



COUNCIL ECONOMIC DEVELOPMENT COMMITTEE

MEETING MINUTES – October 7, 2019

CALL TO ORDER: Mayor Halliday called the Regular meeting to order at 4:02 p.m.

ATTENDANCE (September 2019-July 2020):

Committee Member	Present 10/7/19	All Meetings Year to Date		Meetings Mandated By Resolution	
		Present	Absent	Present	Absent
Mayor Halliday (Chair)	✓	1	0	1	0
Council Member Mendall	✓	1	0	1	0
Council Member Salinas	✓	1	0	1	0

OTHERS IN ATTENDANCE:

Kelly McAdoo, City Manager; Jennifer Ott, Deputy City Manager; Laura Simpson, Director of Development Services; Paul Nguyen, Economic Development Manager; Sara Buizer, Planning Manager; Fred Kelley, Transportation Manager; Monica Davis, Community Services Manager; Catherine Ralston, Economic Development Specialist; Leigha Schmidt, Senior Planner; Suzanne Philis, Senior Secretary; Kim Huggett, Chamber of Commerce; Paul Hodges, HARD; John McManus, Cushman Wakefield; Chris Sanford, Black Creek Group; Scott Recknor, Black Creek Group; Kevin Hatcher, CBRE; Mark Butler, Integral Communities; Gregg Brown, Integral Communities; Guy Warren, Lee & Associates; Marc de Bourbon, Amazon; Broderick Green, Amazon; Juan Barboza, NCCRC; Jason Pearce, NCCRC

PUBLIC COMMENTS

Hayward Chamber of Commerce President and CEO Kim Huggett said there were 16 Chamber activities last month and 10 this month including the Lincoln Landing groundbreaking on Monday, Sept. 30th. He distributed copies of the Chamber's newest Business Directory.

1. APPROVAL OF MINUTES OF REGULAR MEETING JULY 1, 2019

A motion to approve minutes from the July 1, 2019 Regular Meeting with one minor correction was made by Council Member Salinas with a second by Council Member Mendall. The motion was approved.

2. APPROVAL OF 2019-2020 CEDC REGULAR MEETING SCHEDULE

A motion to approve the Regular Meeting Schedule was made by Council Member Mendall with a second by Council Member Salinas. The motion was approved.

3. ROUTE 238 CORRIDOR LANDS DEVELOPMENT—PARCEL GROUP 6: CARLOS BEE QUARRY; REVIEW OF DRAFT MASTER DEVELOPMENT PLAN AND DRAFT REQUEST FOR PROPOSALS

Deputy City Manager Ott introduced the item noting the desired timeline would have the draft request for proposal (RFP) going to the Planning Commission for review and comment on Oct. 24th, to the City Council in early November, and released by the end of the year.

Mayor Halliday asked if the proposed intersection was too close to the one planned for the Parcel 5 development. Deputy City Manager Ott said a traffic engineer had already looked at the proposals and said they were not too close noting the intersection was moved uphill to improve visibility, but more analysis could be done.

Mayor Halliday asked if the proposed 20,000 square foot minimum lot size shown in the report was a typo. Deputy City Manager Ott said for higher density developments like this one, the lot size had to be bigger. No single-family homes would be allowed, she said. Planner Manager Buizer explained the larger lot size would be needed for six or seven townhomes or for a high-density development of student housing. Manager Ott also noted that the required density range was 25-55 units per acre so there was no way a single-family housing development could meet that.

Council Member Salinas asked if the zoning limited density and if the allowed density should be higher. Manager Ott explained that given the site constraints and what would be marketable, a development couldn't get much bigger than 55 units per acre. She also pointed out that the high cost of construction and structured parking was prohibiting denser projects. Planning Manager Buizer added that the developer could request a density bonus if affordable units were kept on site. She confirmed the general plan allowed for greater density.

Mayor Halliday opened the floor for public comment but there were none.

Council Member Salinas commented that all eyes would be on this project and he wanted something extraordinary. He had the following feedback on the draft RFP:

- He wanted innovation and creative design given its configuration, location, and proximity to the university
- He was OK with the Hayward trail and park land requirements
- Affordable housing units must be kept on site
- Preferred housing that could accommodate students
- Wanted to see green development features such as all-solar or all-electric
- Deploy technological solutions and use robust, creative/forward thinking for public transportation options
- Selected developer should communicate plans and work with surrounding neighborhoods
- Selected developer should take all public input into account when designing the project
- Regarding the Hayward Resident Priority Preference Plan requirement, he said he didn't think

it was appropriate and preferred that it be taken out of the RFP. If the project understanding and impact statement requirement was kept in the RFP, he asked how long it was expected to be and Deputy City Manager Ott said one to two pages.

Council Member Mendall said he was pleased to see so many from the development community at the meeting and that he took that as a good sign. He said it was a great site and a real opportunity for the community and developers to do something meaningful. He said the Council wanted the site developed and they wanted to get to yes. He had the following feedback on the draft RFP:

- Remove the limit of 10,000 square feet of retail since it was unlikely more would be built. Deputy City Manager Ott noted CEQA set the cap at 10,000 but potential changes to increase the amount of retail could be entertained.
- Regarding the park in-lieu fee, he noted it could also decrease if smaller units were built (like student housing)
- Preferred density on the high end of the allowed range and would support a density bonus
- Was against a gated community
- Strongly supported environmental components like solar or all-electric
- Regarding the Bayview Concept, he said he wouldn't look at it to determine whether to accept a proposal. He didn't know how the rest of the City Council felt about it. However, if left in the RFP, he indicated a couple pages would be sufficient. Deputy City Manager Ott said a disclaimer could be added that stated the City wasn't advocating for the plan.
- He later added that affordable units had to be on site. Manager Ott responded that although it wasn't a regulatory requirement, it could be a requirement of the RFP.

Council Member Mendall asked if the City would be unhappy if the parcel sold before the proposed timeline. Deputy City Manager Ott explained that the City could ask more for the site if the map was final rather than tentative because potential developers wouldn't have to pay property taxes to hold the site, but noted the City was flexible and would consider other scenarios.

Mayor Halliday clarified that although she lives near the site, she had confirmed with the City Attorney that she was outside the 500-foot limit and it was OK for her to participate in discussions. Mayor Halliday said she agreed with most of had been said, but had the following additional feedback:

- Don't call the proposed trail around the development the "Loop Trail"
- She expressed concern about the increase in traffic on Carlos Bee but said more traffic lights might slow traffic going down the hill. Manager Ott noted the intersection would not be signalized but staff would work with Public Works to make sure impacts were properly analyzed.
- Suggested neighbors have the opportunity to comment on the project
- Asked staff to consider a parking program for the surrounded neighborhoods
- Noted the proposed trail was close to the Ward Creek Trail and asked if they could be connected
- Agreed that the neighborhood should not be gated and utilities be all-electric
- Regarding the Bayview Concept, out of consideration to the person who developed it, she supported including the request in the RFP but with a disclaimer and an invitation to comment (rather than require it).

4. PRELIMINARY CONCEPT REVIEW: PROPOSED AMAZON LOGISTICS USE AT 2701 WEST WINTON AVENUE

Economic Development Manager Nguyen introduced the item noting the 23.4-acre site at the end of West Winton was formerly a regional auto parts salvage yard with a history of blight and site contamination. In January of 2018 the developer received Planning Commission approval to build a 500,000 square foot speculative industrial building and permits were issued in September 2018 with an approximate total investment by the Black Creek Group of \$85 million. Black Creek Group is currently in negotiations with Amazon Logistics, he said, to lease the entire facility to establish a last-mile delivery facility. Manager Nguyen noted the use would require a conditional use permit so Amazon representatives were present to answer any questions and receive feedback. He turned the floor over to Black Creek Group Vice President of Development Chris Sanford to kick off the presentation.

Council Member Salinas asked how many employees would be hired at the facility. Amazon Economic Development Manager Broderick Green said hundreds would be hired, mostly part-time, with access to benefits, starting at \$15 an hour.

Council Member Salinas asked if the delivery vehicles would be all electric. Amazon Senior Real Estate Program Manager Marc de Bourbon said Amazon was growing the number of electric vehicles in service, noting they retrofitted the facility in Richmond to add 25 charging stations. He said Amazon had committed to have 100,000 electric vehicles in use by 2030.

Council Member Salinas asked if the facility would immediately be used to scale or would it get bigger as time went on. Mr. de Bourbon said the site was constrained by size and to keep things simple, Amazon had learned to keep sites self-contained rather than try to find off-site parking. Black Creek Group Director of Asset Management Scott Recknor commented that the site would probably get smaller as the network grew and other locations opened.

Council Member Salinas asked staff for Council's timeline for approval. Planning Manager Buizer clarified that the timeline would start when Amazon filed its application but noted a CUP (conditional use permit) did not require Council approval. Staff added the Council could ask to review the project after it went to the Planning Commission.

Council Member Salinas said in concept the project sounded interesting, but he questioned the traffic impact noting there were only three ways in and out of the area. Transportation Manager Fred Kelly explained that the CUP would generate more definitive number of trips, but staff expected 700-800 trips to be added per day, possibly double that during the holidays. He said talks with Amazon and Black Creek had been encouraging and possible mitigation included partnering to improve intersections and a signed agreement to maintain streets since the site would not generate sales tax or mitigation fees.

Mayor Halliday asked if there were any public comments and there were none.

Council Member Mendall received confirmation that vans would be loaded inside the facility and truck unloading would take place on the east side of the facility at one of the 10 dock doors.

Council Member Mendall asked if the CUP could include a stipulation that 90-100% of delivery vans

be electric by 2030. He also supported something from Amazon that acknowledged or mitigated that the facility would not generate any revenue for the City yet would have a significant impact on roads.

Mr. de Bourbon noted there was no program in Hayward for Amazon to acknowledge impacts and wasn't sure how that could be done. Council Member Mendall said he didn't know either, he was just offering feedback to Amazon on what he needed to support the project.

Mr. Recknor said a commitment to an electric fleet would be a challenge, not impossible, but asked if there were other concepts, such as a solar roof, that could help create a total package that was acceptable to the City. Council Member Mendall said yes.

Mayor Halliday asked for confirmation that Amazon intended to put solar panels on the roof of the building. Mr. Sanford explained that the building was constructed on speculation, when it was not known solar panels would be needed. He said Black Creek agreed to contribute \$125,000 toward a solar project at one of two sites including this one. Mr. de Bourbon said Amazon wanted to install solar panels especially on facilities in California.

Mayor Halliday expressed concern about the traffic, not just in the industrial area, but also in the neighborhoods where trucks would be delivering packages. She questioned how the City would benefit from the project noting the site would not generate enough sales tax revenue to cover street maintenance costs. She asked if the City would receive any sales tax for packages delivered to addresses in Hayward. City Manager McAdoo noted that was not determined by the City.

Mayor Halliday recommended that the project be as green as possible and to work with City staff to develop an agreement for street maintenance.

Mayor Halliday asked for confirmation that the site would not be used as a pick-up facility. Mr. de Bourbon said the concept was out there and a corner of the building might be used for pick-ups. He said he'd like to give customers that choice for expensive items they didn't want left on the porch. He also mentioned the option of Amazon lockers for pick-ups. Mayor Halliday said she would like to get a better understanding of potential pick-ups from the facility.

Mayor Halliday said she would also like to have more information about the quality of jobs that would be generated at the facility. She said the City was looking for businesses with higher wages to help residents afford local housing costs.

Council Member Salinas recommended proponents for the project reach out to other Council Members for feedback.

5. FUTURE MEETING TOPICS AS OF OCTOBER 7, 2019

Due to time constraints there were no additions to and no discussion of Future Meeting Topics.

COMMITTEE MEMBER ANNOUNCEMENTS AND REFERRALS

Economic Development Manager Nguyen distributed the updated Development Pipeline Brochure.

ADJOURNMENT: The meeting was adjourned at 5:16 p.m.