



CITY OF  
**HAYWARD**  
HEART OF THE BAY

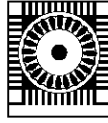
**Economic Development Committee**  
**Hayward City Hall – 2nd Floor Conference Room 2A**  
**777 B Street, Hayward, CA 94541-5007**  
**February 1, 2010**  
**4:00 p.m.**

**A G E N D A**

1. **Call to Order**
2. **Public Comments:** (Note: For matters not otherwise listed on the agenda. The Committee welcomes public comments under this section, but is prohibited by State Law from discussing items not listed on the agenda. Items brought up under this section will be taken under consideration and referred to staff for follow-up as appropriate. Speakers will be limited to 5 minutes each; organizations represented by more than one speaker are limited to 5 minutes per organization. All public comments are limited to this time period on the Agenda.)
3. **Approval of January 4, 2010 Summary Notes**
4. **Presentation and Discussion RE Hayward Unified School District (HUSD) API Scores: Paul Frumkin III, HUSD Board of Trustees President; Janis Duran, Interim Superintendent; Debbie Bradshaw, Director of Assessments, Standards, Research, and Evaluation**
5. **Buy Hayward First Campaign Update: Sean Brooks, Economic Development Manager**
6. **Economic Development Activities Update – January 2010**
7. **Committee Member Announcements**
8. **Adjournment**



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**ECONOMIC DEVELOPMENT COMMITTEE**

**REGULAR MEETING SUMMARY NOTES – JANUARY 4, 2010**

**1. CALL TO ORDER:** Chair Baines called the meeting to order at 4:05 pm.

**ATTENDANCE:**

Committee Member	Present 1/04/10	All Meetings Year to Date		Meetings Mandated By Resolution	
		*Present	Absent	Present	Absent
Landon Baines (Chair)	✓	4	2	4	2
Chris Lam	✓	5	1	5	1
Council Member May	✓	5	1	5	1
Avtar Singh	✓	5	1	5	1
Terri Swartz	✓	5	1	5	1
Mayor Sweeney	✓	6	0	6	0
Jim Wieder (Vice Chair)	No	4	2	4	2
Council Member Zermeño	✓	4	2	4	2

\*August meeting will not count towards attendance.

**OTHERS IN ATTENDANCE:**

- Greg Jones, City Manager
- Sean Brooks, Economic Development Manager
- David Rizk, Director of Development Services
- Sally Porfido, Economic Development Coordinator
- James Morris, Cushman & Wakefield
- Professor Barbara Page, California State University East Bay
- Simon Wong, Tri City Voice Newspaper
- Andy Wilson, Hayward Resident

**2. PUBLIC COMMENT:**

Professor Barbara Paige of California State University East Bay explained that she would like to give a presentation at a future Economic Development Committee meeting on the Lunchbox International Entertainment Film Series that is just starting in Hayward. The focus

of this film series is to work with Hayward high school students and community organizations to foster education and interest in the film industry as a potential career path.

Andy Wilson, a Hayward resident, expressed his appreciation for the Clean and Green Committee's efforts in cleaning up the Hayward industrial area. He also thanked the City for clearing out the big rigs that parked on Mission Boulevard. He stated two concerns – one that the industrial area behind the airport needs to be redeveloped, and that the City of Hayward needs an attractive entry sign off 92, welcoming people to Hayward, similar to the signage Foster City has designed.

**3. APPROVAL OF DECEMBER 7, 2009 SUMMARY NOTES:** The December 7, 2009 Summary Notes were approved.

**4. PRESENTATION & DISCUSSION: Commercial Real Estate Update, Jim Morris, Senior Director, Managing Broker East Bay, Cushman & Wakefield.**

Mr. Morris has been active in the East Bay Industrial Real Estate market since 1989 where he began his commercial real estate career at White Commercial in Hayward. Mr. Morris has been at Cushman & Wakefield for the last two years. He specializes in industrial property that ranges from manufacturing facilities, distribution centers, and office/R&D facilities, representing both owners and tenants.

Mr. Morris gave a PowerPoint presentation update of Hayward's Commercial Real Estate market. Over the past 10 years, all industrial product types have experienced a vacancy rate that went from a low of 3.1% in 2000 to a high of 11% in the third quarter of 2009. Hayward has 41 million square feet of industrial space.

He explained that rental rates and property values are down 20 to 30%. Currently it is a tenant's market and demand is for newer industrial buildings. The major trends are not good. The good news is that many investors appreciate the diversity of the Hayward marketplace and interest remains high. Sellers want to hold onto their Hayward commercial property until the prices go up.

Food manufacturing is very popular in Hayward mainly due to its central location. Mr. Morris stated for example that Sugar Bowl Bakery will be moving out of San Francisco to Hayward. Hayward has a good employee base for food manufacturers.

The main reasons many manufacturing, food, and warehousing companies moved to Hayward are:

- Proximity to Silicon Valley
- Low cost facility
- Location
- Access to qualified labor pool

The main reason R&D companies move to Hayward is:

- Low cost alternative

In reviewing 6 companies that have left Hayward recently the main reasons were:

- Relocation to Central Valley
- Acquisition by a larger company
- Consolidation out of area or out of state.

There are new development opportunities with:

- Various small parcels 1 to 16 acres.
- Redevelopment of old manufacturing facilities such as Owens Brockway and office and retail such as the old City Center, Auto Row, and Mervyn's headquarters

Future outlook:

- Rents: Down
- Vacancy: Up
- Values: Down
- Construction and Redevelopment: Flat

Questions & answers:

Sean Brooks asked at what point do we convert some of the industrial space to other uses? Mr. Morris responded that we need to be aware of changes in our City and look at alternative uses. Our industrial base is aging and we can redevelop some of that base to newer facilities.

Greg Jones asked what is Hayward's reputation as a City and what can we do better to attract business to Hayward? Mr. Morris responded that Hayward's reputation is much better today than it was 5 years ago. Today it feels like the City is business friendly. Mr. Morris suggested the following business outreach efforts:

- Do business outreach to major businesses to find out what their problems are.
- Make sure the City explains the process to businesses when they first come in looking for information and that those they deal with make them feel welcome.
- Suggested an educational forum at the City of Hayward for the brokerage community.

Mr. Jones suggested the City consider facilitating a broker industrial tour.

## **5. ECONOMIC DEVELOPMENT ACTIVITIES UPDATE (DECEMBER 2009):**

Staff met with Mr. George Lotti, Chief Financial Officer of Heat and Control, Inc. regarding the January 2010 Business Recognition Award. Mr. George Lotti will accept the award on behalf of Heat and Control, Inc. Their Corporate headquarters are in Hayward and they have 150

employees.

The City of Hayward rolled out a “Shop Hayward” campaign to coincide with the holiday season. The weekend of December 19, 2009 the first 100 shoppers to spend at least \$100 dollars at any Hayward retail or restaurant outlets and present their receipts on Monday, December 21, 2009 at the Hayward City Hall Information Kiosk received a Shop Hayward re-usable shopping bag containing gift items and gift certificates.

The eco-friendly bags display SHOP HAYWARD to serve as a sign to the community that their retail purchases in the City of Hayward are important in helping to support local businesses and fund City services. This is just a start of a series of events that will encourage Hayward residents to spend their money in the City of Hayward.

On Friday, December 4, the City of Hayward hosted the Leadership Hayward Economic Development Session at City Hall in Room 2A. Leadership Hayward consists of local business owners, employees of Hayward businesses, residents, and others within the Hayward community who are interested in improving their leadership skills and learning more about the Hayward community.

This session began with an Overview of Economic Development by City of Hayward staff, Sean Brooks and Sally Porfido. Jesus Armas, of Armas Consulting Group, then presented *Downtown Hayward in Retrospect*, which took the class through a before and after picture of Downtown Hayward. Maret Bartlett, Redevelopment Director of the City of Hayward, and her staff then discussed the *Role of the Redevelopment Agency* as it relates to economic development, highlighting the current redevelopment projects and programs in the pipeline.

After lunch, local developer, Charles McKeag of Citation Homes, walked the attendees through the development process and how important it is to work with cities in developing projects. The day concluded with an interactive session about *How to Develop a City*, where the class had to lay out how their virtual city would look and operate. Overall, the attendees came away with some useful information and appreciated the outreach efforts from the City.

Staff met with representatives from Life Chiropractic College in Hayward for a tour of their Hayward campus and to review potential plans to develop part of the College as a community conference center.

#### **SMALL BUSINESS REVOLVING LOAN FUND ACTIVITIES:**

Staff met twice with the Small Business Revolving Loan Committee in December. Four applications for the small business revolving loan fund program were reviewed as follows:

- A local Italian restaurant requesting a loan for equipment for an upcoming expansion. Recommended for approval.
- A Mexican grocery store relocating from Mission Blvd. to Foothill Blvd. requesting a loan for equipment for the new location. Loan Committee recommended placing on hold due to the recent hospitalization of the owner.

- A San Francisco olive oil manufacturer that wants to open a packaging operation in Hayward and requested a loan for equipment. Recommended for approval.
- A Jazz/Wine club requesting an equipment loan. Loan Committee recommended a hold on this request until the owner provides proof of investor capital.

**One** start-up retail business request was provided information about the Small Business Administration's (SBA) and the Lenders for Community Development loan programs. Additionally, information regarding the Hayward Chamber of Commerce's free business counseling program and handouts regarding other services for start-up businesses were distributed. The business will open a youth sporting facility.

**Seven** additional businesses were provided assistance in obtaining various City services. **Three** commercial brokers were assisted with issues relating to deals in process.

Staff attended a lunch meeting at California State University East Bay. Approximately 100 invited guests attended the Clean Technology Export Opportunities & Insights Luncheon sponsored by California State University East Bay on December 4, 2009. Councilmember Anna May and Economic Development Coordinator Sally Porfido attended this event for the City of Hayward.

Cal State University East Bay President, Mohammad Qayoumi introduced the keynote speaker Ro Khanna, Deputy Assistant Secretary of the U.S. Commercial Service, U.S. Department of Commerce. Mr. Khanna believes the key aspect of job creation in the United States is to increase our exports. He noted that our economy needs export driven demand to increase jobs. The Bay Area is positioned to be the leader in export related growth partly due to the great universities that are geared to increase student knowledge about the realities of the global economy. Mr. Khanna went on to state several key priorities in establishing the U.S. as a global leader.

Mr. Khanna pointed out that we have an extraordinary advantage because of our diversity. Also, he explained that the largest economic growth is happening in China, India, and Asian economies. In addition to Mr. Khanna's keynote address, a Clean Technology panel discussion was moderated by Rod Hirsch, Director Oakland Export Assistance Center, U.S. Commercial Service and included the several panelists.

The Export Import Bank of the U.S. ("Ex-Im Bank") is a federal government agency, not a private bank, chartered by Congress. They have 400 employees and their sole mission is to promote jobs in the United States. Their products offer financial support and risk reduction. They assume credit and country risks the private sector is unable or unwilling to accept. They provide U.S. companies with Export Credit Insurance that protects against buyer nonpayment and they extend credit. They can be utilized as a resource for Hayward businesses desiring to enter the global marketplace.

Economic Development staff worked at the East Bay Economic Development Alliance booth on

December 9, 2009 for the Biomed Device Tradeshow in Santa Clara. This is a Northern California event for the converging medical, pharmaceutical, and biologics industries. Of the 160 exhibitors, six Hayward companies participated and were paid a welcome visit by staff.

Staff attended the One Stop Career Center Employer Excellence appreciation breakfast honoring the partners that provide job opportunities for local residents as well as organizations that facilitate their programs.

Staff attended the Biotech Education Alliance holiday lunch at Ohlone College in Newark to review the current training programs offered by Ohlone in coordination with local biotech firms. Many biotech companies are hiring biotech certificate program students to work as interns at their organizations to develop hands on training.

**6. COMMITTEE MEMBER ANNOUNCEMENTS:**

Council Member Zermeno asked the committee to visit Vision Hayward at Cal State University East Bay.

**7. ADJOURNMENT:** Meeting was adjourned at 5:45 p.m.