

# Council Economic Development Committee



January 27, 2022



## How to Provide Public Comments

The Council Economic Development Committee is accepting public comments prior to the meeting via email or during the meeting via the Zoom link or Zoom dial-in information listed on the published agenda.

If you are making your comments during the meeting please note:

- Click the “Raise Hand” button to request to speak when the Staff Liaison calls for public comments on an eligible agenda item. You will be permitted to speak during your turn and muted after the allotted time (3 minutes).
- When joining by phone, click \*9 to raise a hand to speak. Press \*6 to unmute. We kindly request speakers to mute or turn down the meeting video when it is their opportunity to speak as it may cause interference with the speaker system.
- Use headphones/mic for better sound quality and less background noise
- Decorum: Please be mindful that virtual meetings are public and will be recorded. All meeting rules of procedure and decorum, including speaker time limits, will apply. The Staff Liaison, via the host, may remove individuals for persistent disruption or any conduct or statements that threaten the safety of any person(s) at the meeting.

Approval of Minutes from October 28, 2021  
Regular Meeting

Hayward  
Economic  
Committee  
Meeting  
January 2022



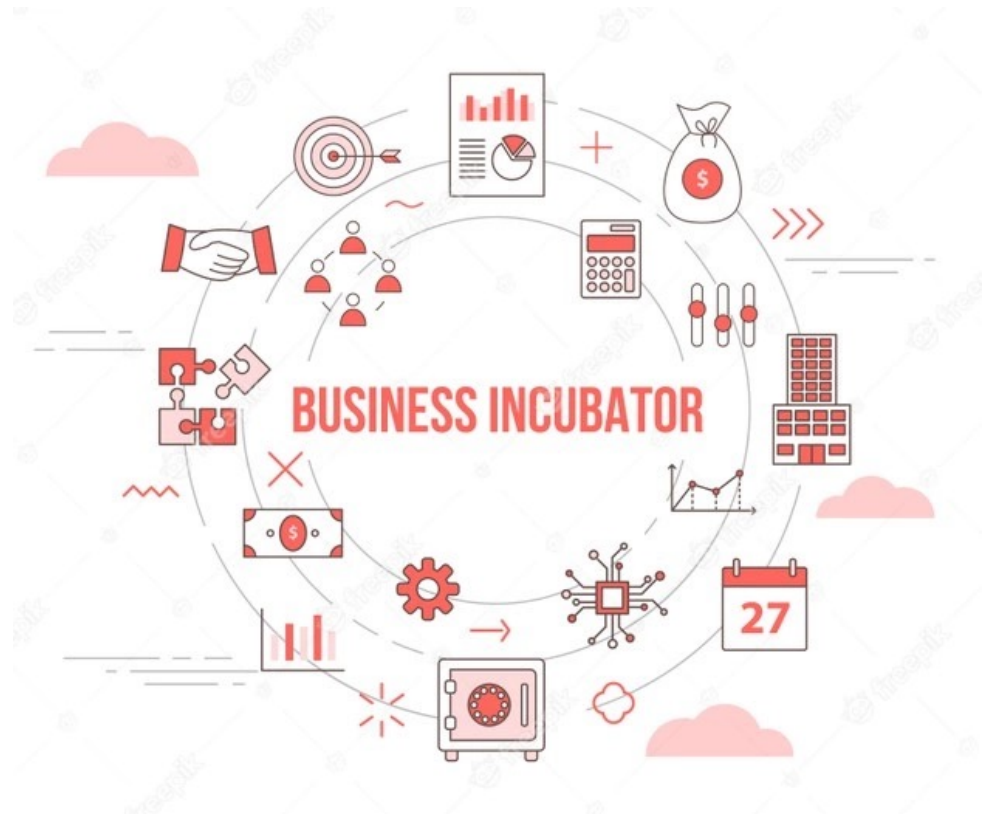
CALIFORNIA STATE  
UNIVERSITY  
E A S T B A Y

Izzet Sidki Darendeli Ph.D.

Associate Professor of Management, CSU East Bay

Associate Director of Smith Center for Private Studies

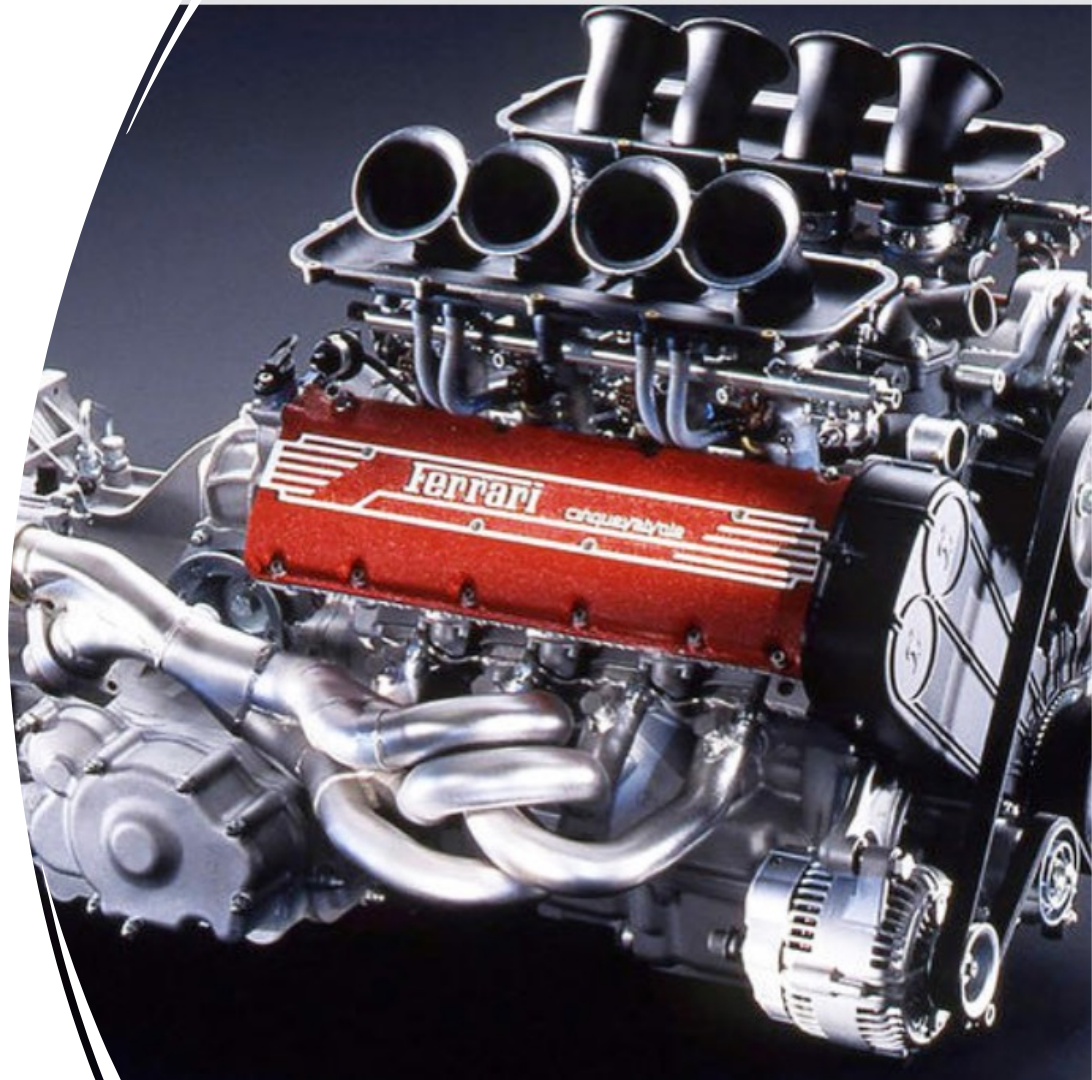
Incubators...



# What's Business Incubator?

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A startup incubator is a collaborative program designed to help new startups succeed.



# Impact of Incubators

## Jobs



Created 96 total full-time jobs and 43 part time jobs

# 84%

Startups stay in the community

## Return on Investment



Every \$1 invested in incubating startups in a community leads to \$30 in local tax revenue

# 10%

Startup Success Rate

## Revenues

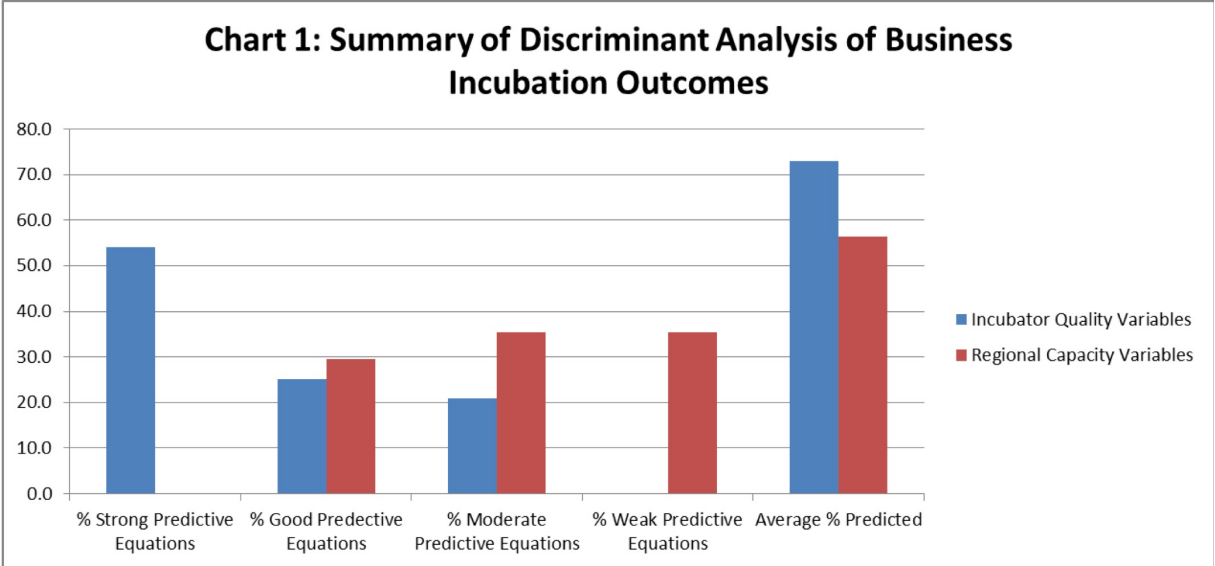


Revenue by Technology incubators was \$19.4 million compared to \$5.9 million for companies in mixed-use incubators

# 50%

Startup Success Rate if Incubated

# Running an Incubator in Hayward is theoretically viable....



72.9%: incubator quality

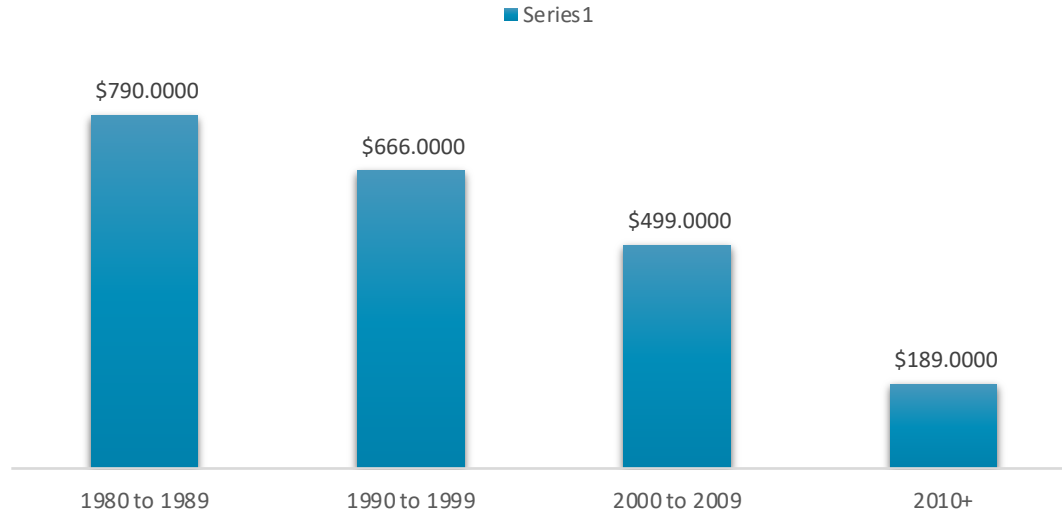
56.3%: regional capacity

**Public sector support also contributes to program success.**



But...

## Incubator Revenues over time



(Zehner, Trzmielak, and Gwarda-Gruszczyńska, 2014)

# + There's competition!

## Biggest Incubators in the US

Tech Stars	Start Fast	Launch
Village Capital	Start-up farm	Alpha lab
Tech Ranch Austin	Fintech Innovation Lab	NVIDIA Inception program
AI Startup Incubator	Plug and Play Tech Center	Studio G at Arrowhead Cen
ETC Baltimore	HCDC Business Center	Los Angeles Cleantech Incubator
1871 Incubator	Startup Aggieldand	SEED SPOT
	Galvanize	

## Incubators in the Bay Area

i/o Ventures	AngelPad	GreenStart
RocketSpace	PariSoma	Matter
Runway	Digital Garage	Sandbox Suites
Tech Liminal	Sudo Room	Founders Space
Nex Cubed	FORMA Brands	Powerhouse
	Edvenswa Tech	

## Incubators in East Bay

Gateway Incubator	The Hood Incubator	Oakland Startup Network
Kitchener	Zoo Labs	Forage Kitchen
Bay Area Legal Incubator	The Data Incubator	AnewAmerica
Restore Oakland	Prospera	The Hidden Genius Project
Oakland Bloom	Oakland Genomics Center	The Batchery

# Running an incubator in Hayward is viable...

- Requires significant overhead & management effort *\$100k setup cost + \$300k, \$350k yearly space for 20-30 individuals/founders*

SBDC + SMITH CENTER  
FOR  
ENTREPRENEURSHIP

CSU EAST BAY



# What's an Accelerator?

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- Startup accelerators are fixed-term, cohort-based programs, that include mentorship and educational components and culminate in a public pitch event or demo day.
- As a specific type of accelerator, corporate accelerators are often subsidiaries or programs of larger corporations that act like seed accelerators.



Trend is more towards accelerators compared to incubators...

1,986 Accelerators & Incubators in United States

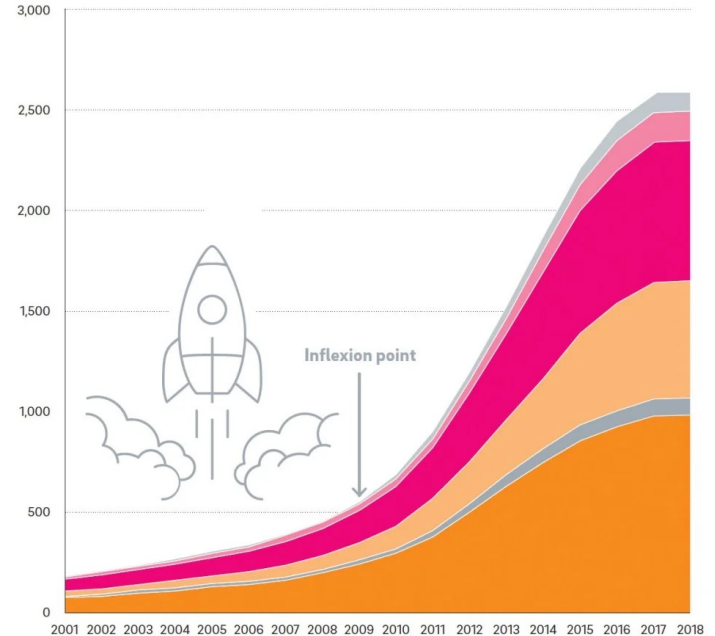
3,000 accelerators worldwide

## Inflexion point

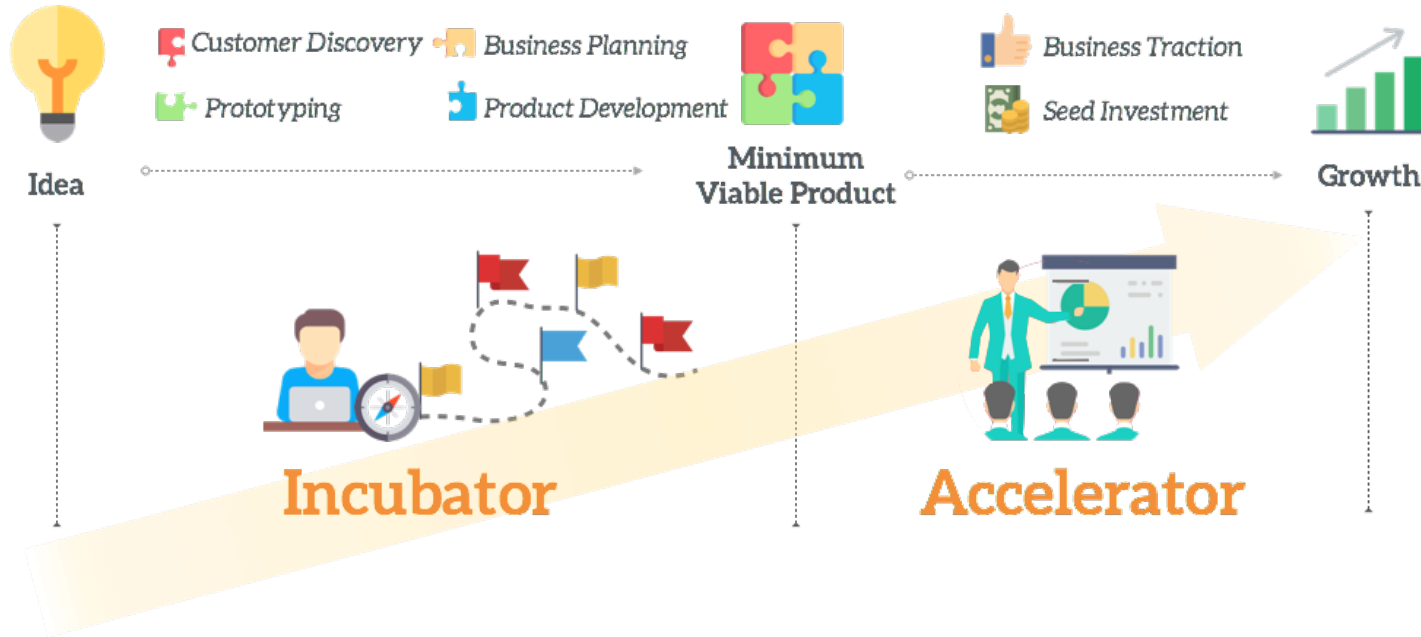
Openings of accelerators and incubators started surging in 2009.

Source Roland Berger

- Africa
- MENA
- Europe
- APAC
- Latin America
- North America



# Incubators vs. Accelerators



# Running an accelerator in Hayward is viable...

- Needs to be industry/technology focused ( corporate sponsor/integration)
- Requires significant overhead & management effort - *\$100k setup cost + \$350k, \$400k expenses yearly space for 20-30 individuals/founders*

BIOTECH  
ACCELERATOR –  
PARTNERSHIP WITH  
BIOCOM + CSU EAST  
BAY

APPLIED SCIENCES  
CENTER /  
ACCELERATOR



# + There's competition!

## Biggest Accelerators in the U.S

Y Combinator	TechStars Seattle Accelerator	AngelPad
TechStars Chicago	Google Launchpad Accelerator	KiwiTechAmplify.LA
Capital Factory	500 Startups	Dreamit Ventures
MetaProp	Mucker Capital	plug and play
Techstars	BoomStartup	Entrepreneurs Roundtable Accelerator
JumpStart	MassChallenge	AlphaLab

## Incubators in the Bay Area

The Alchemist Accelerator	UpWest Labs	Founder Institute
Rock Health	Nex Cubed	KiwiTech
IndieBio	Highway1	HAX
500 Startups	Berkeley SkyDeck	OneValley
FORMA Brands	Founders Space	Women's Startup Lab
Prospect Silicon Valley	MARL 5G Accelerator	TVLP Institute Silicon Valley
Thrive by SVG Ventures	Archimedes Labs	The Fabric

## Incubators in East Bay

Allotrope Partners	Bay Area Business Accelerator	Uptima Entrepreneur Cooperative
ILab at Kapor Center	Social Impact Ventures/Propeller	Founder Institute
Better Ventures	Spark Oakland	eLab Accelerator
Connected Care Accelerator	Silicon Valley Robotics	Oaksterdam University
Port Product Lab	The House	Berkeley Ventures
	Techstars	



# What's a coworking space?

Coworking spaces, or membership-based workspaces in which diverse groups of entrepreneurs and other nontraditional workers work together in a shared, communal space (Spreitzer et al., 2015:28).

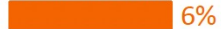


Despite Covid-19 paradigm shift, there will be need for an “office space” ...

#### Remote working setup

■ To keep a strong culture, employees should be in the office...

About 1-3 days per month



One day per week



Two days per week



Three days per week



Four days per week

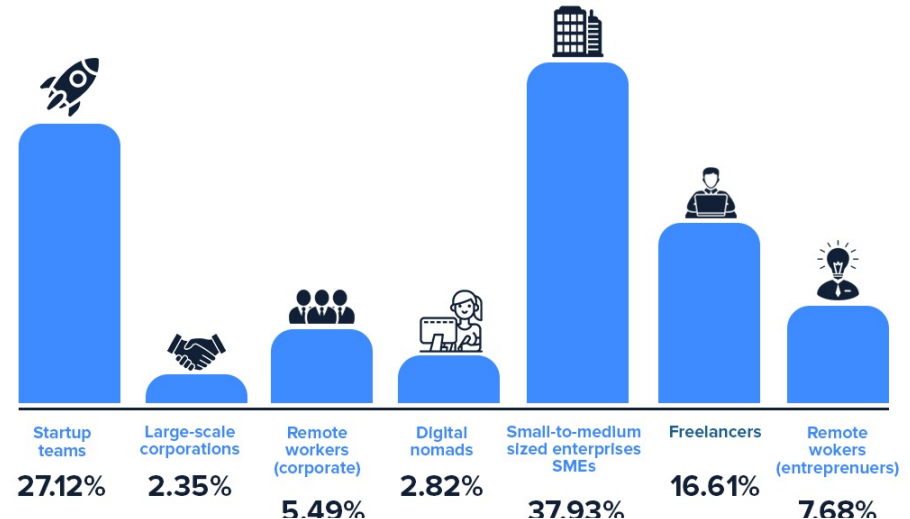


Five days per week



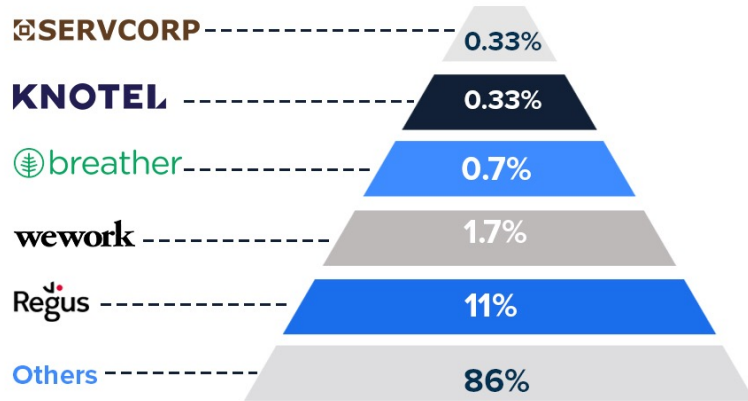
Coworking industry is evolving into corporate sponsored co-working space model...

#### Most Common Demographics of Coworking Space Users

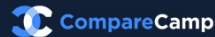


# There's competition & Coworking space is getting crowded out

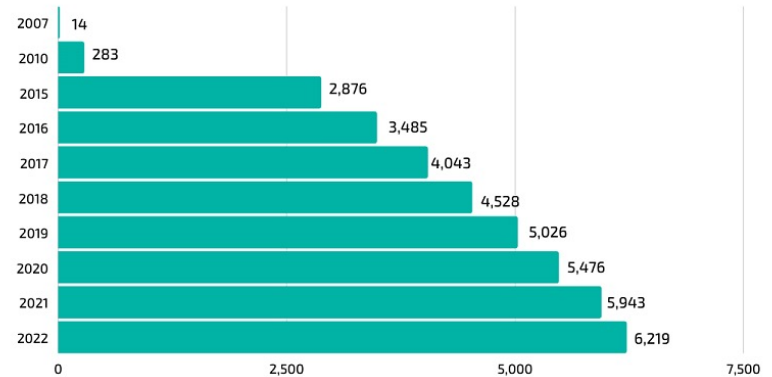
## Top Players in the Coworking Space Market Share



Source: ergonomictrends.com



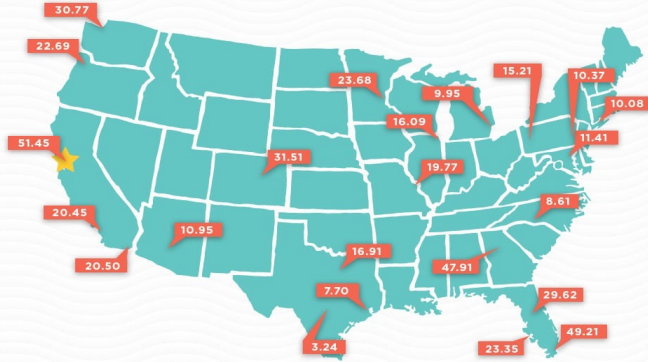
## Number of US Coworking Spaces



Sources: Small Business Labs, Emergent Research

## WHICH CITIES HAVE THE MOST COWORKING SPACES?

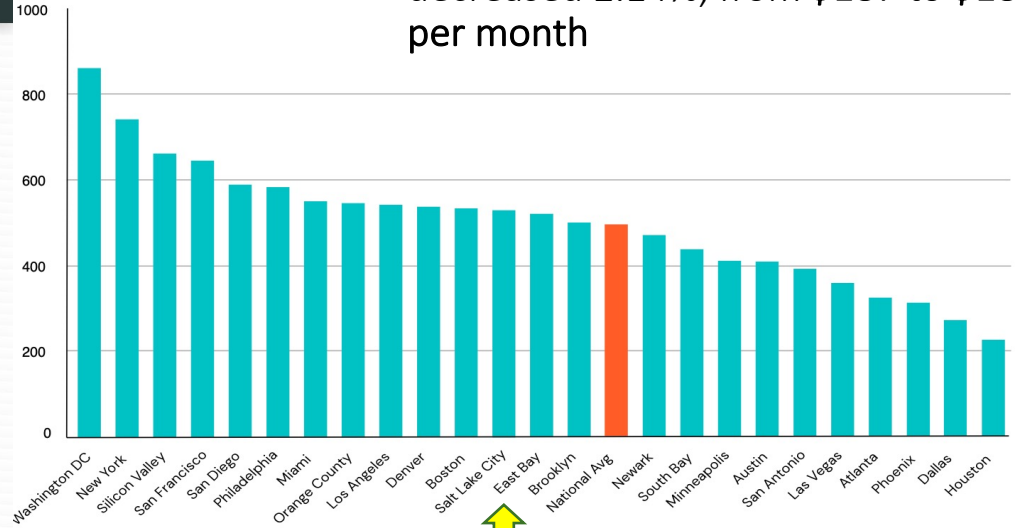
Coworking Spaces per 100,000 People



Atlanta	47.91	Los Angeles	20.45	Portland	22.69
Baltimore	11.44	Miami	49.21	San Antonio	3.24
Charlotte	8.61	Minneapolis	23.68	San Diego	20.50
Chicago	16.09	New York City	10.08	San Francisco	51.45
Dallas	16.93	Orlando	29.62	Seattle	30.77
Denver	31.51	Philadelphia	10.37	St. Louis	19.77
Detroit	9.95	Phoenix	10.95	Tampa	23.35
Houston	7.70	Pittsburgh	15.21	Washington DC	42.80

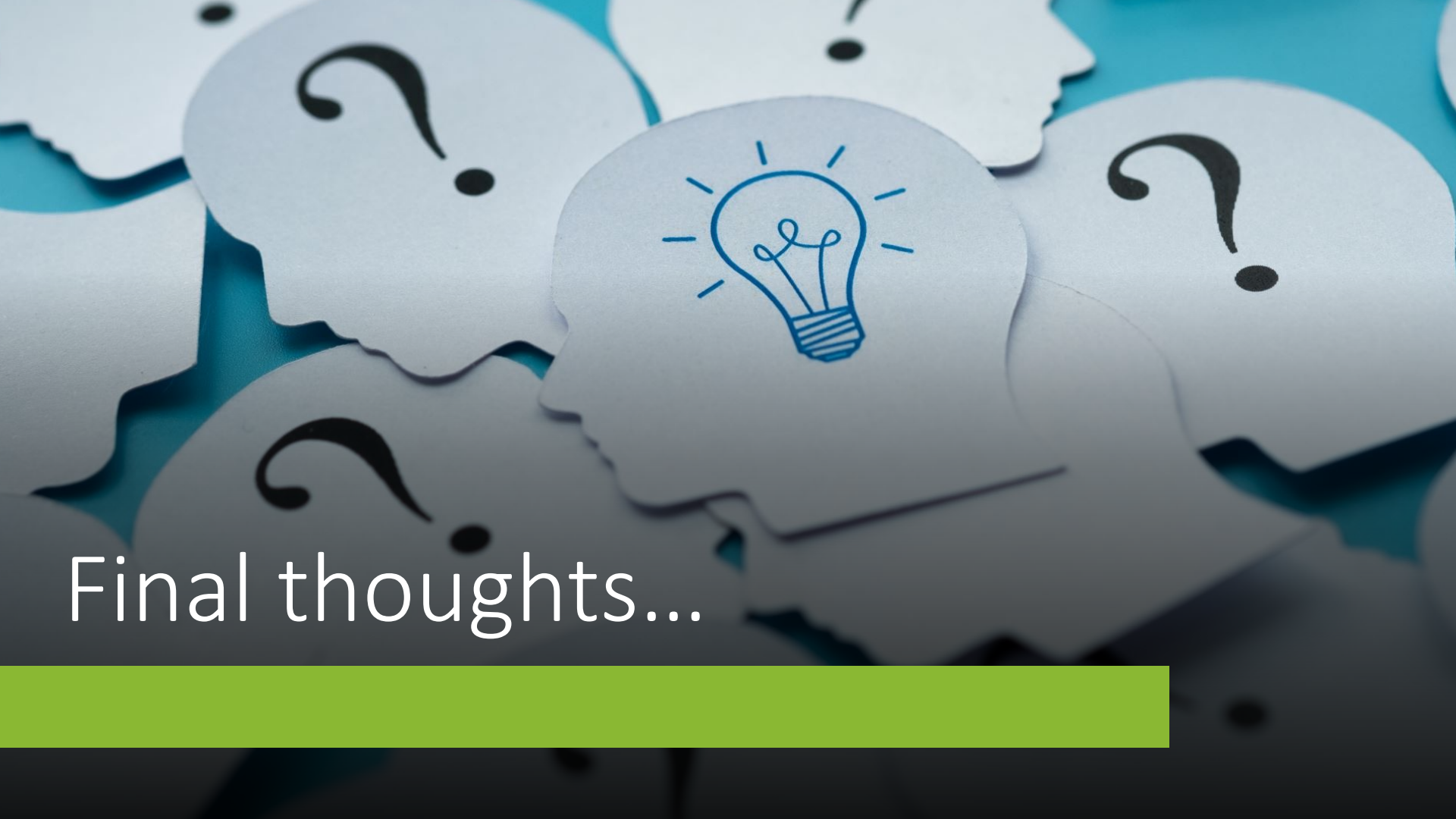
Despite the increase in demand for coworking model, global desk prices decreased 2.14%, from **\$187** to **\$183** per month

Average Cost per Person, Dollars



Average Rental Rates are calculated by dividing the asking rental rate by the maximum capacity of each space.

The rent avg for East Bay is competitive however, the Bay Area coworking space seems to be saturated... (\$100k setup cost + \$300k-\$400k yearly management + maintenance costs)



Final thoughts...



THERE'S POTENTIAL FOR SUPPORTING  
ENTREPRENURSHIP IN HAYWARD...

## Diversity Matters: Opportunity for Hayward!

Companies with above-average diversity in their leadership teams see

**+9% EBIT**

(earnings before interest and taxes)

Compared to companies with below-average diversity

Lorenzo, Voigt, Tsusaka, Krentz, & Abouzahr, 2018

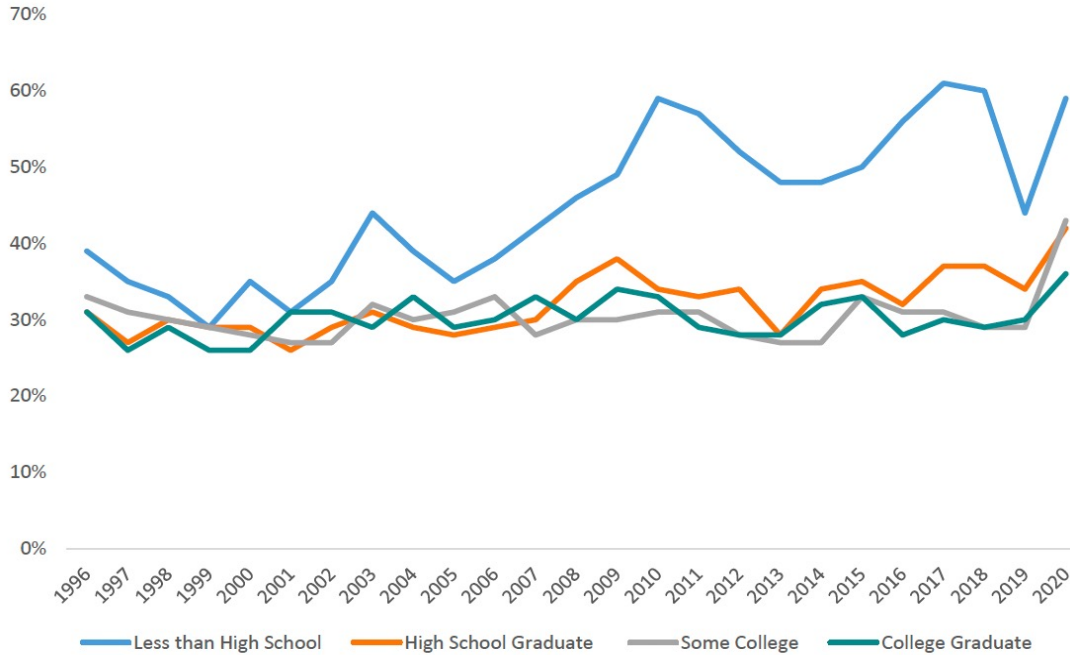
Companies with above-average diversity in their leadership teams see

**+19% innovation**

Compared to companies with below-average diversity

Lorenzo, Voigt, Tsusaka, Krentz, & Abouzahr, 2018

## Rate of Entrepreneurs by Education



Hayward Demographics  
can be an Asset!

Source: Estimates calculated from the Current Population Survey



HOWEVER....

# RUNNING & INCUBATOR OR ACCELERATOR...

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**Not feasible if City of Hayward will run it alone...**

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**Not feasible if CSU East Bay will run it alone...**

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**Not feasible if company X will run it alone...**

**PUBLIC- PRIVATE INDUSTRY- UNIVERSITY PARTERSHIP IS THE  
KEY FOR SUCCESS!!!**

- **Min setup + yearly cost: \$500k, break-even in 3-5 years**
- **Needs to be focused ( technology, industry, theme)...**
- **Need VC support (VC firm based in East Bay?)**

# RUNNING A COWORKING SPACE...

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**Not feasible if City of Hayward will run it alone...**

---

**Not feasible if CSU East Bay will run it alone...**

---

**Not feasible if company X will run it alone...**

**PUBLIC- PRIVATE INDUSTRY- UNIVERSITY PARTERNSHIP IS THE  
KEY FOR SUCCESS!!!**

- **Min setup + yearly cost: \$500k, break-even in 3-5 years**
- **Needs corporate sponsor(s)...**
- **Competition & saturation?**

Thank you



CALIFORNIA STATE  
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EAST BAY

Izzet Sidki Darendeli Ph.D.



# References

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- [https://en.wikipedia.org/wiki/Startup\\_accelerator](https://en.wikipedia.org/wiki/Startup_accelerator)



# TOGETHER FOR HAYWARD GIFT CARD PROGRAM

**PAUL NGUYEN**

Economic Development Manager

**CATHERINE RALSTON**

Economic Development Specialist

# AMERICAN RESCUE PLAN ACT 2021

\$65 Billion in Direct Federal Relief to cities

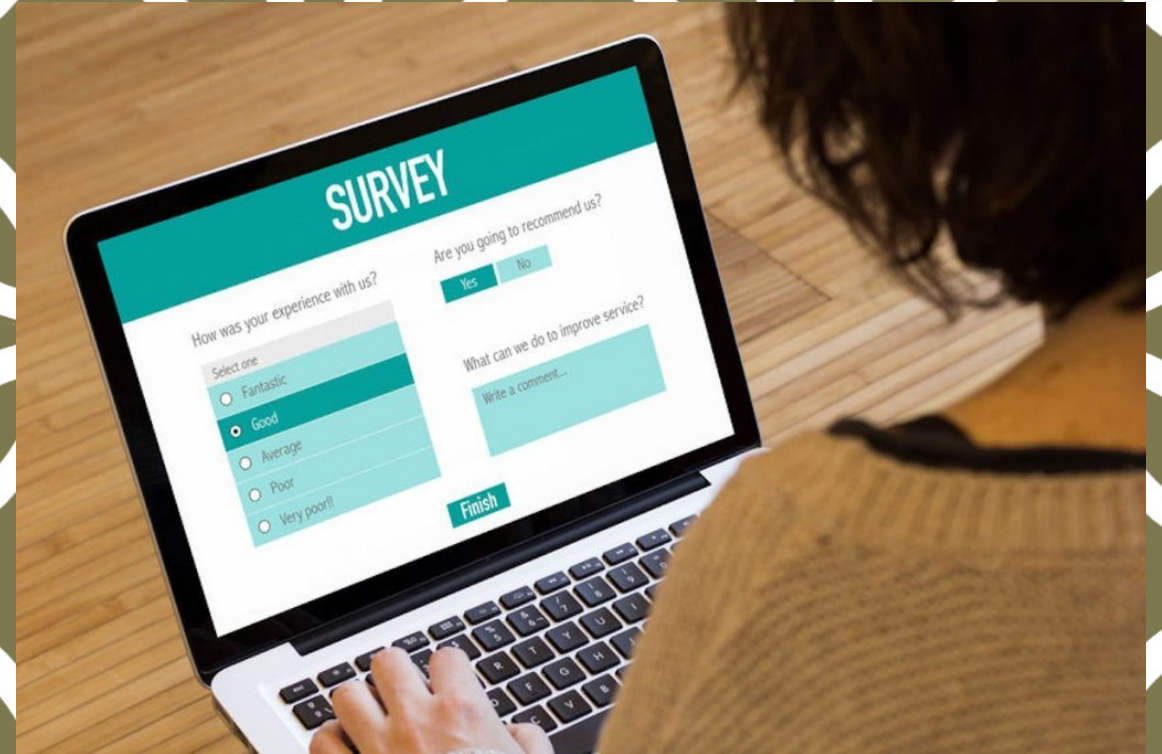
City of Hayward to receive estimated \$38 Million

\$2 Million requested to go towards Economic Recovery Efforts supporting local businesses and the workforce

# RECOVERY PLANNING

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## Business Needs Assessment Survey







# SURVEY RESULTS



## Needs of the Businesses

- Driving Customers back to the Businesses
- Assistance with Marketing

# GIFT HAYWARD

## A SHOP LOCAL GIFT CARD PROGRAM

- Assists businesses with setting up platform to accept gift cards and credit cards - Point of Sale Grant System
- Rewards Patrons for supporting Hayward small businesses
- Customers receive reward incentives to encourage gift card purchases
- Similar programs offered in communities across the country and locally in Fremont, Livermore and Concord

Allocated Budget - \$250,000





- Businesses eligible to receive up to \$800 towards the purchase of a new Point of Sale (POS) system
- Allows customers to use credit cards, including the Together for Hayward Gift Card
- 24 businesses approved to receive grants to date

# POINT OF SALE GRANT PROGRAM

# PARTICIPATING BUSINESSES

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# OUTREACH EFFORTS TO SIGN-UP BUSINESSES

- Bulk Email to all Retail, Food and Beverage, and Service uses that had email addresses registered with Business License.
- Personalized emails to all past grant recipients, concierge cases and others that have interacted directly with Economic Development
- Communication through The Stack newsletter and Chamber of Commerce newsletter
- Staff completed door-to-door visits in the downtown, Tennyson corridor, shopping centers in South Hayward, and Southland Mall.
- Intensive effort to personally visit businesses outside of downtown, along with production of multi-lingual materials, demonstrates commitment to equity and inclusion

# Where Can I Use the Gift Card?

Filter By Category ▼

See Printable List

**Map**
**Satellite**

- 1

**#HAIRGAME**

1 Southland Mall #0104  
Hayward, California 94545  
(925) 595-7575  
[hairgame-barber-shop.business.site/](http://hairgame-barber-shop.business.site/)
- 2

**AAA AUTO & BODY WORKS, INC**

1421 Industrial Pkwy W F  
Hayward, California 94544  
(510) 733-2222  
[www.aaaautoandbody.com/](http://www.aaaautoandbody.com/)
- 3

**Acqua E Farina Ristorante**

22622 Main st  
Hayward, California 94541  
(510) 888-1568  
[www.acqua-e-farina.com](http://www.acqua-e-farina.com)

Business Type	# of Participating Businesses
Beauty Salon	8
Services	6
Food and Beverage	40
Shopping	15
Entertainment	1

# MARKETING OF NEW GIFT CARD PROGRAM

- Flyers at all participating businesses
- Table tent cards at restaurants and Southland Mall food court
- Drink coasters at food and beverage locations

Two green gift cards are shown. The top card is a \$100 card with the text 'Together for Hayward #HaywardUpward' and the 'H HAYWARD' logo. The bottom card shows the following details: Card Number 1234 5678 9123 4567, Expiration Date 01/01/2099, Cvc 111, and Zip Code 94541.

**TOGETHER FOR HAYWARD  
GIFT CARDS  
accepted here!**

Scan the QR code to buy a  
Together for Hayward gift card:

**H HAYWARD**

A festive outdoor display for 'Together for Hayward' featuring balloons and the hashtag #HaywardUpward.

**UNIDOS POR HAYWARD**

¡Compre local! Apoye negocios de Hayward con el programa de tarjetas de regalo de la Ciudad de Hayward:

- Compre una tarjeta de regalo de \$40, y reciba otra de \$10 gratis
- Compre una tarjeta de regalo de \$75, y reciba otra de \$20 gratis
- Compre una tarjeta de regalo de \$100, y reciba otra de \$30 gratis

Obtenga más información sobre el programa en la página web:

**H HAYWARD** Limite de tres por comprador. Oferta válida hasta agotar suministros. La tarjeta de bonificación debe usarse dentro de los 90 días posteriores a la compra.

# MARKETING OF NEW GIFT CARD PROGRAM

- Facebook and Instagram videos and advertisements
- YouTube Video
- Billboard advertisement on I-880
- Press releases sent out



Shop local! Support Hayward businesses with the City of Hayward's gift card program:

- Purchase a \$40 gift card, get a \$10 bonus card
- Purchase a \$75 gift card, get a \$20 bonus card
- Purchase a \$100 gift card, get a \$30 bonus card

Limit three per purchaser. Offer good while supplies last. Bonus card must be used within 90 days of purchase.

**H HAYWARD**







Purchase a \$40 gift card, get a \$10 bonus card

Purchase a \$75 gift card, get a \$20 bonus card

Purchase a \$100 gift card, get a \$30 bonus card

- Bonus cards must be used within 90 days of purchase
- Limit 3 bonus cards per email used for purchases

## BONUS CARD PROMOTION

Encourage customers to buy  
larger value of gift cards

# SALES OF GIFT CARDS

8488

Impressions

676

Sent Gifts Count

\$36888.50

Sent Gifts Value

246

Redeemed Gifts Count

\$12979.08

Redeemed Gifts Value

# REDEEMED GIFT CARDS

- Gift Cards have been redeemed at 39 different businesses
- Close to \$13,000 in gift card value has been spent.





# JANUARY PROMOTION

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California Restaurant Month

# INCREASED BONUS CARD VALUES!

**Purchase any gift card \$20 - \$100  
and receive a 50% bonus card!**

Limit three per purchaser. Offer good while supplies last. Bonus card must be used within 90 days of purchase.

**H HAYWARD**

- Encourage customers to support one of the 40 restaurants during California Restaurant Month
- Between January 1 - 20, 2022 - 360 gift cards and bonus cards have been purchased/issued with a value of \$21,650



# FISCAL IMPACTS

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- Total Proposed Budget - Gift Card Program - \$250,000
- \$166,000 remaining

- Continue to promote the availability of the gift cards for purchase.
- Work with those businesses still interested in participating to get registered
- Provide grant dollars for those businesses that may need to purchase or upgrade their point-of-sale system

## NEXT STEPS



**QUESTIONS?**





# OTHER RECOVERY PROGRAMS

Program	Year 1	Year 2	Year 3
HAYWARD OPEN FOR BUSINESS - A MARKETING CAMPAIGN	X		
GIFT HAYWARD - A SHOP LOCAL GIFT CARD PROGRAM	X		
GET DIGITAL - AN E-COMMERCE ASSISTANCE PROGRAM	X	X	
RESTAURANT RELAUNCH & OUTDOOR DINING		X	
HAYWARD RESTORE AND REOPEN - A FAÇADE IMPROVEMENT PROGRAM		X	X
SMALL BUSINESS ASSISTANCE GRANTS 6 – 20 EMPLOYEES	X	X	
HIRE HAYWARD - LOCAL HIRE SUBSIDY PROGRAM		X	X
TUITION ASSISTANCE			X
EARN AND LEARN - ADVANCED MANUFACTURING JOB TRAINING AND EMPLOYMENT PROGRAM			X



**Council Economic Development Committee  
Future Meeting Topics as of January 27, 2022**

<b>RESPONSIBLE STAFF</b>	<b>FUTURE MEETING AGENDA ITEMS</b>	<b>PRESENTATION DATE*</b>
Economic Development	Economic Impacts of COVID-19 & Trends	Standing Item
Economic Development	Hayward Upward Economic Recovery Plan Updates: 1) Open for Business Marketing Campaign 2) Restaurant Relaunch & Outdoor Dining Program 3) Restore & Reopen Façade Program 4) Get Digital Program	2022
Economic Development	Update from Southland Mall Management & Tour	February 24, 2022
Economic Development	Sales Tax Trends: Update from City Tax Consultant	2022
Economic Development/ Planning Staff	Review of Select Policies Impacting Businesses	TBD
Public Works/ Information Technology	Update on City Fiber/Broadband Initiatives (Following update to CIC)	2022
Economic Development	Impact of Cannabis Industry on Economic Development*	2022

\*Subject to change

## Committee Member/Staff Announcements

# New Business Openings



El Vozqe

Plant store and lounge

22658 Main Street

# New Business Openings

- ▶ Habibi's Birria #2
- ▶ Second Location
- ▶ 26005 Eden Landing Road



**HABIBI'S BIRRIA**

MexiTerranean Food



COMING SOON



Arteaga's Food Center

236 A Street

Brand grocery store with fresh meat counter,  
bakery, produce and hot food counter.

COMING SOON!



La Victoria Taqueria

27901 Mission Blvd

Brand new restaurant  
building.

Only location outside San  
Jose!

COMING SOON



22648 Mission Blvd - Across from library



792 B Street- Across from City Hall



Adjournment