



## **COUNCIL ECONOMIC DEVELOPMENT COMMITTEE**

### **MEETING MINUTES – October 3, 2016**

**CALL TO ORDER:** Mayor Halliday called the Special meeting to order at 4:32 p.m.

#### **ATTENDANCE:**

Committee Member	Present 10/3/16	All Meetings Year to Date		Meetings Mandated By Resolution	
		Present	Absent	Present	Absent
Michael Ly	✓	2	0	2	0
Didacus-Jeff Joseph Ramos	✓	2	0	2	0
Mayor Halliday (Chair)	✓	2	0	2	0
Council Member Márquez	✓	2	0	2	0
Council Member Mendall	✓	2	0	2	0

#### **OTHERS IN ATTENDANCE:**

Kelly McAdoo, City Manager; David Rizk, 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 31<sup>st</sup> Business Expo on Wed., Oct. 5<sup>th</sup>, from 4:30-7:30pm in the Grand White Tent at St. Rose Hospital and the Small Business Forum on Thu., Oct. 20<sup>th</sup>, from noon-1:30pm in Union City. He also distributed a copy of an East Bay Times article on a new endeavor by Chris Lam, owner of Pucci Foods, to expand his wholesale fresh fish distributor's model to include direct-to-consumer delivery service. He noted that Mr. Lam would be part of the group traveling to Funabashi Japan to celebrate the 30<sup>th</sup> anniversary of the Sister City Committee relationship with the City of Hayward. Mr. Huggett noted he had reached out the U.S. Embassy and a trade representative would be meeting with the group to discuss how to improve trade opportunities in Japan. He also reminded interested parties that openings for Leadership Hayward were still available.

Council Member Márquez said she visited the new Island Pacific Market the day after the soft opening and business representatives were highly appreciative of the assistance received from Economic Development Specialist Paul Nguyen. She thanked Mr. Nguyen for his hard work.

Mayor Halliday displayed the two winning designs from a recent Pepsi commemorative employee contest celebrating the company's 20<sup>th</sup> Anniversary in Hayward. Both cans said Hayward and one showed the Hayward Pepsi plant. Winners both live and work in Hayward.

## **1. APPROVAL OF MINUTES OF SPECIAL MEETING SEPT. 7, 2016**

After making several changes, motion to approve minutes made by Council Member Mendall with a second by Member Ramos. Minutes from the September 7, 2016 Special Meeting were unanimously approved.

## **2. UPDATE OF HAYWARD HIGH SPEED FIBER OPTIC NETWORK GRANT**

Economic Development Manager Hinkle introduced the item noting staff had been working toward the grant award for almost two years.

Economic Development Specialist Nguyen explained that although Hayward didn't win the first funding cycle they'd applied, we have been cautiously optimistic that we would receive the grant this year and was pleased to announce Hayward had won. He noted the \$2.4 million grant to lay 11 miles of conduit for a high speed fiber optic network in the Industrial Crescent was the largest award for the Economic Development Administration Federal funding cycle.

Specialist Nguyen said staff was now working on fulfilling grant requirements and was hoping to come back in November with a draft fiber optic master plan and update of progress.

Council Member Márquez asked who awarded the grant and Specialist Nguyen said the U.S. Department of Commerce, Economic Development Administration. Specialist Nguyen also mentioned that the City never would have won without the support and letter writing of local businesses.

Council Member Márquez asked if the master plan would come back for review by the CEDC or the Council Technology Application Committee. Specialist Nguyen said it would go straight to Council, but he was still working with the consultant to develop the plan. She also asked Chamber President Huggett to thank the business community for their assistance.

Council Member Mendall asked why there wasn't an announcement posted to the City's website. Manager Hinkle explained that staff wanted to review requirements before posting the press release. Council Member Mendall asked when the conduit would be in the ground and Specialist Nguyen said per the terms of the award, construction should begin within 12 months of the award and the project completed in 36 months. Council Member Mendall encouraged staff to incorporate the project with the following summer's paving program to get the conduit in faster.

Member Ly asked if the grant covered the whole expense of laying the conduit. Specialist Nguyen explained that it was a matching grant with the City providing in-kind right-of-way road access and contributing a cash amount.

Member Ly commented that it took six months for businesses in the industrial crescent to work with companies like AT&T to get access to internet. He asked if the timeline would be shorter and less expensive after the conduit was available. Specialist Nguyen explained that the fiber loop would create a backbone of conduit and businesses would still need to connect to the backbone. He said

ideally, the process for hook up would be faster and less expensive, and with faster internet speeds.

Member Ly asked if AT&T would connect to the backbone or would another company. Manager Hinkle said the master plan would identify other vendors the City could work with to make those connections.

Member Ramos asked for clarification that conduit would be laid and owned by the City and then vendors would pay to pull cable through the conduit. Staff said that was correct and added the backbone would be a combination of existing conduit used for signal lights and new conduit.

Mayor Halliday said everyone knew about the grant award when she attended the membership meeting of the East Bay Economic Development Alliance, so word was out.

Mayor Halliday also mentioned that Hayward was key driver in the development of the Comprehensive Economic Development Strategy (CEDS) that now encompassed nine Bay area counties and thought it had to be in place to win grants from the federal government.

Specialist Nguyen said one of the first boxes on the grant application was “Does your community have a CEDS?” and staff had to write an argument that the City’s Economic Development Strategic Plan, adopted by Council, had gone through a similar process and that the City was actively working toward a CEDS.

Council Member Mendall asked for confirmation that the three phases of the program were 1) laying the conduit or pipe in the ground, 2) pulling the cable through the conduit, and 3) allowing vendors and businesses to connect to the cable in the conduit. He asked if the grant only paid for Step 1 of the process. Specialist Nguyen said the grant would also cover the cost of Step 2 and as part of grant the City was required to negotiate a lease with a private provider to pull cable. Council Member Mendall asked if the City had an agreement in place and Specialist Nguyen said the City had a tentative agreement with San Leandro Dark Fiber. Staff confirmed that the agreement would not be exclusive.

Council Member Mendall asked if in the best case scenario, the conduit would be laid and the cable pulled in two years and staff said yes.

### **3. ECONOMIC DEVELOPMENT STRATEGIC PLAN - INDUSTRIAL SECTOR WORK TASKS 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 on changes, additions, and deletions; the Industrial Sector Work Task Update covered the final section. 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.

Specialist Nguyen gave the presentation.

In response to Specialist Nguyen’s discussion of workforce development and the dual purpose of City-sponsored or hosted STEM events—both in leveraging business partnerships to create school-to-job opportunities and showing students the quality of businesses Hayward had to offer, Member

Ramos said the Hayward Makers Space had opened and should be tied in to these events. He pointed out that if a business required a particular skill set, those skills could be learned at the Makers Space.

Council Member Mendall said he wanted to protect the industrial crescent and encourage business clusters by designating sites for uses like biotech before they became vacant and housing developers tried to push into the area. He said warehouse uses were acceptable, especially when upgrades were made to the building, but he asked staff to target more than just transportation uses and hold out for better options whenever possible.

Regarding the staff recommendation to grow the business visitation program, Member Ramos asked what resources were needed to make that happen and suggested starting with more staffing. He also suggested CEDC members could participate in business visits.

Mayor Halliday mentioned the City had had a visitation program that paired Economic Development staff with City Manager's Office staff and department heads. She said City representatives were welcomed by businesses, but the response was different; staff didn't come back to the office with assistance requests from the businesses.

Council Member Mendall said Council Members were also available for business visits.

Manager Hinkle added that Economic Development staff was working with Development Services to rezone the industrial sector to require more specific uses. Council Member Mendall asked what the timeline was for the rezoning. Development Services Director Rizk said to conduct a comprehensive update would take approximately twelve months. He noted staff was also developing tools to streamline the process for desired uses.

Council Member Mendall said he supported the staff recommendations noting the EDSP was a starting point and needed to be fine-tuned. He said he appreciated the feedback and revisions.

Member Ly asked specifically what was the next step or action. Economic Development Manager Hinkle said once the CEDC approved the recommendations staff would take the changes to Council for approval. He said the plan did what it was supposed to and he commented to Council Member Mendall that he didn't know how staff would meet some of the goals, but they found a path.

Member Ramos again recommended more staffing to meet the goals of the Plan, which had been clarified. He noted that the more specific the goals, the harder for staff, but that was what Council wanted.

Mayor Halliday said Economic Development staff was on the frontline and that she was open to recommendations. She mentioned that she participated in new business ribbon cuttings and the quality of businesses coming in was really good. Mayor Halliday said she used to hear complaints from businesses, but since the Business Concierge Program was initiated feedback had completely flipped to positive. She said word of mouth was the best marketing and she thanks all staff members for being part of the change.

Mayor Halliday said businesses wanted to be part of the community and she encouraged staff to help them find ways to do so by, for example, sponsoring improved lab space at schools or by offering internships programs.

#### **4. FUTURE AGENDA ITEMS**

Council Member Mendall commented that determining the impact of minimum wage increases was too difficult and he asked that the item be modification to be a report back on what was happening in other cities. City Manager McAdoo asked that staff include cities from Contra Costa and Santa Clara Counties.

Member Ramos suggested a representative from the Makers Space come give a presentation. He noted there was a small museum area that included the first portable computer, the Osborne, which was designed and built for eight years in Hayward. Mayor Halliday said the CEDC should take a tour or hold a meeting there.

Economic Development Manager Hinkle mentioned staff was going to recruit more speakers to make presentations to members.

#### **COMMITTEE MEMBER ANNOUNCEMENTS AND REFERRALS**

Mayor Halliday said she spoke personally with Members Ly and Ramos about Council's recent decision to eliminate public members from Committee Meetings. She apologized and said staff was still working on fine-tuning the purpose and goals of meeting. She noted public members would continue to serve until their terms ended in 2018 and that members would not be replaced when they resigned.

Council Member Mendall asked if the City was changing policy to allow public comments throughout meetings rather than just at the beginning. Mayor Halliday said that had been suggested and that she was open to allowing that change. She explained that staff was hoping this would encourage the public to participate. Council Member Mendall pointed out that as Chair, it was her discretion to allow public comments at any time and members could provide feedback. The Mayor said she wanted to hear from the public and wanted to be more flexible.

**ADJOURNMENT:** The meeting was adjourned at 6:09 p.m.