



COUNCIL ECONOMIC DEVELOPMENT COMMITTEE

MEETING MINUTES – February 5, 2018

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

ATTENDANCE:

Committee Member	Present 2/5/18	All Meetings Year to Date		Meetings Mandated By Resolution	
		Present	Absent	Present	Absent
Michael Ly	✓	2	1	2	1
Didacus-Jeff Joseph Ramos	✓	3	0	3	0
Mayor Halliday (Chair)	✓	3	0	3	0
Council Member Márquez	✓	3	0	3	0
Council Member Mendall	✓	3	0	3	0

OTHERS IN ATTENDANCE:

Kelly McAdoo, City Manager; Micah Hinkle, Economic Development Manager; Paul Nguyen, Economic Development Specialist; Ramona Thomas, Economic Development Specialist; Marcus Martinez, Assistant Planner; Suzanne Philis, Senior Secretary; Paul Hodges, HARD; Trish Gregovich, PGA Tour; Leah Beniston, Scott Menard, The True-Life Companies; Scott Prickett, SDG Architects

PUBLIC COMMENTS

Trish Gregovich, Tournament Director for the PGA Tour Ellie Mae Classic at TPC Stonebrae, highlighted outcomes of the 2017 tournament including hosting 156 top golfers from around the world, the incredible exposure for Hayward and Stonebrae provided by the Celebrity Shootout featuring Steph Curry and Klay Thompson of the Warriors, and eclipsing expectations for social media engagements. She thanked the City and Mayor for their participation and partnership in this family-first, family-forward regional event.

1. APPROVAL OF MINUTES OF SPECIAL MEETING DECEMBER 4, 2017

A motion to approve minutes was made by Council Member Mendall with a second by Council Member Márquez. Minutes from the December 4, 2017 Regular Meeting were unanimously approved.

2. PRELIMINARY CONCEPT REVIEW: The True Life Companies Live-Work Concept – 29212 Mission Boulevard

Economic Development Manager Hinkle introduced the item noting the proposed development was located at the former Valle Vista Skate Rink site in south Hayward. He explained that The True Life Companies representatives had previously met with staff to discuss the type of product the City wanted and flexible options for live-work space was suggested. The proposed development would include 91 multi-family units including stacked flats, side-by-side ownership townhomes, live/work ownership units, and studio apartments. Nineteen of the units would have the ability to “flex” the ground-floor to either an owner-occupied fourth bedroom or commercial office space, or to a rental commercial space or studio with accessible bathroom and kitchenette. Four of the flex units would directly front Mission Boulevard with a fifth corner unit partially facing Mission.

Mr. Hinkle introduced The True Life Companies Vice President of Entitlement Leah Beniston who gave the report.

Questions and feedback from Council Member Márquez:

- Asked the square footage of the ground-floor flex space and was told 600 square feet including the ADA bathroom.
- Liked the flexibility of the design, but wanted more units with the flex option. Ms. Beniston said the limited width and grade of the property would make that challenging.
- Asked if sustainable features like bike racks and electric car charging stations could be included. Ms. Beniston said yes and mentioned a HOA newsletter would provide public transportation information and links.
- Recommended plenty of lighting to improve walkability.
- Asked if any of the townhomes would have ADA-universal design compliant first levels. True Life Executive Vice President Scott Menard said the development would meet the 10% requirement for adaptable spaces including a ground floor bedroom and bathroom.
- Asked if the adaptable space included the kitchenette Mr. Menard said it would be tight. Council Member Márquez suggested that one ownership townhome design include an adaptable kitchenette.
- Relayed a desire from constituents for more open space or courtyard settings in new development designs. Ms. Beniston said there was a small courtyard included in the design.
- Asked if the townhomes would have balconies or patios. Ms. Beniston said units would have balconies and noted entrances would be landscaped.
- Heard that the number of affordable units could be tripled. Ms. Beniston explained that the development already met the 10% affordable housing requirement and if over time, townhome ground floors were converted to studio apartments, the number of affordable units could triple.
- Asked if True Life reps had spoken to the developer of the senior housing project going in next door to the proposed site. Scott Prickett, with SDG Architects, said that he had spoken to them and noted they were pleased to hear the walking trail would be continuous through both developments.

Questions and feedback from Council Member Mendall:

- Emphasized that the walking trail needed to run straight across the development with no turns.

- Said he was intrigued by the flex concept, but predicted that except for the four units facing Mission Boulevard, all flex units would be used for housing because asking rents would be higher than for commercial or work space. Ms. Beniston noted the corner unit had a glass front and therefore greater curb appeal. She also pointed out that Hayward had never had this option before—flex space with an ADA bathroom—and along with its proximity to BART, brought something new to community. Council Member Mendall said for him to get excited about the project, he would need a guarantee that the 19 flex units would be used as such.
- Suggested making the ground floor spaces along Mission Boulevard commercial rather than flexible.
- Expressed concern about the amount of parking available in the development especially if the units were flexed to create additional housing. Ms. Beniston explained that a cluster of uncovered parking spots were flexible during the day for commercial uses but reserved for residents of the 19 flex units in the evening. She said residents could also park on the street, but Members pointed out that BART overflow parking created a shortage of parking spots in the area.
- Said he really liked the look of the development; it looked different from the other townhome products coming into the City.
- Said he liked the proposed open/park space.

Questions and feedback from Member Ramos:

- Applauded the proposed flex space, noted no data supported the demand, but still liked to have the flexibility option over time.
- Asked if the development had a LEED rating. Mr. Menard said just CALGreen for residential.
- Asked if the cover of the courtyard could have solar panels and was told yes.
- Asked if gray water plumbing would be incorporated into the project for landscaping. Ms. Beniston said she would follow whatever requirements the City was implementing.
- Recommended ground-level lighting to avoid shining in residential windows and light pollution.
- Suggested making the walking trail as wide as possible and mark it so people would know it was there.
- Said he wasn't concerned about availability of parking and if there wasn't enough, residents should get rid of their cars and take BART or a bus instead.

Questions and feedback from Member Ly:

- Asked the pricing for the units. Mr. Menard said market-rate or in the \$700,000s.
- Asked if this was the first time True Life had built flex space. Ms. Beniston said yes but noted they had studied similar developments in other Bay area cities and that those were selling well. She also pointed out that the other development workspaces did not have bathrooms and kitchenettes.
- Asked what kind of businesses might use the flex commercial space. Mr. Menard suggested lawyers, accountants, and typical office uses. Ms. Beniston said she thought the space could be popular with artists.
- Asked if any commercial uses would be prohibited. Ms. Beniston said the CC&Rs could address that.
- Asked when they would break ground if all went well. Ms. Beniston said typically it took 18 to 24 months to get through the permitting process.

Questions and feedback from Mayor Halliday:

- Said she was very excited about the flex space option and noted the City had tried to attract that type of product for years, most recently for the Cannery area.
- Agreed that commercial businesses with only one client at a time was ideal versus a daycare where multiple parents would be coming and going.
- Asked staff what kind of uses would be permitted per the City's zoning ordinance. Economic Development Manager Hinkle said the current form-based code was very flexible and already allowed housing and/or commercial uses. He agreed with Ms. Beniston that CC&Rs could limit uses that might impact parking availability. City Manager McAdoo suggested staff research what uses were allowed at the small cluster of live/work units on B Street just west of the train tracks.
- Said ideally the units facing Mission Boulevard would be commercial uses, but preferred housing uses rather than empty space.
- Acknowledged losing the skate rink formerly located at the proposed site and a nearby bowling alley as a loss of family entertainment to the community.
- Also desired a guarantee or likeliness that the units facing Mission Boulevard would be flexed for commercial uses and requested that the corner unit have a compatible exterior design to encourage a commercial use.
- Noted the walk to BART from the proposed development would be pleasant via the walkway included in the TOD development at the corner of Mission and Tennyson.
- Mentioned a small non-profit could utilize the flex commercial space.
- Spoke in favor of the project because it was a new product for Hayward.
- Asked if the stacked units would have an elevator and was told yes.
- Confirmed the walking trail was relatively straight through the two projects.

Speaking to staff Council Member Mendall said he wasn't against the live/work concept, he just didn't think the proposed site was the best location. Mayor Halliday said she hoped that would change once SoHay was developed and the increase in activity in the area generated demand for public transportation options and Council's vision for the area was fulfilled.

Ms. Beniston asked staff if Mission Seniors was going to put a gate on the walking trail for security. Manager Hinkle said maybe as a temporary security measure until the trail was fully connected.

Staff requested that Item 4 be heard next.

3. RETAIL CORRIDOR STUDY - INTRODUCTION OF CONSULTANT MICHAEL J. BERNE (Oral Report Only)

Economic Development Manager Hinkle introduced retail consultant Michael Berne who was hired to answer the retail question, "If not here, then where?"; provide better data for planning; and update market analysis of three retail corridors: Mission Boulevard, Tennyson Road, and Industrial Parkway.

Noting his firm was founded in 2002, Mr. Berne said the top two questions he received about retail was: What kind and where; and What can we do about it. He then gave a short presentation outlining the scope of his assignment. He also mentioned he was the retail consultant for the Downtown Specific Plan Update.

Member Ramos asked what the timeframe was for information to come back to the CEDC. Mr. Berne said he should be able to complete his analysis in two to four months.

Council Member Mendall said each of the retail corridors was long and asked Mr. Berne to focus on: the areas of Foothill Boulevard to the City border on Mission Boulevard; Mission to Hesperian on Tennyson; and Mission to Eden Shores (Hesperian) on Industrial.

Manager Hinkle added that some of the key information Mr. Berne would be providing was the demographics (the who) and psychographics (the why—spending habits and values) of consumers, especially university and college students. The information, he said, would allow Hayward to tell better stories for marketing the community.

Mr. Berne said that the perception of Hayward by the tenanting and leasing community didn't align with the opportunities and assets the City offered.

Manager Hinkle also spoke about the retail viability of remaining properties along the corridors and the importance of identifying which ones should have a retail component.

Council Member Mendall said there were different kinds of commercial opportunities and he wanted validation or correction as to what the City should be looking for, hoping for, and expecting. Mr. Berne said that was exactly what he would be providing. Council Member Mendall then asked staff how the City would take that knowledge and follow up with zoning or rules that pushed development toward that use. Manager Hinkle said once those sites were identified staff could pro-actively pursue desired uses.

Council Member Mendall asked how psychographic information was collected. Mr. Berne explained that companies that provide demographic information also provide "lifestyle segmentation schemes" that he would use as a starting point for his own research. Council Member Mendall commented that there were segments of Hayward's population that were not being served.

Council Member Mendall asked staff if Council discussions about creating entertainment clusters in downtown, at Southland Mall, and along Tennyson Road would be validated by the research provided by Mr. Berne. Manager Hinkle said yes, that Mr. Berne would be looking at the "retail experience" and where those uses should be located to drive retail overall.

Member Ramos said he was proponent of neighborhood nodes rather than corridors because they didn't add more cars to the roads and he asked if Mr. Berne would be identifying potential nodes. Mr. Berne said the goal was to get residents from corridors to retail nodes and identify where along these corridors the City should be concentrating retail uses. Member Ramos said retail placement had been haphazard and access needed improvement.

Member Ly asked for Mr. Berne's definition of "retail" and was told anything that attracts foot traffic, for example, shops, restaurants, bars, movie theaters, even an H & R Block because it was customer-facing.

Member Ly asked if there was demand for retail space based on the growing use of ecommerce. Mr. Berne said the kind of retail businesses demanding space had changed over the last 5-10 years and

was heavily skewed toward food & beverage and services, with less demand for traditional shopping. That said, Mr. Berne said because of the concentration of people in the Bay area, there was often an undersupply of retail. He said he didn't think Amazon was taking over the retail world, but ecommerce was hurting small businesses by shifting even 5-10 percent of business away from brick and mortar.

Member Ly asked if Mr. Berne would also be identifying too much of a retail use in an area. Mr. Berne said yes as well as too much commercial space in one area.

Mayor Halliday asked Mr. Berne if he had seen the Eden Youth & Family Center on his tour of Tennyson Road because the City was partnering with the County and Park District to make Tennyson Park a focal point for the community. She said that included creating better access to the Park by removing some retail space and then concentrating remaining retail space with businesses that could be tied into the Park with, for example, outdoor seating.

Regarding demographics, Mayor Halliday said she couldn't believe the City wasn't getting more credit for all the new housing currently in the development pipeline. She said she was very interested in how Hayward could enhance its profile. Mr. Berne said he would start by explaining that Hayward hills were part of Hayward and that new housing was just part of what was happening in Hayward.

Mayor Halliday commented that to her, being one of the most diverse cities in the Bay area was a positive thing and should be celebrated.

Mayor Halliday also asked Mr. Berne to think about where activities for kids and family could be located and maybe clustering those activities near each other to replace the former skate rink and bowling alley. Council Member Márquez listed rock climbing, laser tag, paintball and indoor soccer as just a few entertainment ideas that would appeal to kids and families.

Mr. Berne said compared to other cities in the Bay area, the diversity of Hayward really struck him as authentic including the range of ages. Mayor Halliday added the range of incomes also differentiated Hayward. Members confirmed Cal State East Bay was one of the top five diverse schools. Member Ramos pointed out that unlike cities like Oakland, Hayward's diverse population lived next door to each other rather than in districts.

Mayor Halliday said she looked forward to his reports.

4. 2017 PASSPORT TO DOWNTOWN REPORT BACK (Oral Report Only)

Books on B owner Renee Rettig, representing the United Merchants of Downtown Hayward, gave the report noting the 2017 Passport Shopping Program lasted longer (30 days versus eight) than the previous year and had more participation. She said 25 merchants participated both years, but the number of prizes jumped from 25 gift certificates to 40 this year. In 2016, 1000 passports were printed, in 2017, that number jumped to 2500 and significantly more were returned—102 from 2016 compared to 215 returned in 2017 at a value of \$100 spent per passport or \$21,500 in total spent at participating merchants' stores, not including partially filled passports. Ms. Rettig noted that having a longer program—from Black Friday in November to Dec. 23rd—allowed for a more festive and robust holiday for everyone. In response to a survey, Ms. Rettig noted 19 of 25 merchants indicated they would participate again and saw new clients because of the program.

Economic Development Manager Hinkle noted the Passport Program was created and managed by Retail Specialist Thomas and was now completely in the hands of the merchants. He noted the holiday program was so successful the merchants were now talking about a spring event.

Ms. Rettig noted 25 people attended the raffle at the end of the program, 19 winners were identified, and 15 prizes had been claimed by the end of January. She said last year only three of the eight prizes were picked up.

Mayor Halliday said she filled over three passports purchasing gifts she probably would have bought from downtown merchants even if there wasn't a program, but she said it was fun to participate. Ms. Rettig said feedback from participants was positive.

5. FUTURE MEETING TOPICS

Council Member Márquez asked if staff had reconnected with Arti Garg who spoke at the Dec. 4, 2017, CEDC meeting about creating policies that supported clean tech industries and possibly establish Hayward as a clean tech innovation hub. Economic Development Manager Hinkle said he thought Hayward had once been designated a California Innovation Hub for Green Tech with Berkeley but said that was defunct. He said he would follow up with Ms. Garg.

Mayor Halliday said she would like to discuss minimum wage requirements and what the City should do. Member Ly confirmed that market forces had driven most hourly wages up and that very few businesses were still paying the State minimum wage.

City Manager McAdoo asked the Mayor if it would be sufficient to forward the spreadsheet of local wages recently received by Council to CEDC members for discussion. City Manager McAdoo said any further analysis might shift priorities due to limited staff capacity. Mayor Halliday said that would be fine.

Members confirmed that staff could remove the last item on the list of topics regarding presentation of retail survey to Tennyson Corridor Initiatives Team, which had been completed.

COMMITTEE MEMBER ANNOUNCEMENTS AND REFERRALS

Staff confirmed for Members that the next Regular Meeting was scheduled for March 5th.

ADJOURNMENT: The meeting was adjourned at 5:55 p.m.