



COUNCIL ECONOMIC DEVELOPMENT COMMITTEE

MEETING MINUTES - September 22, 2022

CALL TO ORDER: The Regular meeting was called to order at 5:02 p.m.

ATTENDANCE (September 2022-July 2023):

Committee Member	Present 9/22/2022	All Meetings Year to Date		Meetings Mandated By Resolution	
		Present	Absent	Present	Absent
Council Member Salinas	✓	1	0	1	0
Council Member Wahab	✓	1	0	1	0
Council Member Andrews	✓	1	0	1	0

OTHERS IN ATTENDANCE:

Jennifer Ott, Assistant City Manager; Sara Buizer, Deputy Director of Development Services; Paul Nguyen, Economic Development Manager; Jeremy Lochirco, Planning Manager; Steve Kowalski, Associate Planner; Daniel Mao, Economic Development Specialist; Senior Detective Gabrielle Wright; Suzanne Philis, Senior Secretary; Alejandro Gamarra, Aric Yeverino, Paul Hodges, Bills.

PUBLIC COMMENTS

There were none.

1. APPROVAL OF MINUTES OF REGULAR MEETING JUNE 23, 2022

A motion to approve minutes from the June 23, 2022 Regular meeting was made by Council Member Wahab and seconded by Council Member Andrews. The minutes were unanimously approved.

2. APPROVAL OF THE FY23 CEDC REGULAR MEETING SCHEDULE

A motion to approve the FY23 Regular Meeting Schedule was made by Council Member Wahab and seconded by Council Member Andrews. The motion was unanimously approved.

3. STRATEGIC ROADMAP PRIORITY: UPDATE TO THE ALCOHOLIC BEVERAGE ORDINANCE

Economic Development Manager Nguyen introduced Associate Planner Kowalski who gave the presentation noting staff wanted direction per the questions listed at the end of the presentation.

Council Member Andrews asked Senior Detective Wright if she agreed with the staff recommendations. Senior Detective Wright explained that the City's initial intent in adopting the 60/40 food-to-alcohol sales ratio was to keep bars from pretending to be restaurants, but California Department of Alcohol Beverage Control (ABC) used a 50/50 split to define a bona fide restaurant. Regarding Happy Hours, she said she hadn't heard of any issues since the City began allowing restaurants to have them. Senior Detective Wright said she supported the shift from 4-9pm to 2-7pm and noted that the ordinance would still require that food and non-alcoholic beverages also be discounted during that time. Regarding breweries or brew pubs partnering with a food provider, she pointed out that ABC allowed it with some parameters and staff's proposed amendments would make the city's regulations consistent with ABC's practices.

Council Member Andrews said she would like to encourage ride sharing if the updated ordinance was adopted by Council. She asked Senior Detective Wright if she knew of any successful City programs that promoted ride sharing. Detective Wright said she did not but remembered that both Lyft and Uber had had promo codes that local restaurants could offer patrons when these programs launched, but restaurateurs would have to reach out to ride sharing companies to find out if those programs were still available.

Council Member Wahab said many residents had emailed her expressing concern about the revisions to the ordinance. She asked Senior Detective Wright how Hayward would compare against other cities if the ordinance was adopted and how many arrests were associated with establishments under the current 60/40 ratio requirement of food to drinks. Senior Detective Wright said she didn't have that data available, but she could get it. Based on her experience, however, she said that most complaints came in late at night and were associated with bars, not restaurants.

Council Member Wahab said residents wanted family-friendly establishments and she commented that breweries partnering with food vendors didn't seem like the best idea. She asked staff for more data on any negative impacts from these types of establishments. Council Member Wahab asked if the City was considering the revisions so restaurants could sell more alcohol and what the penalty would be if the establishment did not maintain the 50/50 ratio.

Senior Detective Wright explained that if Hayward Police conducted an inspection or received a complaint a citation could be issued, but the offense would need to be egregious like 80/20 alcohol to food sales. She wasn't sure if being cited would impact the establishment's ABC license. She noted that if the restaurant was offering food the complaint would not be a top priority for PD unless there were other issues that compounded the problem.

Council Member Wahab asked for the history of the 60/40 ratio currently in place in Hayward, noting a pending State bill would allow alcohol sales until 4am, and asked again for crime statistics and impacts related to these practices.

Assistant City Manager Ott said there were reasons for the proposed changes from a policy perspective and she asked staff to provide some background.

Deputy Director of Development Services Buizer explained that, in the past, Hayward elected officials were very anti-alcohol and adopted ordinances that separated bars from restaurants. Over time, the

priorities of the City Council changed and the desire grew to create a downtown entertainment district that included full-service restaurants and that lead to the adoption of the current ordinance. She noted the City didn't used to allow Happy Hours, but after a successful trial period they were allowed as long as discounted food and non-alcoholic drinks were also available during the same time. Several years ago, a lounge wanting to come into downtown requested a change to the 60/40 ratio since it didn't align with ABC, she said. At that point staff began looking at how the City could be more supportive of full-service restaurants and the proposed changes to the ordinance were the outcome; the revision would allow the City to relax the current ordinance but still maintain some rules, she said. Deputy Director Buizer added that if a lot of calls came in for one particular establishment the City would investigate, but would never spend staff time trying to enforce the 60/40 ratio.

Council Member Wahab said she had heard that Council used to be strict and thanked staff for the background information. She commented that residents were leaving Hayward to go to full-service restaurants in other cities and suggested striking arbitrary laws like the no smoking ordinance since no one was enforcing it.

In response to staff's questions, Council Member Wahab said she was OK with relaxing the 60/40 ratio of alcohol to food, but wanted the data she requested, didn't like the idea of separate kitchens and bars, and was OK with proposed Happy Hour update. She asked what the timeline was for the changes. Associate Planner Kowalski explained that because the zoning ordinance was being amended, the proposed changes would have to go to both the Planning Commission and City Council. He estimated that if all went smoothly, it would take approximately four months or until early 2023 to be in effect.

Council Member Salinas thanked both Deputy Director Buizer for the background and Detective Wright for her work for the City. Regarding staff questions, he said he appreciated that staff was listening to business owners and being flexible. He supported moving to a 50/50 ratio to align with ABC.

Council Member Salinas commented that the definition of a full-service restaurant was changing and restaurant owners were turning to the City for more flexibility while they tried new ideas. He said the proposed revisions would provide that. He said his expertise came from enjoying restaurants and noted there were different modes of service including partnerships between bar owners and food providers. He never questioned who owned what, he said, he just ordered his food. Council Member Salinas said he was totally on board with opening the doors to creativity.

Regarding allowing a free-standing kitchen, Council Member Salinas said it worked. He went to an establishment in Pescadero, he said, that was totally family-friendly with kids and pets and no bad behavior that he saw. Having the ability to reconfigure what a restaurant looks like inside was the model the City was looking at, he said.

Council Member Salinas said moving the City's Happy Hour to 2-7pm made sense and he never understood the 9pm end time of the current ordinance.

As we come out of COVID-19 we really need to think about what new ideas were coming down the pipe for food and restaurants, Council Member Salinas said. It took a pandemic to drive changes and

he encouraged everyone to consider staff recommendations.

Council Member Andrews asked to hear Public Comments related to the item.

Aric Yeverino, owner of three establishments including The Dirty Bird in downtown Hayward, said hitting the 60/40 ratio was almost impossible especially since an expensive bottle of wine can completely shift the metric and that was why ABC used a 50/50 ratio. He noted he was already outsourcing his food vendor and said a Happy Hour from 2-7pm made sense. The only other concern he had was the number of empty buildings downtown and the lack of interest by those landlords to fill vacancies. But, he said, the City was moving in the right direction.

Alejandro Gamarra, owner of Casa del Toro, said lowering the ratio of food to alcohol would help full-service restaurants stay in compliance as the percentage of food sales could change dramatically month to month. Regarding separating food from alcohol sales, he asked what would happen if the restaurant didn't do well and suggested language in the ordinance to address that concern. He also expressed confusion with current Happy Hour timing and agreed 2-7pm made sense. Mr. Gamarra thanked the City for considering relaxing the current ordinance noting downtown businesses were dying to see more foot traffic and families. He said downtown had a lot of potential and he appreciated that the City was trying to make it more business-friendly. Mr. Gamarra said Senior Detective Wright was fantastic, very effective, and he thanked her for her assistance.

Council Member Andrews thanked the two callers noting they were the experts. She said she was in favor of supporting all four staff recommendations. She acknowledged she'd heard from residents who were not happy about the proposed changes, but the industry was changing and breweries were not just people drinking beer—she even attended a baby shower at one, she said. Casa del Toro and The Dirty Bird were changing downtown, Council Member Andrews said, and creating gathering spaces on B Street was desperately needed.

Council Member Andrews said if approved, she wanted to see an emphasis on safety including ride sharing. And although she was interested in seeing the requested data, this was the right direction to go.

Council Member Andrews commented that the toughest thing a person could do was run a bar and restaurant and allowing partnerships would allow both parties to do what they did best was a good idea. She said she understood the concern about potentially shady restaurant owners, but any issues would be complaint driven and fully investigated. She said again that she was supportive of all proposed changes.

Council Member Wahab said food should always be available if there was alcohol being served. She acknowledged the investment by Casa del Toro was significant and said she wanted more restaurants like that in Hayward. She noted there were plenty of places downtown and agreed the City needed to work with vacant building owners. She asked staff if there were any legal restrictions to changing the Happy Hour timeframe and was told no.

Council Member Wahab said safeguards were needed if the ordinance was changed including signage in establishments asking people to call a cab rather than drive home. She also encouraged staff to spread the word that any complaints related to the ordinance should go to Code Enforcement rather

than City Council Members.

Council Member Wahab asked the business owners what they thought of shutting down B Street to car traffic.

Mr. Yeveerino said he was all for shutting down B Street but knew local retailers didn't like the idea. He said he loved the idea because of how fast cars drive through downtown, but he had to support his neighbors.

Council Member Wahab said the City may have to make a drastic change by closing down B Street, putting out tables and chairs, and making downtown more family-friendly. She noted families stayed out until 11pm at Santana Row in San Jose. She said Hayward should try something new and suggested shutting down B Street every Friday night during summer. She said she looked forward to seeing the data and educating the public.

Mr. Gamarra said shutting down B Street would hurt retail merchants so that was a tough choice and he commented that parking was already tight. He agreed with Council Member Wahab about the popularity of Santana Row but noted there were other factors to consider. He liked the idea of a trial period for shutting B Street, but agreed they needed to be sensitive to retailers.

Assistant City Manager Ott said there were other examples of street closures, but they were usually in more densely populated areas. She noted that the City would have to look very carefully at shutting down B Street, noted there was a plan to reduce the street to one lane of traffic each way, but a trial period was possible.

Council Member Wahab said she understood the difference between Santana Row and B Street but pointed out the City couldn't continue to do the same thing for another two decades. She suggested closing down B Street every Friday night from the start of summer until the end and trying different activities each week. If we fail at least we tried, she said noting Downtown Street Parties were very well attended.

4. FUTURE MEETING TOPICS AS OF SEPTEMBER 22, 2022

Economic Development Manager Nguyen announced CSU East Bay would be presenting a first peek at the Hayward Open for Business video marketing campaign at the October meeting and staff would also be unveiling the holiday gift card promotion. He noted the DHIA item had been removed from the list since the update would be going to the full City Council on October 11th.

Council Member Wahab said she would like to see a pilot projects for downtown and for Tennyson Road.

Council Member Andrews gave a shout out to Council Member Zermeno for his work on B Street. She said she would like to schedule of tour of B Street with retailers and vacant property owners so they can see and hear the impact of having empty buildings on the street. If they weren't going to join us, she said, then the City needed to take over the sidewalks and streets in front of the empty buildings and put something there. She expressed her frustration that the same property owners complained about the homeless.

COMMITTEE MEMBER/STAFF ANNOUNCEMENTS AND REFERRALS

Economic Development Manager Nguyen noted that the new One Subaru of Hayward dealership on Mission Blvd. was doing gangbusters with the second-highest number of sales west of the Mississippi. He commented that automobiles from nearby Subaru dealerships were getting funneled to Hayward because the site was proving so successful.

He mentioned Veev, a maker of pre-fabricated accessory dwelling units, had taken the space at 2701 W. Winton Avenue previously proposed for a Amazon warehouse due to the concierge efforts of staff that rolled out the red carpet to make them feel welcome..

Economic Development Manager Nguyen also announced two new businesses: Shahi Darbar Indian Cuisine, a restaurant moving to the former La Victoria's site at 26953 Mission Boulevard; and VJ's Indian Grocery at 230 Jackson Street.

Economic Development Manager Nguyen also formally introduced Economic Development Specialist Daniel Mao to the Committee.

Council Member Andrews thanked One Subaru, Hippies Brew, the Agricultural Institute of Marin, and East Bay Community Energy for their support of the Juneteenth event. She also welcomed President and CEO Frank Ferral to the Hayward Chamber of Commerce.

Council Member Salinas also welcomed Mr. Ferral and expressed a desire to continue the partnership between the Chamber and the City.

ADJOURNMENT: The meeting was adjourned at 5:49 p.m.