 households) at \$150,000 or more
- \* 57% owner-occupancy
- \* \$468,000 median home value, including 18% (1,500 homes) valued at \$750,000 or more

Furthermore, the population of this trade area is projected by ESRI to grow by another 7.2% in the next five years, to 55,000 in 2022. Perhaps even more importantly, prospective tenants can actually see the growth in the form of new residential development along Mission Boulevard and in the Hills, which can have a disproportionate impact on their decision-making.

In terms of consumer spending, the current trade area indexes well above the U.S. average in various retail categories, including apparel (23% higher), household furnishings (17% higher), grocery (18%), personal care (21%), dining (20%) and entertainment / recreation (17%), as based on data from the Bureau of Labor Statistics' Consumer Expenditure Survey as well as projections from ESRI.

Mission Boulevard is also the closest commercial corridor to Cal State University, East Bay (CSUEB), with its 15,500 students. Of these, an estimated 4,200 students live either on campus or in nearby apartment complexes (e.g. City View) and are already counted as residents of the trade area, while the other 11,300 – and the CSU East Bay employees – commute from elsewhere in the Bay Area and represent additional demand.

A common misperception is that students do not spend money because they do not have it to spend. Indeed, roughly 75% of CSUEB's enrollees receive some form of financial

aid. That said, evidence from college-town settings across the country suggests that at the very least these consumers are both willing and able to pay for affordable luxuries in certain categories like, for example, food and beverage.

The CSUEB campus itself offers only the retail basics -- a college bookstore, a convenience store, a Starbucks Coffee, a Jamba Juice, a food court, etc. -- and the immediate neighborhood is woefully lacking in alternatives. Strategically, however, the City might need to consider the impact that any new offerings along Mission Boulevard could have on its efforts to reposition Downtown as more of a destination for students.

Finally, both the CSUEB community and the residential trade area are extraordinarily diverse: Latinos account for 38% of the latter and 19% of the former, while Asians represent 19% and 30%, respectively. This suggests opportunities for the retail mix along Mission Boulevard to fill particular ethnic niches, though in order to get more specific, such data would need to be further segmented by country of origin or descent.

### c. Tenanting Strategy

Based on this demographic profile, the sales-leakage data, the nearby competition as well as our understanding of the tenant's perspective and knowledge of specific market leaders, we offer the following preliminary guidance on the additional retail that would be realistic for Mission Boulevard, given existing conditions and current trends. (Note that the specific prospects referenced here have not yet been fully vetted.)

\* Grocery. With \$54.1 million in sales leakage and assuming a "capture rate" of 70%, there is the potential for \$28.1 million in additional grocery sales along Mission Boulevard, translating to roughly 45,000 square feet of space (above what currently exists), with value-oriented and/or ethnic concepts -- like, say, Smart & Final Extra!, Foods Co or H-Mart -- the ones most likely to be interested at this point.

Some have hoped that, especially with the proximity to CSUEB and the Hayward Hills, a Trader Joe's or a Sprouts might be a possibility. These grocers, however, are primarily interested in educational attainment, and would be assessing this trade area within the context of others that far exceed it in the number of residents with B.A. degrees or more.

\* Drug. Even with the relatively new CVS at Harder Road, there is still the potential for \$23.1 million in additional drug store sales along Mission Boulevard, more than enough to justify another large-format chain. An average Walgreens, for example, grosses roughly \$7.4 million.

\* Discount-variety. Even with the existing Kmart and the two Dollar Tree locations, there is still the potential for additional sales of \$6.1 million in this category along Mission Boulevard. An average 99 Cent Only store, for example, grosses roughly \$5.5 million.

\* Food and beverage. There is still the potential for \$5.4 million in additional restaurant sales along Mission Boulevard, not including the spending of students and employees who

commute to the CSUEB campus (and who are not counted as part of the trade area). This might take the form of new quick-service and family restaurants as well as ethnic offerings.

In addition, there is an opportunity for the sort of “fast-casual” eateries – with counter service but higher-quality food and décor -- that have become popular among students and commonplace in college-town settings, like Chipotle and Blaze Pizza. This trend overlaps with a growing number of food and beverage concepts that target diverse mixed-income submarkets, like Loco’l, Everytable and Tierra Mia Coffee.

In sum, Mission Boulevard is, with few exceptions, not a likely location for larger-format destination retailers that require and/or demand the kind of regional draw facilitated by a nearby freeway interchange, like, for instance, a Best Buy or a Kohl’s. It is more appropriately positioned, rather, to serve the basic day-to-day needs of the adjoining neighborhoods and the underserved CSUEB campus, in such categories as grocery, drug, food and beverage, etc.

### III. Industrial Parkway SW / Whipple Road (“Southwest”)

#### a. Trade Area Boundaries

Industrial Parkway SW / Whipple Road – hereafter to be referred to simply as “Southwest” – refers to the collection of possible development sites just within the boundaries of Hayward at its far southwestern corner.

The polygon for Southwest – shown in the image below – shows trade area boundaries that do not correspond with the municipal ones. This conforms with the behavior of the typical consumer: rarely does he or she consider political jurisdictions (or even know where they begin or end) when deciding which stores and restaurants to patronize.

Southwest offers, then, a rare opportunity for Hayward: because of the close proximity to the I-880 freeway interchange at Whipple Road as well as the regional draw of the massive Union Landing shopping center, new retail on these parcels would be theoretically capable of pulling from deep within, and thereby poaching sales-tax revenue from, the nearby municipalities of Union City and Newark.

The borders of the trade area have been chosen to reflect this potential pull, extending roughly halfway to the nearest competitors with a similarly regional draw: Fremont’s Fremont Hub (at Fremont Boulevard and Mowry Avenue) and Newark’s NewPark Mall (at I-880 and Mowry Avenue), as well as Hayward’s own Southland Mall (at I-880 and Winton Avenue) to the northwest.



Image 2. Southwest Trade Area (ESRI, MJB Consulting).

## b. Demographic Profile

As a result of this wider draw, Southwest's trade area encompasses a considerably larger and demographically stronger population than Mission Boulevard's. ESRI data show the following:

- \* 164,000 residents -- at a population density of 6,000 people per square mile, similar to most Midwestern cities
- \* 7.9% population growth since 2010
- \* 35% of 25+ residents with a B.A. degree or more
- \* 39% of 16+ residents working in well-paid managerial / business / financial or professional occupations
- \* \$84,000 median household income, including 43% (20,300 households) which earn \$100,000 or more and 23% (10,800 households) at \$150,000 or more
- \* 66% owner-occupancy
- \* \$533,400 median home value, including 14% (4,400 homes) valued at \$750,000 or more

Furthermore, the population of this trade area is projected by ESRI to grow by another 5.7% in the next five years, to 172,400 in 2022.



Southwest's trade area is extraordinarily diverse. Asians predominate, accounting for some 47% of the residential base – partly a reflection of their growth in Union City, where they now constitute the majority – while Latinos comprise another 27%. It is also family-oriented. Nearly 46% of its households include one or more children, and the average household size is 3.41.

In addition to trade area residents, Southwest sits at the heart of an employment cluster with some 43,200 workers, supplementing consumer demand on the weekdays. Not surprisingly, given the presence of large industrial zones to the east, west and northwest, this contingent has a blue-collar hue, with 37% working in either manufacturing or wholesale trade.

It is worth noting, however, that workers typically do not spend as much money, or in as many categories as residents, with a higher share of their expenditures going towards lunch, caffeine and errands (e.g. bank deposit, haircut, dental appointment, etc.). Furthermore, many such offerings can already be found either at Union Landing, in the immediate vicinity thereof or along Industrial Parkway West.

### c. Tenanting Strategy

The retail potential for Southwest is driven not just by the automobile access and trade area demographics but also by “critical mass” and “co-tenancy.” That is, with anchors that include Wal-Mart, Target, Lowe's, Home Depot, Best Buy and Century 25, and with more than one million square feet of retail space in total, the agglomeration exerts a strong pull on other prospective tenants.

That said, Union Landing itself is currently contending with several medium-box vacancies, including the floor-plates previously occupied by Sports Authority and Babies R Us. Indeed, the rise of e-commerce has disproportionately impacted the kinds of retailers – most notably, the “category killers” -- that typically fill such spaces, which might lead some to doubt the viability of adding more square footage to the submarket.

These trends might generate some cause for concern in the near term. And while there are many such retailers still thriving and expanding today, they are more likely to gravitate first to any available spaces within Union Landing itself, and only begin to consider alternatives – and justify redevelopment -- on the other side of the freeway if and when those are back-filled.

Desirable real estate is desirable real estate, however. The freeway interchange is not moving. The kinds of retail tenants may change – say, from goods to entertainment, or from pure selling space to hybrid showroom/warehouse – and the zoning should anticipate and allow such flexibility, but Southwest's suitability as a location for whatever emerges will most likely not.

One last point. Given that they currently sit in an industrial zone, the development sites in Southwest might well require considerable investment – for, say, environmental cleanup, new infrastructure, land assembly, etc. -- if they are to be transitioned to retail use. The resulting costs could greatly impact what kinds of projects – and retailers – would be realistic.

With this in mind, we offer the following preliminary guidance on the additional retail that would be realistic for the submarket as a whole:

- \* Off-price / cheap-chic fashions. Even with its regional draw, Southwest currently leaks 86% of its clothing sales (\$95.7 million) beyond the trade area, and it is also lacking a number of the fast-growing value-oriented apparel retailers that typically gravitate to such co-tenancy, including, for instance, medium-box chains like T.J. Maxx, Ross Dress For Less, Gap's Old Navy banner and Forever 21's "F21 Red" format.

- \* Category killers. Again, many of these chains have been undermined in recent years by the rise of e-commerce, but some continue to enjoy sales growth and open new stores, like, for instance, Hobby Lobby, the national big-box purveyor of crafts and fabrics (which would compete with, and steal market share from the Michael's at Union Landing) and Big 5 Sporting Goods.

- \* Furniture / home stores. Retailers in this category prefer to cluster, and additional ones might be drawn to the presence of La-Z-Boy Furniture Galleries, ANA Furniture as well as the Macy's Furniture Outlet further east along Whipple Road. Possibilities would include other mid-priced offerings, like, for instance, HomeGoods Bassett Furniture and Ashley HomeStore.

- \* Day-to-day needs. While Southwest is able to command a regional draw, this does not mean that it cannot also leverage a local one. Indeed, inasmuch as it can offer even greater convenience to consumers as a "one-stop shop" for a wide range of goods and services, it becomes even more attractive as a location for retailers that primarily sell everyday essentials.

There is more than enough sales leakage, for example, to support a drug store as well as a discount-variety retailer, and while the capture rate for grocery is already quite high, Southwest's enviable location and co-tenancy could draw the interest of a new market entrant – like, say, an H-Mart – that would be capable of taking market share from competitors on the Union City side while not cannibalizing its own sales.

- \* Entertainment venues. Already a draw with Century 25 Theatres and iFLY Indoor Skydiving, and given the high percentage of households with children in its trade area, Southwest would likely prove appealing to other large-scale entertainment venues with a family or youth orientation like, for instance, Dave & Buster's, Legoland Discovery Center or Ctrl V (a virtual-reality arcade).

In sum, Southwest, able to pull from a wider trade area by dint of its freeway access and existing co-tenancy, holds appeal to retailers that require more of a regional draw. And while available floor-plates at Union Landing and ongoing disruption in the industry give reason for caution, it is -- assuming appropriately flexible zoning -- likely to remain a desirable location for such tenants in the future.

#### IV. Tennyson Road

##### a. Trade Area Boundaries

The primary retail stretch of Tennyson Road, extending roughly from Pompano Avenue to the Union Pacific Railroad tracks, boasts relatively high traffic counts ranging from 29,000 to 36,000 cars per day, due largely to its function as one of the main east-west arterial roads in Hayward as well as its freeway access to and from I-880.

Except, however, for a modest cluster of apparel boutiques anchored by a dd's discounts, the retail mix along Tennyson – also featuring Chavez Supermarket, Walgreens and O'Reilly Auto Parts – seems largely geared towards the more basic needs of the residential neighborhoods immediately adjacent to it.

The trade area boundaries, then – corresponding to the polygon in the image below – have been drawn in recognition of the locally-oriented, grocery-anchored competition that currently exists along Mission Boulevard (to the northeast), along Jackson Street / SR 92 (to the northwest), on Hesperian Boulevard (to the west), at Union Landing (to the southwest) and on Decoto Road (to the south).



Image 3. Tennyson Trade Area (ESRI, MJB Consulting).

## b. Demographic Profile

Tennyson Road's trade area might be rather small in both size and population, and its income profile relatively modest, but it does offer one unique selling point in its exceptionally high population density, with the corridor surrounded by residential fabric in all directions. ESRI data shows the following:

- \* 22,000 residents – at a population density of 14,500 people per square mile (more than four times that of Hayward's, and higher even than Boston's, Chicago's and Philadelphia's)

- \* 6.7% population growth since 2010

- \* \$58,000 median household income, including 25% (1,500 households) which earn \$100,000 or more and 11% (700 households) at \$150,000 or more

- \* 54% owner-occupancy

- \* \$384,000 median home value

Furthermore, the population of this trade area is projected by ESRI to grow by another 5.2% in the next five years, to 23,000 in 2022.

Finally, Tennyson Road's trade area is very diverse. Latinos predominate, accounting for some 48% of the residential base, while Asians comprise another 23% (and growing). It is also family-oriented. Nearly 47% of its households include one or more children, and the average household size is 3.64.

## c. Tenanting Potential

Its high density notwithstanding, the modest size and population of Tennyson Road's trade area – just 1 ½ square miles and 22,000 people -- limits its appeal to the kinds of larger-format anchors that can kickstart redevelopment, as the sales potential is in most cases not sufficient to support the types of stores that these retailers would typically open.

A related complication with Tennyson Road is that its trade area overlaps with – and its retail mix is similar to -- Mission Boulevard's. In assessing, then, the opportunities to attract different kinds of businesses, one must be careful not to be "double-count." The consumer will buy a particular item at one store (in one corridor), and not the other. And that type of store will only exist or open in a single location, not both.

While the case is by no means clear-cut, Tennyson Road probably ranks below Mission Boulevard as a retail location in the minds of most prospective tenants, by virtue of the latter's greater prominence as an arterial thoroughfare that spans multiple jurisdictions as well as its larger development sites. In other words, the retailer targeting the trade area overlap would be more likely opt for Mission Boulevard.

Finally, even if additional larger-format anchors were interested in locating along Tennyson Road, they would be very difficult to accommodate, given the constraints on lot size and depth that result from the closely abutting residential uses as well as the challenges and costs of assembling multiple properties within such a fine-grained urban fabric.

With this in mind, we offer the following preliminary guidance on the additional retail that would be realistic for the submarket as a whole:

- \* Discount-variety. There is the potential for \$4.3 million in “other general merchandise sales” along Tennyson Road, and yet discount-variety retailers remain conspicuously absent.

- \* Quick-service food. With the high traffic counts and I-880 freeway access as well as the presence of Cesar Chavez Middle School and the Eden Youth and Family Center, other fast-food brands might be intrigued by the possibility to join KFC and Jack In The Box along the corridor.

Going forward, then, the retail inventory along Tennyson Road will likely remain as is, with a preponderance of smaller floor-plates in older strips, while the retail mix will continue to skew towards independently-owned, entrepreneur-driven small businesses geared primarily towards nearby residents. Spaces will experience above-average turnover, but demand among such tenants will likely stay constant, and the vacancy rate, low.

## Appendix: Glossary of Terms

For the purposes of understanding tenanting potential, we have provided below a glossary of the terms-of-art used in the industry to refer to particular kinds of stores:

Big box: a retailer occupying a space of 60,000 square feet or more

Medium box: a retailer occupying a space between 15,000 and 60,000 square feet

Small box: a retailer occupying a space between 6,000 and 15,000 square feet

Supercenter: a big-box store combining general merchandise with a full-service grocery; examples include Wal-Mart and Target

Warehouse club: a big-box store selling general merchandise in bulk, for members only; examples include Costco and Sam's Club

Category killer: a medium-box store that offers a broad selection in one particular category, with relatively low prices; examples include Best Buy, Bed Bath & Beyond, Michaels and Barnes & Noble

Off-price fashion retailer: a medium-box store that offers department store brands at discount prices; examples include T.J. Maxx, Ross Dress For Less and DSW Shoe Warehouse

Cheap-chic retailer: stores that sells trendy fashions at low prices; examples include Forever 21

Discount-variety retailer: a small-box store selling general merchandise at very low prices; includes dollar stores; examples include 99 Cent Only Stores and Dollar Tree

Quick-service restaurant: an eatery in which customers order their food at a counter and/or a drive-thru window; examples include Taco Bell and Subway

Fast-casual restaurant: a quick-service eatery with higher-quality ingredients, a more upmarket atmosphere and slightly elevated price points; examples include Chipotle and Panera Bread

Sit-down restaurant: an eatery with table service; examples include Applebee's and BJ's

Family restaurant: a sit-down restaurant that features a basic and affordable menu, with options for kids, and that does not contain a bar; examples include Black Bear Diner and Mel's Diner



# CITY OF HAYWARD

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**File #:** RPT 18-106

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**DATE:** June 4, 2018

**TO:** Council Economic Development Committee

**FROM:** Economic Development Manager

**SUBJECT**

Approval of Future Meeting Topics as of June 4, 2018

**RECOMMENDATION**

That the Committee reviews the attached Future Meeting Topics list.

**ATTACHMENTS**

Attachment I          Future Meeting Topics as of June 4, 2018



**Council Economic Development Committee  
Future Meeting Topics as of June 4, 2018**

RESPONSIBLE STAFF	FUTURE MEETING AGENDA ITEMS
Economic Development	Report on the changing demand for retail
Economic Development	Improve marketing of City events to local businesses to keep workers in town
Economic Development	Analysis of sales tax revenues generated by housing versus retail uses
Economic Development	Report back on workforce development activities
Economic Development	Have a Maker Space representative give a presentation or take a tour and hold a meeting there (Maker Space closed until next funding cycle)
Development Services	Update of Downtown Specific Plan Update
Community & Media Relations Division	Marketing and Branding Update (consistency of efforts)