



COUNCIL ECONOMIC DEVELOPMENT COMMITTEE

MEETING MINUTES – July 6, 2020

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

ATTENDANCE (September 2019-July 2020):

Committee Member	Present 7/6/2020	All Meetings Year to Date		Meetings Mandated By Resolution	
		Present	Absent	Present	Absent
Mayor Halliday (Chair)	✓	8	0	8	0
Council Member Mendall	✓	8	0	8	0
Council Member Salinas	✓	8	0	8	0

OTHERS IN ATTENDANCE:

Kelly McAdoo, City Manager; Michael Lawson, City Attorney; Laura Simpson, Director of Development Services, Paul Nguyen, Economic Development Manager; Sara Buizer, Planning Manager; Ankush Agarwal, Assistant City Attorney; Catherine Ralston, Economic Development Specialist; Suzanne Philis, Senior Secretary; Amit Goel, Goel Investments; Samantha Miller, Patti Castro, Alameda County Workforce Development Board

PUBLIC COMMENTS

There were none

1. APPROVAL OF MINUTES OF REGULAR MEETING JUNE 1, 2020

A motion to approve minutes from the June 1, 2020 Regular Meeting was made by Council Member Mendall and seconded by Council Member Salinas. The motion was approved.

2. MAPLE AND MAIN CONDITIONAL USE PERMIT AMENDMENT PROPOSAL

Director of Development Services Simpson gave the presentation noting if Goel Investments' court case regarding acquisition the existing structures was successful on July 29th, the existing buildings would be demolished within a week of closing the acquisition. She mentioned the ratio of affordable units would not change with the amended proposal. She then gave the presentation.

Mayor Halliday asked for clarification regarding the dates. Mr. Goel said the court date regarding the property acquisition had been pushed from July 5th to July 29th and once settled, they should be able to close on the property within 24-72 hours. He said the project scope would be done in early August and that he would be applying for the conditional use permit this week.

Council Member Salinas said he had big concerns about the decrease in the amount of commercial space.

Mr. Goel noted his company primarily built multi-family housing and that a market analysis had shown no active demand for retail or restaurant space.

Council Member Salinas noted that before the pandemic started in March, Council had been actively working to preserve ground-floor commercial space in new construction. He said he could anticipate that several people from the neighborhood would be calling him about the reduced amount.

Mr. Goel argued that adding more commercial space would only hurt the businesses already in Hayward. He also noted that the remaining 6,000 square feet would be enough space for 5-6 restaurants or shops, which was ample for the size of the building. It would be one thing if there were retailers lined up for the space, he said, but there was not.

Council Member Salinas asked about amenities for residents. Mr. Goel said there could be a movie screening room, gaming room, business center with conference rooms, gym, yoga studio, and outdoor activities around the pool.

Council Member Salinas asked if the commercial space would face Maple or Main Street or both. Mr. Goel said the west and north side (McKeever and Maple). Council Member Salinas asked what would be facing A Street and was told housing.

Mayor Halliday asked if there would be housing all along Main Street and was told yes.

Council Member Salinas said he would prefer more commercial, but he was generally supportive of the project. He commented that site was currently an eyesore and he just wanted to get the project done. He suggested to Mr. Goel that after July 29th he should work diligently to get the existing building down and construction started.

Council Member Mendall asked if demolition could be a condition of the sale of the property or part of the CUP update. Director of Development Services Simpson said demolition would be included in the Sale Agreement. Mr. Goel added that wouldn't be necessary; he wanted demolition to occur within 90 days of the sale and to break ground in January 2021. He said he was very committed to that goal.

Council Member Mendall asked how many square feet of retail was initially approved and was told by Development Director Simpson 40,000. He said he appreciated the comments made about moving forward quickly but noted he wasn't comfortable with an 85% reduction. He said now was a good time to build commercial office space and encouraged the applicant to put a substantial amount back into the plan.

Mr. Goel pointed out that he initially was going to refurbish the medical building but the City had a

lien to demolish it and that would mean starting over. He consulted with three different office developers and all of them indicated that there wasn't enough demand for office to make the project financially feasible.

Mayor Halliday agreed that the project had to move forward. In its current state the site was a detriment to downtown, she said, but she was also sad to lose the medical building. She expressed concern about finding tenants for other new retail spaces and noted the additional housing coming in might help. She asked if the medical building was truly unsalvageable. Mr. Goel said it would need major retrofitting and the City was correct in its assessment for demolition.

Director of Development Services Simpson confirmed that the City's building official had indicated that significant changes would be needed to save the medical offices.

Mayor Halliday recommended concentrating on the planned amenities and remaining retail space. Council Member Mendall said the ground floor retail should be facing the City parking lot on Maple Street, not facing McKeever. Mr. Goel said they put the retail on McKeever to make it convenient for residents, noted there was ample parking in the planned garage, but said they were open to suggestions.

Council Member Salinas asked how much control the City had in determining the type of retail that went in. Economic Development Manager Nguyen said allowed uses were determined by the zoning. Council Member Salinas asked if a cannabis dispensary could go there and said the neighbors wouldn't like that. He asked Mr. Goel to think about what the neighbors might want.

Director of Development Services Simpson said only a limited number of dispensaries were allowed so that use couldn't come in.

Mr. Goel said he welcomed suggested retailers noting he had no potential tenants lined up and was thinking it would be a struggle to fill the space.

Mayor Halliday asked about next steps and Director of Development Services Simpson said next the item would go to the Planning Commission and then Council.

3. ALAMEDA COUNTY WORKFORCE DEVELOPMENT BOARD - COVID-19 LABOR MARKET IMPACTS AND RAPID RESPONSE PROGRAMS UPDATE

Economic Development Manager introduced representatives of the Alameda County Workforce Development Board, Director Patti Castro and Program Financial Specialist - Business Services Samantha Miller. Ms. Miller gave the presentation.

Council Member Salinas asked what business types and geographic areas had the highest rates of layoffs in Hayward. Ms. Miller said that information wasn't tracked. Economic Development Manager Nguyen noted data was kept generate so certain areas of the workforce weren't stigmatized by high layoff numbers.

Council Member Salinas asked if racial data was collected and Manager Nguyen said no.

Council Member Salinas asked what a second wave of shelter in place orders would mean to the

workforce. Ms. Castro said it would be very scary because workers and business owners were already hurting. She also expressed concern that worker benefits and protections could be impacted.

Council Member Salinas agreed and said, if possible, breaking down the data to see who was impacted would allow Council to determine who needed the most help recovering. Ms. Castro recommended reading the Alameda County Social Services monthly report for trends on public assistance needs and policy.

Council Member Mendall said he appreciated all the program the Board offered. He asked how Alameda County compared to the nation—any surprises or particular sectors hit harder? Ms. Castro said trends indicated that low-wage workers were the hardest hit. She noted manufacturing was more resilient and long-term the focus would be on education and healthcare.

Council Member Mendall asked what industries were hiring. Ms. Miller said that information wasn't tracked, but noted she was always posting job openings for healthcare workers, warehouse procurement and construction jobs.

Council Member Mendall requested updates on any trends in permanent layoffs, and notification if they saw anything of particular concern. He said restaurant layoffs were to be expected, but if permanent layoffs started growing in the manufacturing sector he would be alarmed.

Mayor Halliday mentioned that she received a WARN notice from Macys. Economic Development Manager Nguyen said that notice was an amendment, layoffs in addition to a notice already sent. He also noted that Macys had a new store manager. He said he had heard of no other closures at Southland Mall and the Macys there was still open.

Economic Development Manager Nguyen commented that a lot of businesses were waiting to reopen or rehire employees until the fear of a second wave of COVID-19 infections had passed.

Mayor Halliday asked if Century Theater was reopening. When he last spoke to theater management a month ago, Economic Development Manager Nguyen said they were planning to reopen but would check in with them again to confirm.

Ms. Castro said she heard that Buffalo Bill's wasn't reopening. Economic Development Manager Nguyen said he spoke with the owner and he was currently selling beer and pretzels.

Mayor Halliday suggested targeting future grant programs toward businesses that would have a cascading effect on others such as the theater reopening would help surrounding businesses like nearby restaurants and cafes.

4. BUSINESS DISTRICTS RE-OPENING PLAN UPDATE

Economic Development Specialist Ralston gave the presentation noting several downtown restaurants reported their best Saturday sales since shelter-in-place orders due to the closure of B and Main Streets on Saturday, June 27th. By closing the street, she said, restaurants could offer outdoor dining while still meeting social distancing requirements. She said the next closure of B and Main Streets was scheduled for Saturday, July 11th and Downtown Hayward Improvement Area's (DHIA) plan was to continue the closures through August as part of their "Together for Downtown

Hayward” effort.

Specialist Ralston also reported that The Cupcake Shoppe on Main Street was recently featured on Big Time Bake and won the episode for best cupcake. To celebrate, she said, they were giving away free samples this Saturday.

Economic Development Manager Nguyen gave a shout-out to Planning Manager Sara Buizer and her team for getting outdoor dining permit application forms online so quickly. He said Saturday was a successful because of Planning Division’s quick turnaround.

Council Member Mendall said he was thrilled to see the street shutdown implemented and he supported consistent closures through August. He suggested expanding the idea to other areas of the City including Tennyson Road.

Council Member Salinas said he would also like to see the plan expanded to Fairway Park and he complimented staff on the great execution. He noted that he was surprised to receive some mixed reviews about the closure. He said the photos show responsible social distancing and people wearing masks when not eating or drinking. He said he was looking forward to coming downtown this weekend.

Council Member Salinas said allowing The Dirty Bird to offer outdoor seating at Newman Park worked perfectly. He wasn’t so sure about the flags roping off the area, but otherwise they did it right.

Mayor Halliday said her husband picked up food to go on Saturday, but that they were planning on coming to downtown this weekend. She asked if restaurants were accepting reservations noting with limited seating getting a table could be a little chancy. That said, she was glad to see the program and asked if there was anything the City could do to promote retail shops besides encourage them to stay open longer on Saturday to take advantage of the foot traffic.

Economic Development Specialist Ralston explained that indoor retail was permitted with limited capacity. She was encouraging retailers to put out balloons or flags to let people know they were open.

Mayor Halliday said she was confused about alcohol use outside and asked for an update. City Manager McAdoo explained that restaurants were allowed to sell alcoholic beverages for take-out so several of them had creatively gotten around limited sales requirements.

City Manager McAdoo noted Alameda County had been added to the State’s watch list because of the increase in reported COVID cases, but she was still hopeful that the street closures will be able to continue.

Mayor Halliday said she was also surprised by any mixed reviews of the street closures. She noted Council had been talking about a pilot program to shut B Street to vehicle traffic before the pandemic started. Now it was just good to see some activity in downtown, she said.

Mayor Halliday thanked staff for their efforts and said whatever the City could do to help the community was welcomed.

5. APPROVAL OF 2020-2021 CEDC REGULAR MEETING SCHEDULE

Council Member Mendall expressed concern that after the July there wasn't another meeting scheduled for three months. He encouraged staff to consider adding a Special Meeting if needed.

Council Member Mendall made a motion to accept the 2020-2021 CEDC Regular Meeting Schedule, Council Member Salinas seconded the motion, and the motion was approved.

6. FUTURE MEETING TOPICS AS OF JULY 6, 2020

There were no comments or additions.

COMMITTEE MEMBER ANNOUNCEMENTS AND REFERRALS

Council Member Salinas asked why the flags on City Hall Plaza were at half-mast. When he was told in memory of Gail Steele, former Hayward City Councilwoman and longtime member of the Alameda County Board of Supervisors, he commented that he would like to take a photograph of the flags but there was a port-a-potty right underneath. He asked if it could be moved and City Manager McAdoo said she would make that request.

ADJOURNMENT: The meeting was adjourned at 5:53 p.m.