



## **COUNCIL ECONOMIC DEVELOPMENT COMMITTEE**

### **MEETING MINUTES – September 7, 2016**

**CALL TO ORDER:** Mayor Halliday called the special meeting to order at 4:03 p.m.

#### **ATTENDANCE:**

Committee Member	Present 9/7/16	All Meetings Year to Date		Meetings Mandated By Resolution	
		Present	Absent	Present	Absent
Michael Ly	✓	1	0	1	0
Didacus-Jeff Joseph Ramos	✓	1	0	1	0
Mayor Halliday (Chair)	✓	1	0	1	0
Council Member Márquez	✓	1	0	1	0
Council Member Mendall	✓	1	0	1	0

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

Kelly McAdoo, City Manager; David Rizk, Director of Development Services; Stacey Bristow, Deputy Director of Development Services; Micah Hinkle, Economic Development Manager; Paul Nguyen, Economic Development Specialist; Ramona Thomas, Economic Development Specialist; Kim Huggett, President and CEO, Hayward Chamber of Commerce; Suzanne Philis, Senior Secretary

#### **PUBLIC COMMENTS**

Hayward Chamber of Commerce President and CEO Kim Huggett announced the 31<sup>st</sup> Business Expo on Wed., Oct. 5<sup>th</sup>, from 4:30-7:30pm in the Grand White Tent at St. Rose Hospital. He also noted the Chamber released its Year in Review which included a list of over 50 speakers who spoke to Chamber members and guests throughout the last year.

Mayor Halliday mentioned the Annual Volunteer Recognition and Awards Dinner coming up the night before, also in the Grand White Tent.

### **1. APPROVAL OF MINUTES OF JUNE 6, 2016**

Motion to approve minutes made by Council Member Mendall with a second by Council Member Márquez. Minutes from the June 6, 2016 Regular Meeting were approved with Mayor Barbara Halliday abstaining.

## **2. APPROVAL OF CEDC REGULAR MEETING SCHEDULE**

Motion to approve made by Member Ramos with a second by Council Member Márquez. The proposed CEDC Regular Meeting schedule for 2016-2017 was unanimously approved.

## **3. REPORT BACK ON WINTER IN JULY EVENT**

Economic Development Manager Hinkle introduced the item and Senior Secretary Philis provided a copy of a press release to members and some details of the event. She noted the free event was an expansion of the Movies on the Plaza series and included decorations, games, arts & crafts—all with a winter theme—a jumpie house, free samples from both Rita's Italian Ice and Charlotte's, and 300 free dinners provided to all children 18 and under provided by Hayward Unified School District's Food Services. She explained that by partnering with Hayward Area Parks & Recreation Department and the City's Education Services resources went further and approximately 1,000 kids and their families participated. The evening culminated, she said, with the showing of children's movie Norm of the North.

Mayor Halliday asked how the event was publicized and Ms. Philis said via City Hall meeting notice boards and social media sites, a poster in the kiosk at B and Main Streets, and most importantly, via Education Services 5,000 event postcards were distributed to Hayward Unified School District students via take-home packets and through the after school homework program. Mayor Halliday commented that postcards must have gone out early to catch students before summer break started and Ms. Philis confirmed distribution started in May.

In an effort to get the word out, Economic Development Manager Hinkle noted the high quality of the poster and postcards and that they were translated in Spanish to increase accessibility. He said the cost of the event to Economic Development was minor compared to the outcome of the event and the positive feedback received was worth it. Manager Hinkle mentioned that staff specifically targeted business community for engagement and would continue to do so for future events.

Council Member Márquez said she saw photos on social media and people were very excited and happy to attend. She asked if the free dinners were given at the event and Ms. Philis explained that the "Let's Do Lunch" truck arrived at the event with the dinners packaged in popcorn bags. Anyone who looked 18 and under was offered a free dinner, she said.

Council Member Márquez asked if people were told to bring blankets and chairs for the lawn area to watch the movie. Ms. Philis said yes, families had their spaces reserved on the lawn early while the kids took part in the activities. Council Member Márquez also asked if the movie was shown on a jumbo screen and Ms. Philis explained that an inflatable screen was anchored to the fountain and the movie was projected from behind.

Economic Development Manager Hinkle said it was a good event and staff would look to partner with other departments and agencies in the future for additional community events of this nature.

#### **4. ECONOMIC DEVELOPMENT STRATEGIC PLAN SERVICE & RETAIL INDUSTRY WORK TASK UPDATE**

Economic Development Manager Hinkle introduced the item noting staff was taking the Economic Development Strategic Plan (EDSP) section by section, conducting analysis of existing tasks and performance measures, and making recommendations to the CEDC Committee on changes, additions, and deletions. He mentioned staff would present the Industrial section to members at their October meeting. Based on the feedback received from members, Manager Hinkle said a full review of the EDSP would go before Council before the end of the year.

Manager Hinkle noted for the Service & Retail Industry section of the EDSP no major changes were being recommended, most items had been successfully implemented, and listed tasks were accurate descriptions of the work being done.

Manager Hinkle and Economic Development Specialists Nguyen and Thomas elaborated on completed and current projects.

Project accomplishments included: The Island Pacific Market at the Hesperian Fresh & Easy location; the opening of Dick's Sporting Goods, Buffalo Wild Wings, Sephora at JC Penny, and the currently under constructed Cinemark theater at Southland Mall; a ribbon cutting for the Mitsubishi dealership on Mission Blvd.; three pending hotels; new entertainment venues in downtown; the renovation of the Green Shutter Hotel; and the development of Lincoln Landing at the former Mervyn's headquarters.

Manager Hinkle confirmed for Mayor Halliday that staff was still working with Rouse Properties and Southland Mall Senior General Manager Ashton Simmons to provide a report on improvements to the Committee and schedule a tour of the mall. He also noted that staff was still working to attract a grocery store at the former Rite Aid location at the mall.

Mayor Halliday asked if the opening of Dick's Sporting Goods would hurt Big 5 and Manager Hinkle explained that the two stores offered a different variety of goods at a different price point. He also pointed out that sporting goods were a regional draw and the regional population could probably support a third store. Member Ramos asked if there were any sporting goods stores in Castro Valley and members said no.

When Council Member Mendall asked if Hayward had more room for more car dealerships, Economic Development Hinkle explained that what the City needed was relocation space for some of the uses that had come into former domestic dealership locations. He said issue for car dealerships was finding the right property at the right price and someone holding franchise rights.

Regarding the former Ford site on Mission, Manager Hinkle said a hotel and residential development was coming in at the location and was just one of three hotels that were tracking through the permit and planning process. He noted that hospitality was not historically a major market for Hayward.

Member Ramos said the hotels could provide much needed meeting space. Council Member Mendall said Hayward didn't lack mid-sized hotels with a few meeting rooms, what the City lacked was a large meeting facility. He also encouraged staff to save smaller spaces for retail uses rather than to force a facility into the space.

Economic Development Manager Hinkle agreed with Council Member Mendall that the City needed a large meeting facility and pointed out even City Hall was in demand. He said staff was targeting downtown for a large meeting space. Council Member Mendall requested free parking and Manager Hinkle added close proximity to public transit.

Mayor Halliday asked if three hotels were over saturation and Economic Development Manager Hinkle explained that hotels liked to cluster and the addition of the hotels reflected market demand.

Member Ramos pointed out that Cal State East Bay was holding more events and having more hotels in town would keep people from staying in Oakland. Mayor Halliday said the same was true for the PGE Tour held at Stonebrae.

Member Ly asked when the hotels would open and Economic Development Manager Hinkle said it would take one to two years to build. Member Ly asked how many jobs would be created and Manager Hinkle said an economic impact analysis was in progress.

In the downtown, Economic Development Manager Hinkle said the expansion of a second location for High Scores from Alameda to Hayward was a perfect fit for the downtown entertainment district. He mentioned the Business Concierge Program played a large role in the permit processing.

Economic Development Specialist Thomas said she had been working with the owner of Kin's Cafe at 1019 B Street to remove some of the wedding-related goods at the front of the store that could confuse patrons interested in participating in Xcapade—a themed escape room that was garnering very favorable reviews on Yelp. She also noted The Tree House Café, also at the same location, was doing well.

Mayor Halliday noted that that area of B Street was really lively and had a good vibe. Staff said the owner of Brews & Brats had reported a 33% jump in revenues since they opened their outdoor seating. Member Ramos commented that they were also open more days and for longer.

Economic Development Manager Hinkle commented that the refurbishing of Green Shutter Hotel would also make a huge difference downtown, especially with the improved commercial space. He thanked Building Inspection staff for keeping the project moving. Deputy Development Services Director Bristow added that staff had gone above and beyond their standard work duties and hours and appreciated the recognition of their efforts. Mayor Halliday asked staff to pass along their thanks for their hard work and for providing such excellent customer service. Council Member Mendall encouraged the City Manager to recognize the dedication of staff whenever the opportunity arose.

Regarding the catalyst site Lincoln Landing (the former Mervyns building), Economic Development Manager Hinkle noted the project was one of the city's biggest with over 80,000 square feet of new retail space and was taking substantial amounts of staff time, across multiple departments, to keep the project moving forward. Member Ramos noted the project plans had been rejected by Council, but Mayor Halliday said the latest proposal had been completely changed.

Economic Development Specialist Nguyen added another project in south Hayward; the Phoenix Lodge on Industrial was being reskinned and would reopen as a Red Roof Inn. Council Member Mendall said that project was a big deal because the previous Lodge had generated many calls for

service. Council Member Márquez asked about the restaurant next door and staff said the owner was going to deal with that next.

Specialist Nguyen also noted the Phoenix Lodge on A Street had a different owner but was also being refurbished as a Vagabond Inn. He commented that any chain or recognized brand was good for Hayward.

Getting back to the EDSP update recommendations, Economic Development Manager Hinkle said the only change he wanted to make was to change the master category from Retail & Service Industry to Commercial which would add hospitality and office. He commented that office hasn't been included in past discussions, but that demand was ready to happen. By changing to a Commercial heading, he said the section would include retail, hospitality and office.

Mayor Halliday asked staff if they wanted to redo the section and bring it back to Council and Manager Hinkle said he needed feedback from the Committee on this section and then would package all three sections of the Plan for Council approval.

Member Ly asked if the new businesses coming in were having any problems finding and recruiting workers. Manager Hinkle said yes, there was high demand for skilled workers. Mayor Halliday said she had heard at a regional meeting just that morning that food workers were being recruited by the tech industry.

Member Ramos asked how the changes and plans mentioned impacted south Hayward, in particular the Tennyson area. Economic Development Manager Hinkle said the area was strong with most spaces tenanted so businesses and property owners weren't looking for change. He mentioned the old Kaiser site was being looked at as a catalyst site for the area.

Economic Development Manager Hinkle said he wanted to take a look at the Jackson Corridor and was working with several retail brokerage firms to figure out why sales were down in the area. He said one thought was that the downtown loop had changed traffic patterns and had made it more difficult for customers to get in out of centers during peak traffic times.

Member Ramos asked for update on the Maple and Main project. Development Services Director Rizk said the project would be up for Planning Commission review in October, noting the California Environmental Quality Act review was already completed. Director Rizk also mentioned the Environmental Impact Report for Lincoln Landing was ready for release.

Council Member Márquez said she was fine with the staff recommendation to change the master category to Commercial and she asked if the Strategic Plan was on the CEDC agenda every month or if it could be discussed quarterly. Economic Development Manager Hinkle explained that the current ED team was relatively new and was trying to catch up with some of the timeline goals stated in the Plan and many had been completed. He noted that a lot of the current activities and progress was market driven and staff was just taking advantage of the momentum to meet some of the goals of the Plan. She commented that noted grocery stores were still needed off of Hesperian and at Fairway Park.

Council Member Márquez noted staff did not attend the latest International Council of Shopping Centers (ICSC) event and asked how ED staff conducted outreach to potential retailers. Economic

Development Manager Hinkle said through the brokerage community, and he explained that staff did not attend the ICSC event because outside of downtown the City didn't have a lot of open retail locations. When the senior housing project on A Street was complete, he said, then staff would have space to market. Manager Hinkle also noted that when space was created, staff would target quality retail that provided needed goods and services for area retail nodes.

Economic Development Specialist Thomas also pointed out that large retailers had specific space needs and that helped staff determine what retailers could be targeted. Manager Hinkle pointed out that the vacant Fresh & Easy location in south Hayward was too small for many grocery store formats. Specialist Thomas noted that there might be flexibility by taking some space from the Dollar Store next door.

Council Member Márquez agreed that the City needed a large conference center with partitions for various sized events and asked, as an example, how many Centennial Hall used to seat. Other members said 500-600 people could be seated for a formal dinner and staff confirmed had an overall capacity of 1500.

Development Services Director Rizk agreed any conference space should be downtown and said staff was targeting the City Center location.

Council Member Mendall pointed out that the Fairway Park Shopping Center had several vacancies and wondered if businesses next to the Fresh & Easy location could be shifted to the openings to create more space.

Council Member Mendall said he was in favor of relabeling the section "Commercial," and appreciated the Business Concierge service staff was providing, but said he wanted more guidance from staff in terms of where Council should hold space open for future retailers. For example, he asked should Council protect the Holiday Bowl site for large retail. He said he was still looking to staff to provide data and evidence for these decisions. Council Member Mendall said he was also still waiting for sales tax revenue per acre data for retailers. He didn't know, for example, if a car dealership or a hotel or a gas station or a coffee shop provided the most sales tax revenue per acre and said he should know to be able to make policy decisions. Council Member Mendall said staff should also be targeting entertainment uses in the downtown and at Southland Mall and asked if there was more staff could be doing.

Member Ramos said he spoke with the workers at Trader Joe's and they said the market was looking for another location close by and Hayward, especially south Hayward, would be the perfect location. Economic Development Manager Hinkle said that staff was trying, but noted Trader Joe's was one of the most difficult retailers to attract.

Mayor Halliday said she partially agreed with Council Member Mendall. She pointed out that staff had to be reactive to the retailers asking to come in and the market was the primary driver. She said she totally agreed that Hayward needed more entertainment activities for young people. She asked when the theater at Southland was scheduled to open and staff said the renovations to the Mall had to be completed first.

Mayor Halliday said relabeling the category to include office and hospitality made sense and said she was in favor of holding out for a hotel at the City Center location. She said the conference center

didn't necessarily need to be self-contained and pointed out there was a lot to do and see in the downtown including the new library.

Regarding sales tax revenue data, Mayor Halliday said it would be interesting to know, but she was in favor of a mix of retail with a focus on what residents wanted.

Member Ramos asked if the community had ever been surveyed. Members said some information had been captured as part of other projects and activities, but not a specifically regarding retail.

Development Services Director Rizk announced the Downtown Specific Plan initial kick-off meeting was tomorrow.

## **5. FUTURE AGENDA ITEMS**

Senior Secretary Philis noted per Committee request, Future Agenda Items would now be a separate report moving forward.

Major Halliday asked if there were any changes or additions and Council Member Mendall said he would like to see a report back on what other jurisdictions in Alameda County were doing about minimum wage increases.

Member Ly mentioned the Committee had had a speaker who provided sales tax data and asked if that person could come back with the information being requested by Council Member Mendall. Staff identified the speaker as being from MuniServices and confirmed he could provide the data.

## **COMMITTEE MEMBER ANNOUNCEMENTS AND REFERRALS**

Mayor Halliday noted Kelly McAdoo had replaced Fran David as City Manager.

Member Ly said he continued to have difficulty finding skilled workers and asked if any efforts were being made to address the problem. Mayor Halliday cited several ongoing efforts including educational and workforce development programs. Members discussed a number of factors that contributed to the problem including marketing positions and variety of housing options.

Senior Secretary Philis mentioned the winning designs of a recent 3-D design challenge were on display in the case outside of the City Council Chambers. She said local high school students were given the opportunity to learn 3-D design and judges selected three winners. Economic Development Manager Hinkle noted Economic Development partnered with the Chamber of Commerce for the challenge.

**ADJOURNMENT:** The meeting was adjourned at 5:27 p.m.