



COUNCIL ECONOMIC DEVELOPMENT COMMITTEE

MEETING MINUTES – July 1, 2019

CALL TO ORDER: Mayor Halliday called the Regular meeting to order at 4:02 p.m.

ATTENDANCE (September 2018-July 2019):

Committee Member	Present 7/1/19	All Meetings Year to Date		Meetings Mandated By Resolution	
		Present	Absent	Present	Absent
Mayor Halliday (Chair)	✓	9	0	8	0
Council Member Mendall	✓	9	0	8	0
Council Member Salinas	✓	6	0	6	0

* Council Member Salinas appointed as of Feb 2019

OTHERS IN ATTENDANCE:

Kelly McAdoo, City Manager; Jennifer Ott, Deputy City Manager; Laura Simpson, Director of Development Services; Paul Nguyen, Economic Development Manager; Catherine Ralston, Economic Development Specialist; Suzanne Philis, Senior Secretary; Susan Ojeda-Cobos and Diane Laine, Hayward Chamber of Commerce; Alfredo Rodriguez Jr., Vintage Alley; Julio Romero, Brews & Brats; Vincent Sami

PUBLIC COMMENTS

Hayward Chamber of Commerce Office Manager Susan Ojeda-Cobos distributed a list of July Chamber events and photos from the June Downtown Summer Street Party. She estimated the June Street Party attendance at 8,000.

1. APPROVAL OF MINUTES OF REGULAR MEETING JUNE 3, 2019

A motion to approve minutes was made by Council Member Salinas with a second by Council Member Mendall. Minutes from the June 3, 2019 Regular Meeting were approved.

2. PROPOSED CITY OF HAYWARD SPECIAL EVENT SUPPORT AND GRANT PROGRAM GUIDELINES

Economic Development Specialist Ralston gave the presentation noting an email was sent to event organizers inviting them to comment on the proposed guidelines and to attend the meeting

discussion. She recognized several organizers in the room and said no written comments were received.

Council Member Salinas asked why a calendar year was used rather than a fiscal year for the call for events. Specialist Ralston noted that a call for events in July would be right in the middle of the event season versus January when things were quiet.

Council Member Salinas said he understood why the City wanted to wean on-going events from the funding cycle but wondered if it was a good idea noting some would always need assistance. Specialist Ralston said in her experience when organizers knew funding was ending, they found other sources of revenue and were able to wean themselves off assistance in three years.

Council Member Salinas asked what metrics would be used to judge the success of an event. Economic Development Manager Nguyen listed estimated number of attendees and letters or emails from downtown businesses citing an increase in sales due to the event.

Council Member Mendall noted that whether an event was free or ticketed was not included in the criteria. Specialist Ralston said if the City received more requests than available funding, ticketed events would receive a lower score.

Council Member Mendall said events with consistent, high attendance should also receive extra consideration. Manager Nguyen said evaluation points could be added for events that showed growth and requiring a report back on attendance numbers could be included in the grant agreement.

Mayor Halliday confirmed with staff that if the application submittal period was from January to March, that events happening anytime from April to March of the following year could receive funding during that cycle. Mayor Halliday also asked if the Volunteer Dinner and Martin Luther King Jr. event would be included in the process. City Manager McAdoo said not the Dinner, but possibly the MLK event which was currently funded through the City Manager's Office.

Mayor Halliday asked if Arts and Cultural Grant funding would be folded into the program. Council Member Mendall said it made sense to include it. Deputy City Manager Ott said staff didn't consider the Grants when developing the proposal and would have to look at the overall budget for the program if Council wanted grants included.

Mayor Halliday opened the floor to Public Comments.

Alfredo Rodriguez Jr., organizer of the Vintage Alley Car Show, Latin Jazz Festival and Oktoberfest, said he started organizing events in Hayward because he liked what he saw in other cities and wanted to have them here, too. He said his goal for events was no fences, no cover charge, a good day of fun and music, and recognition for the City. We don't copy other cities, he said, Hayward does it its own way.

Mr. Rodriguez said as far as funding, he had volunteers (64 for the car show) and sponsorships including the City's. Based on that he made a budget and then tried to reduce costs to fit.

Council Member Mendall asked him how he felt about the proposal. Mr. Rodriguez said he didn't mind the cap but asked if funding could be reevaluated rather than cut off after three years. He

pointed out that he didn't organize events for himself, he did it for the community.

Julio Romero, co-organizer with Mr. Rodriguez, said Hayward couldn't be compared to cities like Livermore because they didn't have the same industry downtown. He said Hayward events had become stimulus packages for downtown businesses whose sale figures were otherwise down. Mr. Romero said downtown businesses needed these events to compensate.

Council Member Mendall said everyone agreed that Hayward needed and wanted the events. He asked Mr. Rodriguez and Mr. Romero what caused them concern about the proposal the funding amount or the end date. Mr. Romero said the end date. Mr. Rodriguez noted that the cost of organizing events went up every year.

Council Member Mendall asked if they factored in funding from the Downtown Hayward Improvement Association (DHIA). Mr. Romero said they had not yet approached the DHIA for assistance, but they would.

Mr. Rodriguez commented that after the Latin Jazz Festival the owners of Buffalo Bills, Charlotte's, Metro Taqueria, the Bistro and the Turf Club reported record sales for the day. Council Member Mendall asked him if these businesses contributed any money toward the event. Mr. Rodriguez said some do. He also noted he used his own money until he received the funding from the City.

Diane Laine with the Hayward Chamber of Commerce asked if services currently provided by Maintenance Service and the police department would be affected when financial support ended. Deputy City Manager Ott said those costs were included in the encroachment permit fee waiver. Economic Development Manager Nguyen said the requirements related to traffic control and event security were a separate negotiation with Hayward Police Department.

Mr. Rodriguez said he worked with Police before the event to set expectations and develop a security plan. Deputy City Manager Ott clarified that security costs wouldn't be waived, but that working with Police before the event could help an organizer determine costs.

Mayor Halliday closed the Public Comments.

Council Member Salinas asked if staff had considered developing different levels of events, or tiers, such as mainstay events for those events that happen every year and for which the City was known. He suggested having different criteria and funding levels for three different tiers. Specialist Ralston said San Luis Obispo had a three-tiered system based on the draw of an event: local, county, or regional, and noted each had a different funding amount.

Council Member Mendall said he didn't want to be stingy with long-standing events that drew 5,000-10,000 people and would consider waiving the permit fee and funding those events indefinitely. Another option he suggested for free well-attended events was a matching grant with the DHIA. For events that were not free and only drew a few hundred people, he said he would support a cap and an end date for funding.

Council Member Salinas said the City should prohibit fencing and ticket sales for downtown events. Deputy City Manager Ott suggested a requirement that all City-sponsored events be free to attend. Council Member Mendall clarified that he was fine with fencing and ticket sales if the event organizer

wasn't seeking City assistance.

Council Member Mendall clarified for staff that he wanted the encroachment permit fee waived and a matching grant capped at \$2,500 to go on forever for large-draw, free events.

Mr. Romero commented that a single event cost at least \$15,000 to \$18,000 to organize. He said two grants totaling \$5,000 wouldn't be enough. Council Member Mendall said he might have to ask those businesses that had record days every time there was an event to chip in. Mr. Romero said they already did. Council Member Salinas suggested raising the cap to \$5,000.

City Manager McAdoo pointed out that not all City events were in the downtown so the DHIA wouldn't always be providing matching funding. She said staff would have to continue looking for other possible solutions.

Mayor Halliday said although it was good staff was looking at setting some standards and guidelines for events, she was in favor of eliminating any end-dates for funding. She noted that organizers had to apply every year and at that time staff could decide to change or end the funding amount. She questioned why the City would end support for events that benefited the City and downtown businesses. She also noted staff had not factored in the impact of Heritage Plaza opening.

Regarding the Blues Festival, Mayor Halliday agreed that the event would probably have to change and probably shouldn't continue to receive funding at the same level as it had. She noted that because it was a fenced and ticketed event it didn't benefit downtown businesses. That said, she didn't want to lose the event and would expect some push back if the City tried to cancel it. Mayor Halliday also noticed that event criteria didn't include whether cultural goals were met per the City's commitment for an inclusive, equitable and compassionate community.

Mayor Halliday said she was in favor of putting some limits and structure on the sponsorship of events, but she didn't want to end support of successful events that benefitted the City. When Council Member Mendall questioned support of events with poor attendance, Mayor Halliday said that would be evaluated each year. Council Member Mendall said attendance estimates needed to come from someone other than the event organizer.

Deputy City Manager Ott summarized the discussion with the following: No end date for City support; add criteria for support giving more weight to free events; track attendance with numbers corroborated by City staff; place higher value on the continued growth of an event; acknowledge when organizers pursue alternative sources of funding; and raise the proposed funding cap.

Council Member Mendall said impact to local businesses didn't need to be corroborated and could be assumed if an event brought 5,000 or more people to downtown.

Mayor Halliday said event organizers could ask for less if they received financial support from an alternative source but wanted the City to stay involved by providing funding for events that were consistent with City's cultural and equity values for the community.

Council Member Salinas explained that the reason why he wanted to raise the funding cap was to support the organizers who were also trying to run a business. He pointed out that business owners didn't have the same ability to find sponsors like an independent promoter. Regarding finding

matching funds, he said he didn't want to create a metric that was unachievable.

Mayor Halliday agreed with Council Member Salinas and pointed out that looking at the history of funding, many events didn't ask for very much. She pointed out that if a budget was set for events, staff would have to make the assessment of how much each event gets. She asked staff to review the events funding by Community Services to make sure none of them should be included in this other budget.

Deputy City Manager Ott said organizers could ask for less than the full \$5,000, and if they did that could be part of the consideration for future requests. She still recommended having a cap.

Council Member Mendall pointed out that the DHIA required 51% of members to vote in favor of supporting a motion and the City's vote was enough to get halfway to that threshold. Adding up the support from the City, the fee waiver, free services from the police, and support from City reps on the DHIA, he said that should be close to enough.

Mr. Romero pointed out that costs go up every year. Members said the event funding amount could be evaluated every year.

Mayor Halliday emphasized the need to preserve tradition. That said, she questioned two long-time events in Hayward: The Zucchini Festival and the Hayward Russell City Blues Festival. She noted that although the organizer insisted the event deserved more support from the City, the Zucchini Festival didn't receive a lot of funding from the City. Because Kennedy Park was closed for renovation, last year the event was moved to the parking lot of Southland Mall and would be there again this year. She expressed surprise that the event survived the relocation. Noting that the Blues Festival received a lot of funding from the City and attendance was low, Mayor Halliday said she didn't want to lose the Festival, but acknowledged it was time to rethink the event and reemerge in a new format, perhaps just a one-day event.

Mr. Romero commented that he could organize the event at half the price and noted there were no flyers downtown marketing the event.

Members agreed it was time to have a conversation with these organizers about these two events. Mayor Halliday said the City might offer more support to the Zucchini Festival if it was more like it used to be. She pointed out that the event did draw people from outside of Hayward, and to a different part of town.

Deputy City Manager Ott thanked members for providing direction to staff who would reevaluate the cap and overall funding budget. She asked members how they would like to proceed; bring the discussion to Council or back to the CEDC? Mayor Halliday suggested a Work Session for Council, but Council Members Mendall and Salinas said a recommendation from staff to Council would be enough. Mayor Halliday suggested staff talk with other Council Members before making a recommendation.

Council Member Mendall asked if the Hayward Community Foundation could be another source of funding for events. City Manager McAdoo said that was one of her goals; to move arts and music funding from social services to the Foundation where endowments could be created for the arts.

Mayor Halliday said she hoped the City would continue to make an allocation to the arts and City

Manager McAdoo said it would, the allocation process would be different to avoid competing with social services.

Mr. Rodriguez distributed budget sheets for several events for staff review and consideration.

Council Member Salinas acknowledged Susan Ojeda-Cobos and Diane from the Chamber, and Al and Julio for their contribution to downtown with the organization of events that drew attendees from all over the region. He said their use of social media was strong and noted the Downtown Street Parties had its own hashtag. He said their work over the years was undisputedly successful and he thanked them. Members and staff concurred.

3. ECONOMIC DEVELOPMENT ACTIVITIES UPDATE

Economic Development Manager Nguyen introduced the item noting the report was a glimpse at the day to day workings of the ED Team on projects and concierge cases that could take anywhere from months to years to complete.

Council Member Salinas commented that there was a lot of duplication of business types in the downtown and asked what staff was doing to bring in more variety. Manager Nguyen explained that business owners had done the analysis and felt they had different products and clients. Staff did talk to them about existing businesses as part of concierge assistance, he said, but having the space filled was more important than avoiding duplication. Deputy City Manager Ott said staff could actively market to desired business types.

Senior Secretary Philis gave a report back on the Movie on the Plaza event that happened Friday, June 28th in front of City Hall. She noted there was record attendance with so many people on the lawn to watch Transylvania 3: Summer Vacation that Hayward Area Parks and Recreation staff went back to their offices for the biggest screen available. Between 600-650 kids and family members enjoyed free samples from Rita's Italian Ice and Charlotte's, free books from Library Services, and fun activities including exploring a Falck ambulance. She thanked and acknowledged the contribution of event partners and noted she had a budget of \$1,800 for the event, but only spent \$1,426.23. Secretary Philis also noted the City's media team was instrumental in promoting the event on social media.

Council Member Salinas suggested food vendors be added to future Movie events. Secretary Philis noted there was enough time between the activities and the start of the movie for folks to take advantage of downtown restaurants. Manager Nguyen said staff could work with downtown restaurants to have grab-and-go meals available on event nights.

City Manager McAdoo mentioned that the Lincoln Landing development had made its way through the development process and ready to start construction in the next few weeks. She thanked and acknowledged the work of staff on the project.

Council Member Salinas was pleased that the Haymont project was progressing quickly.

Mr. Rodriguez mentioned to Secretary Philis that event information could be sent to him or Renee Rettig of Books on B for promotional distribution.

Mayor Halliday asked if the Movie event would go through the same evaluation as other events.

Manager Nguyen explained that there were City-sponsored events and City-organized events. The Movie event and Light Up the Season were City-organized, he explained, and would not go through the same evaluation process.

4. FUTURE MEETING TOPICS AS OF JULY 1, 2019

Mayor Halliday asked what happened to the RHNA (Regional Housing Need Allocation) item. Manager Nguyen said the item was removed from the CEDC list because Planning would be bringing a report to City Council.

COMMITTEE MEMBER ANNOUNCEMENTS AND REFERRALS

None

ADJOURNMENT: The meeting was adjourned at 5:22 p.m.