



DATE: September 7, 2016

TO Council Economic Development Committee

FROM: Economic Development Manager

SUBJECT

Economic Development Strategic Plan - Service & Retail Industry Work Task Update

RECOMMENDATION

That the Committee reads the report and provides feedback to staff.

BACKGROUND

In 2013, the City of Hayward adopted an Economic Development Strategic Plan (EDSP) in order to create a purposeful and concentrated effort to further establish Hayward as a desirable place to conduct business and to grow the City's economic base. The EDSP has three focus areas: 1) Branding and Marketing; 2) Industrial Sector; and 3) Service & Retail Industry. Staff has been working toward task completion as outlined in the EDSP and identifying potential future tasks and amendments to the EDSP.

Economic Development staff presented an annual update on the EDSP to City Council on December 1, 2015. The annual update identified program accomplishments over the past year and acknowledged the completion of the baseline foundational data. Significant time and effort has been dedicated to understanding Hayward's business community in order to assist in business retention, attraction, and expansion. In addition, through coordinated efforts, staff has been working on development opportunities with the City and customer service enhancements to facilitate development of quality projects. City Council requested that the EDSP be updated by staff and revised to reflect and address strategic approaches and activities of the Economic Development Division.

DISCUSSION

In order to update the EDSP, staff has focused on each of the three core sections reviewing Goals, Tasks, and Performance Measures. Staff will be updating each section separately. The intent is to have a dialogue with the CEDC and get direction on policy approach and targeted goals that have been identified by staff. Based on the feedback, staff will develop specific work tasks and performance measures.

Service & Retail Industry

In order to understand our retail and service market, staff developed a baseline profile of businesses in Hayward's retail corridors. The baseline covers demographics, sales tax generation, categorized goods and services, building types, and potential retail opportunities. This information helped provide context for what exists in the City, barriers for new businesses, and the overall condition of our retail and service space.

As reported in previous CEDC meetings on retail, the City's role in retail development is layered and fluid given that factors for successful retail development change over time. The City has strived to find a balance of providing needed goods and services for the community while capitalizing on our regional market strength. Hayward's central location to major retail markets is both an asset and a liability. Surrounding communities with goods and services not offered in Hayward have been able to draw Hayward's retail purchases. As part of the review process for new development, staff has been advocating that projects provide quality development that brings in retailers to meet the community needs. Retail has taken the majority of staff efforts to date, but retail is a subcategory of commercial which includes other land use types such as hospitality (hotel, entertainment, and dining) and office.

Economic Development staff has been very active in development and recruitment of commercial space within all commercial corridors. Staff has been successful in facilitating development applications and new commercial businesses within the Downtown, Mission, Southland Mall, and Hesperian Retail Corridors. Through the process of understanding space availability and outreaching to the brokerage community, Hospitality and Office have been identified as key land use types that have a place in our community. However, they are not mentioned within the Economic Development Strategic Plan and are recommended to be included as key components to a vibrant Commercial sector.

Staff's view of the strategic plan for retail and services is that it is too narrowly focused and should be recast with a broader "Commercial" category with retail, hospitality, and office as subcategories in which staff can expand the EDSP to include. Retail is driven by market demand for goods and services, by promoting additional development in the hospitality and office markets, vibrant retail could be established.

A full update of the Retail Work Tasks is included in Attachment II. Staff is happy to take CEDC comments on recommended staff direction and task development.

NEXT STEPS

Staff's recommendation is to recast the Retail & Services Industry section of the EDSP into a larger "Commercial" category. This would be similar to the "Industrial" category in the plan and would allow greater flexibility to include Hospitality and Office as subcategories along with Retail.

Prepared and Recommended by: Micah Hinkle, Economic Development Manager

Approved by:

A handwritten signature in black ink, appearing to read 'K. McAdoo', is positioned above a horizontal line.

Kelly McAdoo, City Manager