



## **COUNCIL ECONOMIC DEVELOPMENT COMMITTEE**

### **MEETING MINUTES – January 27, 2022**

**CALL TO ORDER:** The Regular meeting was called to order at 5:01 p.m.

#### **ATTENDANCE (September 2021-July 2022):**

Committee Member	Present 1/27/2022	All Meetings Year to Date		Meetings Mandated By Resolution	
		Present	Absent	Present	Absent
Council Member Salinas	✓	2	0	2	0
Council Member Wahab	✓	2	0	2	0
Council Member Andrews	✓	2	0	2	0

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

Kelly McAdoo, City Manager; Jennifer Ott, Assistant City Manager; Sara Buizer, Deputy Director of Development Services; Paul Nguyen, Economic Development Manager; Catherine Ralston, Economic Development Specialist; Suzanne Philis, Senior Secretary; Izzet Darendeli, Associate Professor of Management, CSU East Bay and Associate Director of Smith Center for Private Studies; Todd Falduti, Southland Mall Sr. General Manager, Asset Management; Paul Hodges, HARD Board of Directors

#### **PUBLIC COMMENTS**

There were none.

#### **1. APPROVAL OF MINUTES OF REGULAR MEETING OCTOBER 28, 2021**

A motion to approve minutes from the October 28, 2021 Regular Meeting was made by Council Member Wahab and seconded by Council Member Andrews. The minutes were unanimously approved.

#### **2. OVERVIEW OF INCUBATORS AND COWORKING SPACE MODELS (Oral report only)**

Economic Development Manager Paul Nguyen introduced Professor Izzet Darendeli, Associate Professor of Management, CSU East Bay and Associate Director of Smith Center for Private Studies who gave the presentation.

Council Member Andrews said she had worked in a co-working space and said she noticed there were usually food options nearby. She asked what other surrounding amenities were favorable for co-working spaces.

Professor Darendeli said having food and other amenities near co-working spaces helped because it lowered costs associated with operating and maintaining the site. Having co-working spaces far away from everything was not good, he said.

Council Member Andrews noted that 41% of black woman-owned businesses closed during COVID and she asked what kind of incubator spaces could support that population. Professor Darendeli said incubators could encourage them toward more viable fields of entrepreneurship.

Council Member Andrews asked what kind of support the City would have to provide for an incubator. Professor Darendeli said it would have to be sustaining support; it couldn't be one touch. He also noted the City would be able to identify the best location, based on the information above about amenities, to establish an incubator or co-working space. For the space to be successful, he said, the City would have to incorporate the space into its planning and activities to connect it to the community.

Council Member Andrews asked about Chabot College and if there had been any discussions with administrators about a partnership. Economic Development Manager Nguyen said there were discussion late last year but representatives hadn't expressed much interest.

Council Member Andrews asked if Hayward would be a desirable location for co-working or incubator space because people who prefer to work in an office, but don't want to deal with traffic, might take advantage of the location. Professor Darendeli said maybe for a co-working space, but most incubators don't focus on issues like traffic; they want corporate support and to be part of the business community.

Council Member Wahab questioned if there had been a direct ask from the City regarding co-working or incubator space. Assistant City Manager Ott responded that an item regarding the subject had been on the Future Meeting Topics list for months so Manager Nguyen found an expert who could provide information and answer questions.

Council Member Wahab said she consistently heard about people struggling with the legal aspects of entrepreneurship and she asked what support system was available to them. Economic Development Manager Nguyen said while staff provided hand-holding for new small businesses through its Concierge Services, the Alameda County Small Business Development Center (ACSBDC) had free workshops for the technical aspects of starting a business including legal advice. He noted that CSUEB had just contracted with the SBDC to provide classes there and at their campus in Concord. Staff was already in contact with them and would partner for support moving forward.

Council Member Wahab also noted that Hayward's diverse population struggled with language barriers and said she wanted to see more support. She said she wanted the team to focus on minorities and women in particular and partner with Chamber of Commerce. Manager Nguyen said those actions were already underway.

Council Member Salinas said it made the most sense to him to locate a co-working or incubator space in the downtown or at other major retail corridors that had more amenities, unlike the industrial sector which had limited amenities. He said both options were easy concepts to get behind and support financially. The problem was finding a building owner who would be supportive by charging reasonable leases, he said, or by not expecting the business owners to pay for big improvements to the building. How do we get past this, he asked.

Economic Development Manager Nguyen acknowledged there were no easy answers and what was needed was a local champion. Because so many of the building owners were long-time and often absent, he said the biggest opportunity would come from bigger landowners and development companies. They may be more willing to share extra space and have a greater desire to host that kind of use, he said.

Professor Darendeli gave an example of one incubator that was offered space for \$250,000 for 5 years, but after EBay became interested in the space, the cost went up to \$130 million. He agreed with Manager Nguyen that support would probably come from bigger sources than local building owners.

Council Member Salinas mentioned the vacant lot at the corner of B and Main and suggested staff reach out to the property owner to plant the idea of incubator space before development even began. Another possible location downtown, he said, was the former Ace Hardware site at B and Watkins Streets.

Council Member Salinas asked how the City would generate revenue from a co-working space. Professor Darendeli said in his experience, revenue was generated by charging rent for a table or desk open to anyone at the lowest amount, then moving up in cost for a private desk, office or larger space.

Economic Development Manager Nguyen said Professor Darendeli's information confirmed that if the City created co-working or incubator space it would have to act as landlord and could only encourage future businesses to stay in Hayward when they were ready to establish a permanent location.

Council Member Wahab said she would be supportive of the City investing or partnering with someone to do this. She said she wanted everyone to have the opportunity to become an entrepreneur and wanted more than one pathway for that to happen. Ideally, she said, the City would not be in charge because it wasn't its area of expertise. But what the City could do was to look for and preserve the right space for this kind of use, she said. Using the South Bay as an example to emulate she noted the way co-working and incubator space was creatively marketed to coders and women.

Council Member Andrews commented that Hayward needed more food options or at least a better way to get existing restaurant fare to more locations. She pointed out that shipping containers were part of the high-tech culture as were public market spaces. She also mentioned a need for activities and said there were many that could work in the industrial sector.

Council Member Andrews said she hoped that Hayward would carve out areas to create these

opportunities. She also asked staff to consider under-utilized Hayward Unified School District properties or The Stack Center as other possible options.

### **3. HAYWARD UPWARD ECONOMIC RECOVERY PLAN UPDATE: TOGETHER FOR HAYWARD E-GIFT CARD PROGRAM**

Economic Development Manager Nguyen introduced the item noting that e-gift card program was part of the Division's COVID-19 Economic Recovery Plan that was modified based on feedback from Council. Economic Development Specialist Catherine Ralston gave the presentation starting with the announcement that as of that day, 80 businesses had signed up.

Council Member Andrews asked Southland General Manager Todd Falduti if he'd received any feedback from participating businesses. He said no, he had no results he could share. Council Member Andrews encouraged staff to work with Mr. Falduti to get some clothing stores signed up since the bonus gift cards gave folks more money to spend. Specialist Ralston said chain retailers could have to go through corporate offices to get permission to participate and staff had had more luck with independent retailers.

Council Member Andrews asked if staff could send graphics for point-of-sale reimbursement grant program so she could share the information on Instagram.

Council Member Salinas asked if stores like The Cobbler and Work World had been outreached and Specialist Ralston said yes.

Council Member Wahab congratulated staff for the success of the program. She mentioned she had only seen one round of promotions on social media and suggested more consistent repostings. She also suggested warning people when the program would end so they wouldn't lose any remaining money on their gift cards. Specialist Ralston explained that the cards do not expire and that Yiftee would send a reminder if the card hadn't been used for 12 months. After that, a small monthly fee would be charged to keep the card active, she said, but once the card was used again that would stop. Specialist Ralston added that bonus money gift card holders would receive a reminder at three months after which a small fee would be charged until the account was used. She clarified that the program wouldn't end, instead the City would run out of bonus money.

Council Member Wahab said she once again wished that this promotion was coupled with a City-wide initiative that required businesses to hold consistent hours during the day. She said it looked sloppy when some businesses were open and others were not, especially in the downtown.

### **4. FUTURE MEETING TOPICS AS OF JANUARY 27, 2022**

Economic Development Manager Nguyen started by acknowledging Southland Mall General Manager Falduti for partnering with the City on the gift card program. Southland Mall posted e-Gift card posters around the mall and allowed placement of tent cards in the food court. He also noted that Mr. Falduti offered to host an in-person tour of the mall in lieu of the February CEDC meeting.

Council Member Salinas said he would like to see the update of the City's broadband fiber loop as soon as possible, preferably in March. Manager Nguyen said he would touch base with Public Works

to see if that would be possible.

Council Member Wahab said she would like to see the City set more standards for businesses, especially those receiving City assistance, that would, for example, require them to maintain regular business hours, prohibited bars on windows, and kept doorways clear and clean. Assistant City Manager Ott pointed out that one of the items on the list was City policies that impact business. She explained that there was not a lot the City could regulate.

Assistant City Ott continued saying the City was focusing efforts on getting assistance out to businesses as quickly as possible. The more restrictions you put on them, she said, the harder it was to help businesses. She said the group could continue the discussion, but staff didn't want to make it harder to provide resources.

Council Member Wahab said she understood but asked about the vacant buildings with boarded up windows and doors and if those could be cleaned up. Assistant City Manager Ott said staff was aware of the vacancies and a lot of their efforts were focused on getting the vacancies filled but even with incentives staff couldn't force a business to come in.

Council Member Wahab mentioned the Art's Crab Shack building noting they had their cannabis dispensary permit but still the property sat vacant. She said she would like to understand what was holding up the project.

Council Member Andrews said she would also like to discuss the use of recovery money to install public artwork at vacant building sites; using a Restaurant Impossible approach to help some businesses; and experiential entertainment and retail spaces.

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

There were none.

**ADJOURNMENT:** The meeting was adjourned at 6:30 p.m.