



CITY OF HAYWARD DOWNTOWN SPECIFIC PLAN

Task Force Meeting #3 - Market Demand Analysis
February 2017



INTRODUCTION

LWC

Kathryn Slama, Senior Associate

Jennifer Daugherty, AICP, Senior Associate

MJB Consulting

Michael J. Berne, President

Opticos Design, Inc.

Arti Harchekar, AICP, Associate



AGENDA

- 1 Project Context
- 2 Background
- 3 Findings
- 4 Strategies to Consider
- 5 Discussion
- 6 Summary of Workshop #1 Findings

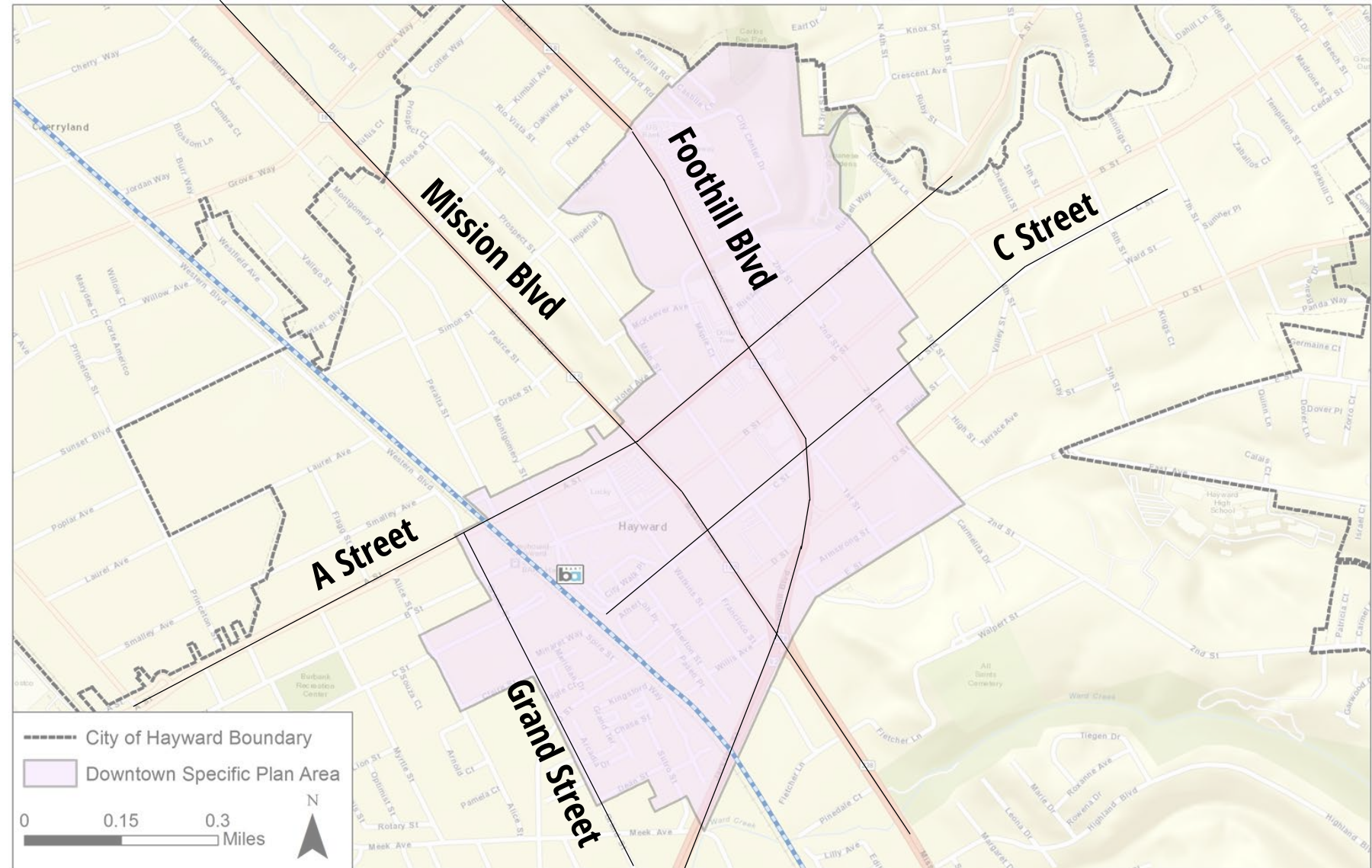
PROJECT CONTEXT



PROJECT CONTEXT – OVERVIEW

WHAT IS THE PROJECT?

- New Downtown Specific Plan
- ACTC grant-funded project
- Complete by June 2018



PROJECT CONTEXT – APPROACH



Kickoff & Research

- What is Downtown like today?



Vision & Alternatives

- What do we want Downtown to become?



Draft Specific Plan & Code

- Strategies to achieve the vision



Review Specific Plan & Code

- Evaluate and prioritize



Adoption

PROJECT CONTEXT – TASK FORCE

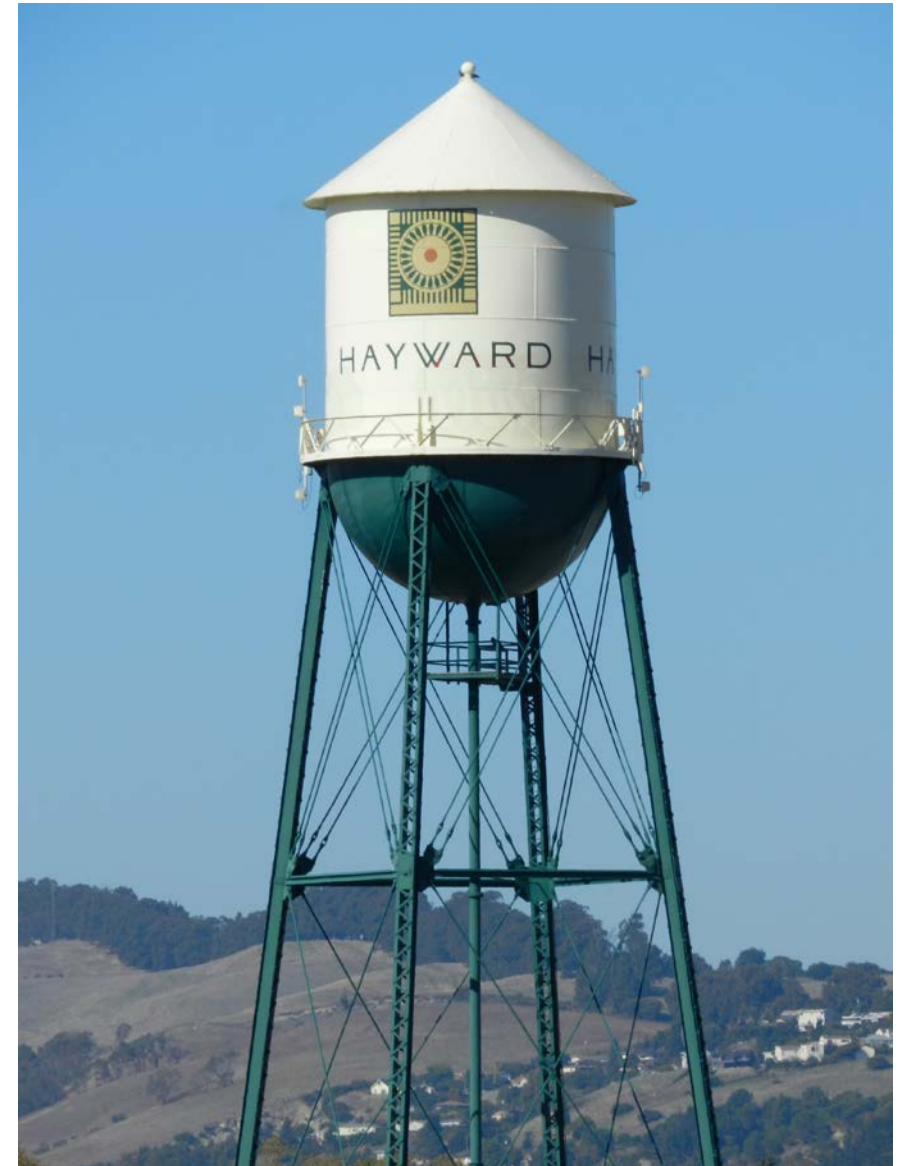
Task Force Meetings

- December 12, 2016 – Project Overview, Approach, Outreach
- January 23, 2017 – Community Form & Character Analysis
- **February 16, 2017 – Market Analysis & Pre-Charrette**
- May 15, 2017 – Preferred Alternative
- June 5, 2017 – Draft Specific Plan Table of Contents

*6 additional meetings dates and topics TBD

PROJECT CONTEXT – RELEVANT DOCUMENTS







- Downtown Design Plan and Core Area Plan (1992)
- City of Hayward Design Guidelines (1993)
- **Retail Site Assessment (2009)**
- Envision Downtown Hayward (2012)
- Mission Blvd Specific Plan and Form Based Code (2014)
- 2040 General Plan (2014)
- **Economic Development Strategic Plan (2014-2018)**



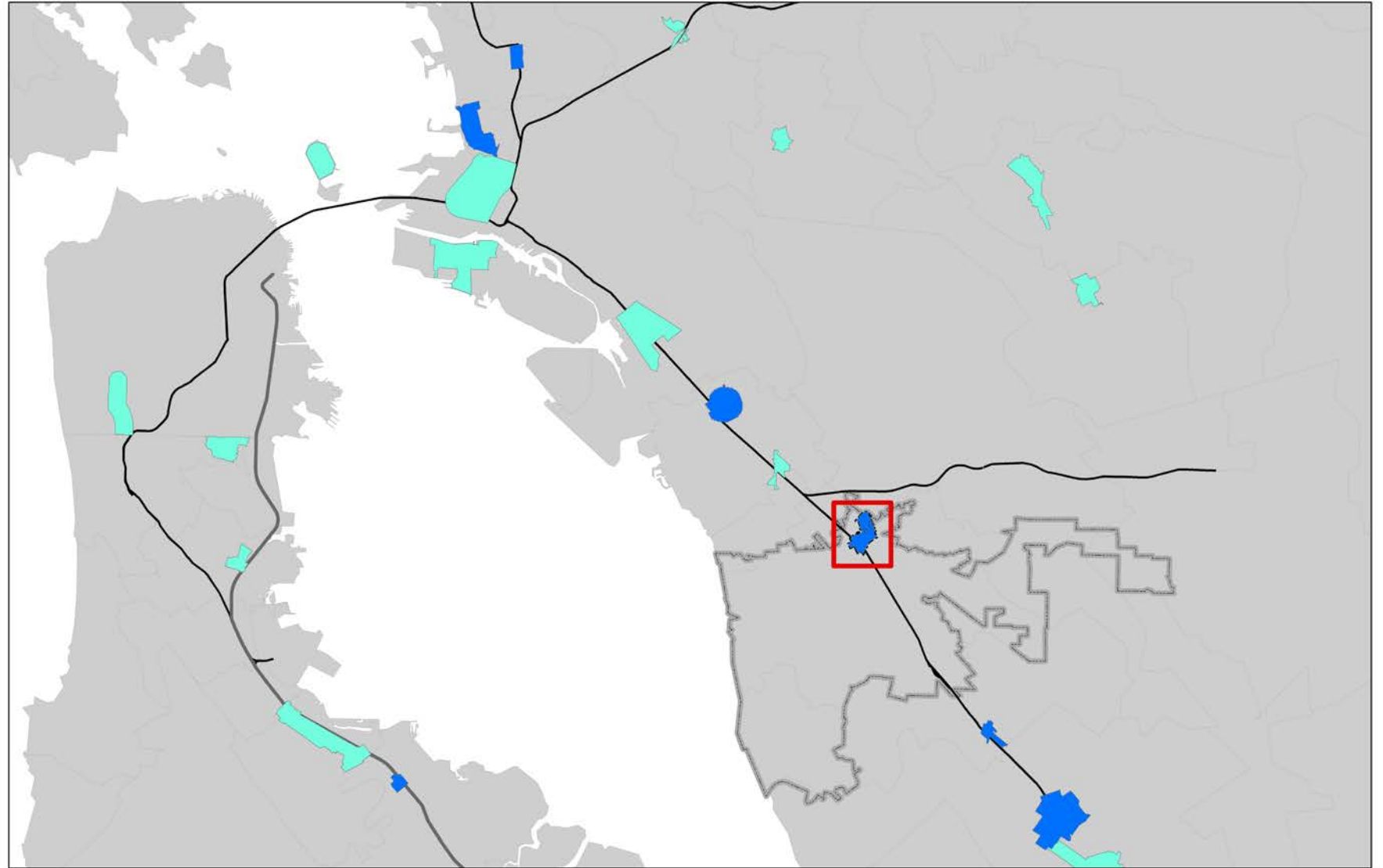
Hayward Downtown Specific Plan Task Force Meeting #3, February 2017

PROJECT CONTEXT – PRIORITY DEVELOPMENT AREAS

Plan Bay Area Priority Development Areas (PDAs)

-  PDA Transit Town Center
-  PDA City Center
-  Hayward BART Station
-  Caltrans Line
-  BART Line
-  Hayward City Boundary

Data Source: ABAG, 2016; LWC, 2016



PROJECT CONTEXT - OUTREACH FEEDBACK

Key Issues Identified from Stakeholder Interviews:

- Vacancies & underutilized parcels
- Traffic – too much, too fast
- Lack of diversity in businesses
- Weakness in catering to the younger demographic

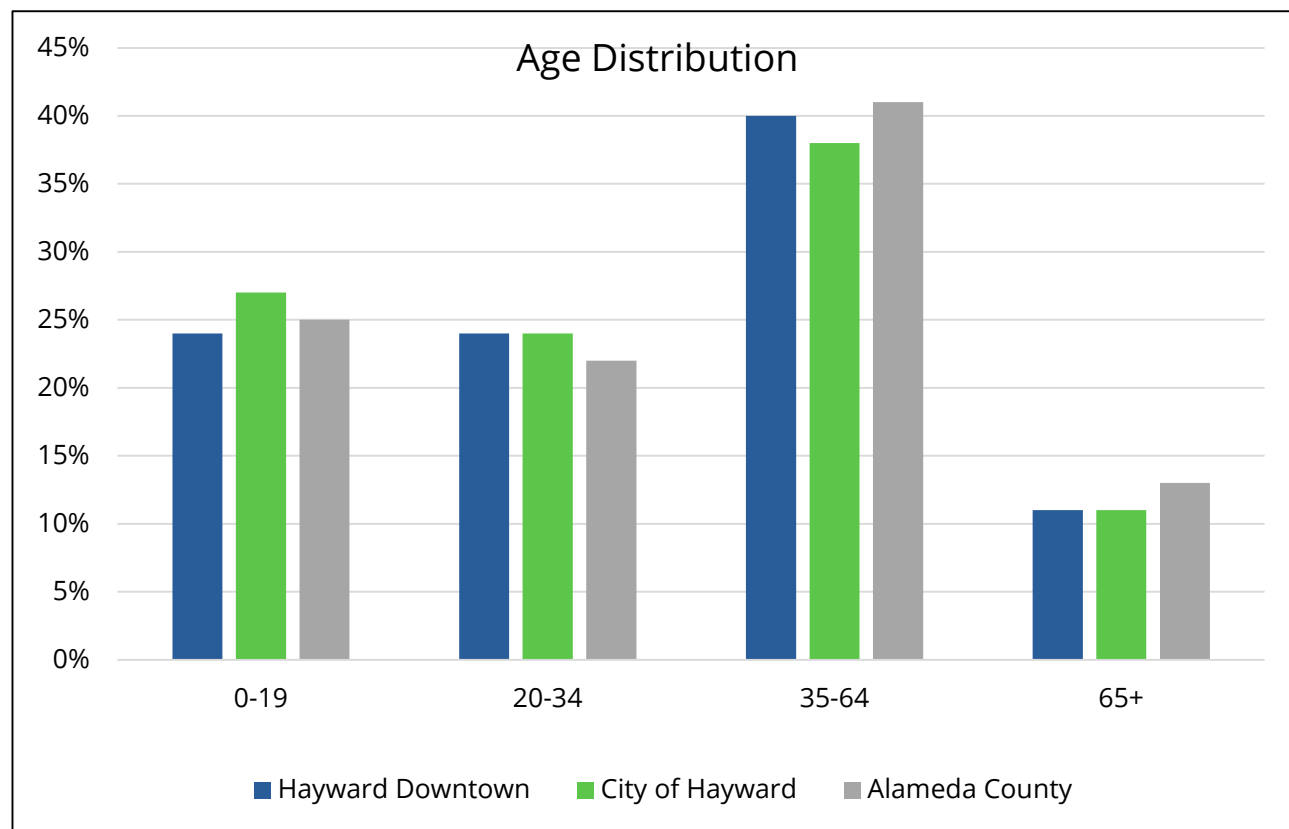
BACKGROUND



BACKGROUND - DEMOGRAPHICS

Age Distribution

Age Distribution			
Age	Hayward Downtown	City of Hayward	County of Alameda
0-19	24%	27%	25%
20-34	24%	24%	22%
35-64	40%	38%	41%
65+	11%	11%	13%
Total	100%	100%	100%
Median Age	34.3	33.6	36.6

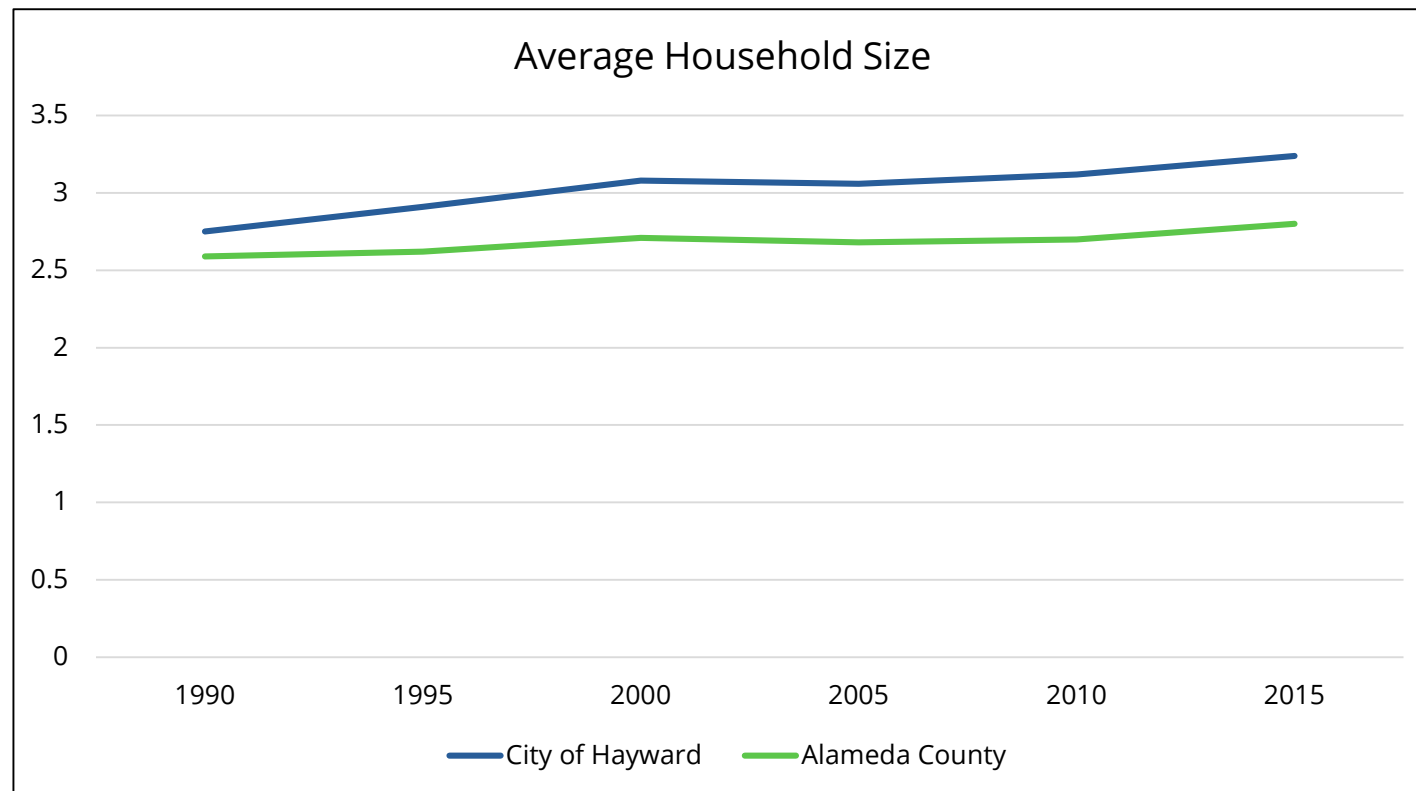


Source: US Census Data, 2014 American Community Survey

BACKGROUND - DEMOGRAPHICS

Average Household Size

Average Household Size		
Year	City of Hayward	County of Alameda
1990	2.75	2.59
1995	2.91	2.62
2000	3.08	2.71
2005	3.06	2.68
2010	3.12	2.70
2015	3.24	2.80

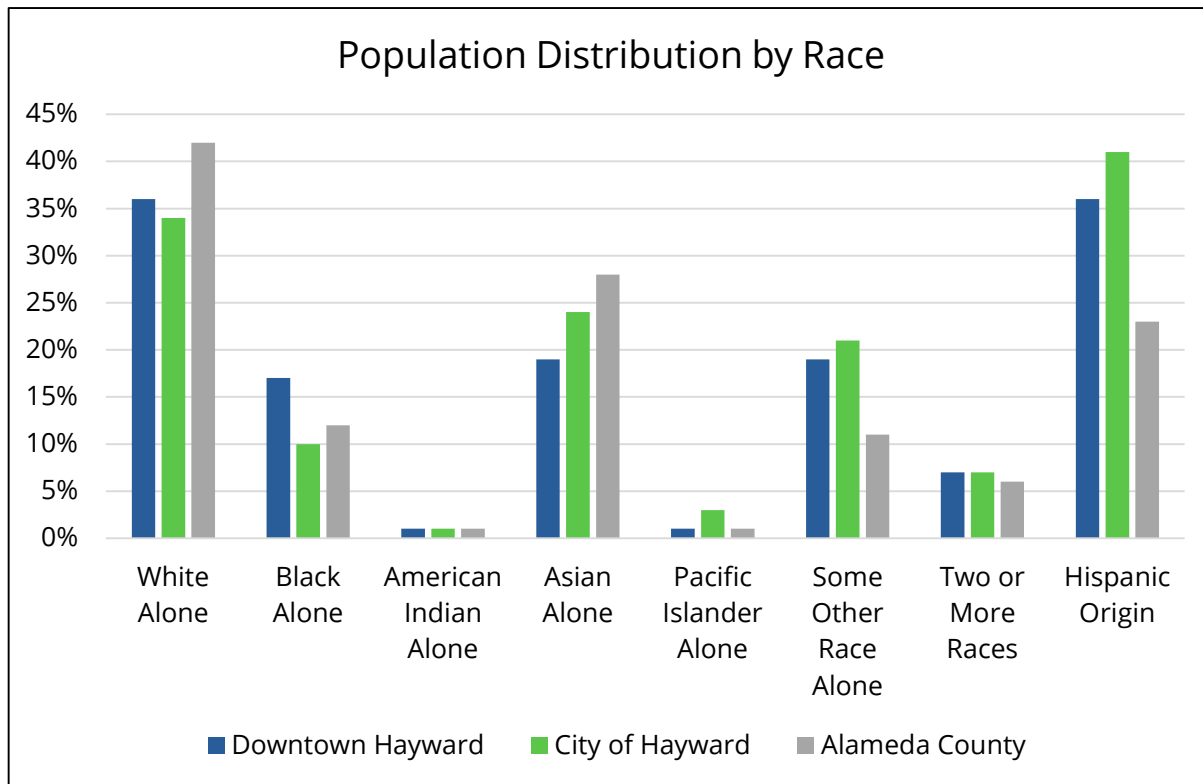


Source: US Census Data, 2014 American Community Survey

BACKGROUND - DEMOGRAPHICS

Population Distribution by Race

Population Distribution by Race			
Ethnicity	Downtown Hayward	City of Hayward	Alameda County
White Alone	36%	34%	42%
Black Alone	17%	10%	12%
American Indian Alone	1%	1%	1%
Asian Alone	19%	24%	28%
Pacific Islander Alone	1%	3%	1%
Some Other Race Alone	19%	21%	11%
Two or More Races	7%	7%	6%
Total	100%	100%	100%
Hispanic Origin	36%	41%	23%
Diversity Index	90%	91%	83%

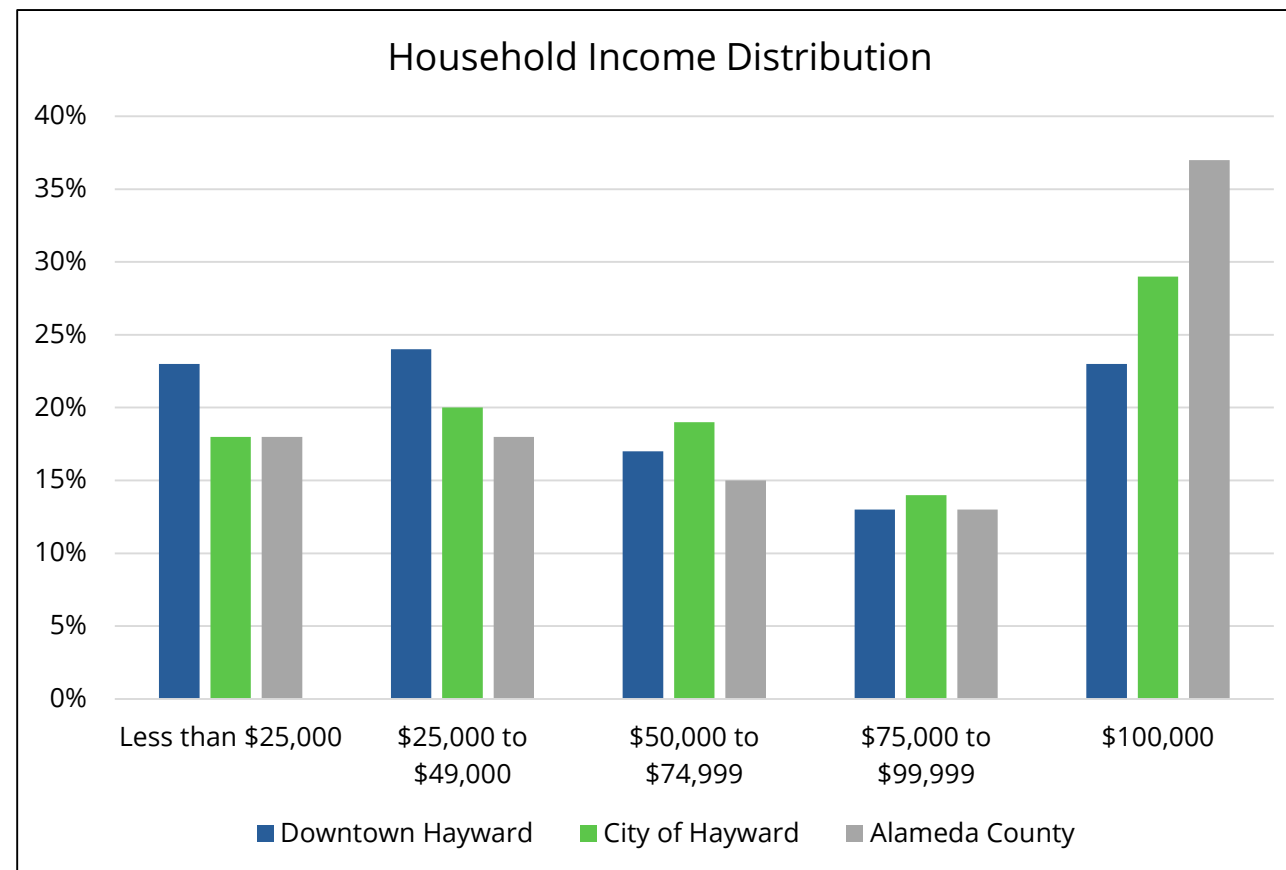


Source: US Census Data, 2014 American Community Survey

BACKGROUND - DEMOGRAPHICS

Household Income Distribution

Household Income Distribution			
Income	Downtown Hayward	City of Hayward	Alameda County
Less than \$25,000	23%	18%	18%
\$25,000 to \$49,000	24%	20%	18%
\$50,000 to \$74,999	17%	19%	15%
\$75,000 to \$99,999	13%	14%	13%
\$100,000	23%	29%	37%
Total	100%	100%	100%
Median	\$53,566	\$63,587	\$73,722

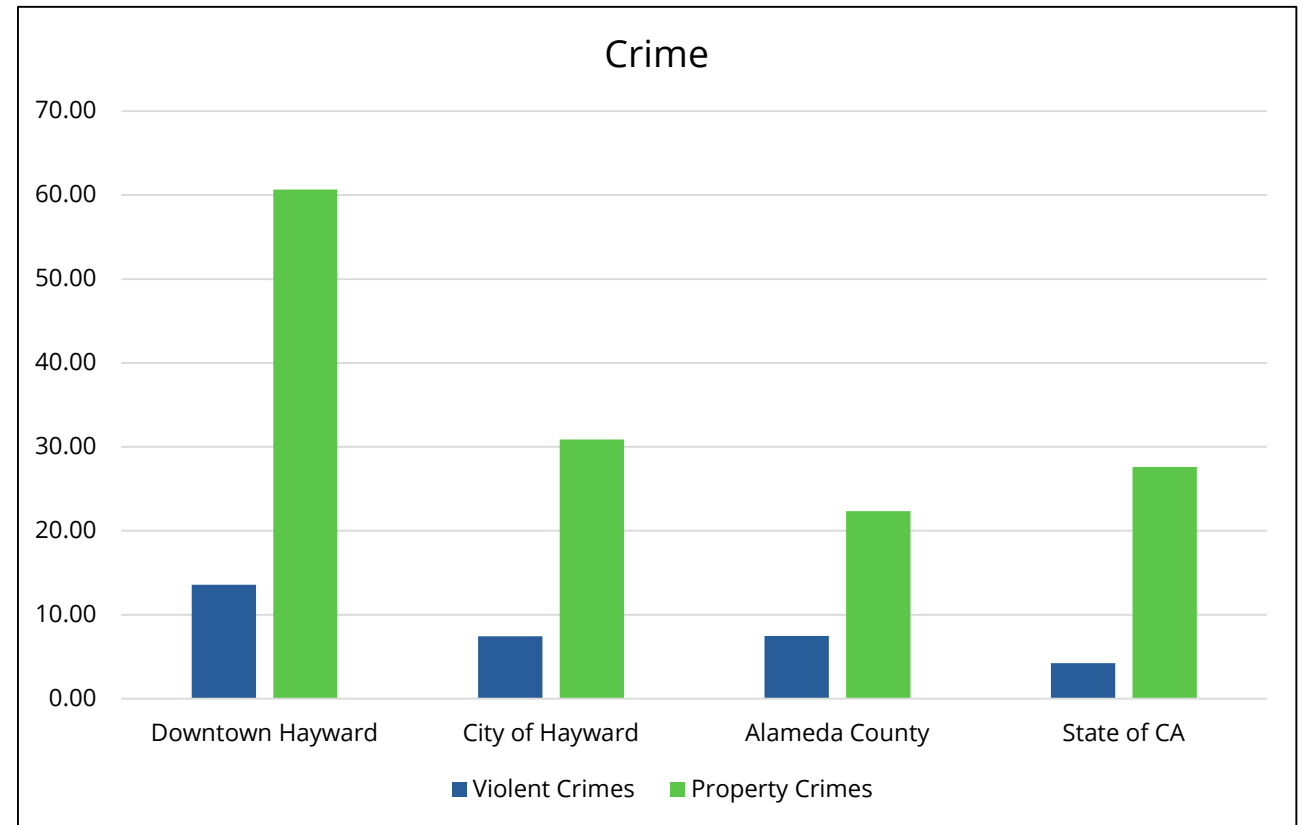


Source: US Census Data, 2014 American Community Survey

BACKGROUND - CRIME

Crime Comparison

Crime Comparison				
Income	Downtown Hayward	City of Hayward	Alameda County	State of CA
Violent Crimes	13.56	7.41	7.48	4.23
Property Crimes	60.65	30.87	22.34	27.59



Source: City of Hayward; United States Department of Justice, Federal Bureau of Investigation, 2012; Economic and Planning Systems, Inc.

BACKGROUND - EDUCATION

City Education Levels, Location Quotient

Education Levels						
Education Level	Population by Education Level, Hayward (only pop. 25+)	% of Total Population, Hayward (pop. 25+)	Population by Education Level, Alameda County	% of Total Population, Alameda County	Share of County	LQ (County)
Less than 9th Grade	11,513	11.7%	77,889	7.3%	14.8%	1.60
High School Graduate	25,290	25.7%	201,658	18.9%	12.5%	1.36
Associate's Degree	7,085	7.2%	71,487	6.7%	9.9%	1.07
Bachelor's Degree	17,614	17.9%	262,476	24.6%	6.7%	0.73
Graduate or Professional's Degree	6,200	6.3%	186,721	17.5%	3.3%	0.36

Source: US Census Data, 2014 American Community Survey

BACKGROUND - EMPLOYMENT

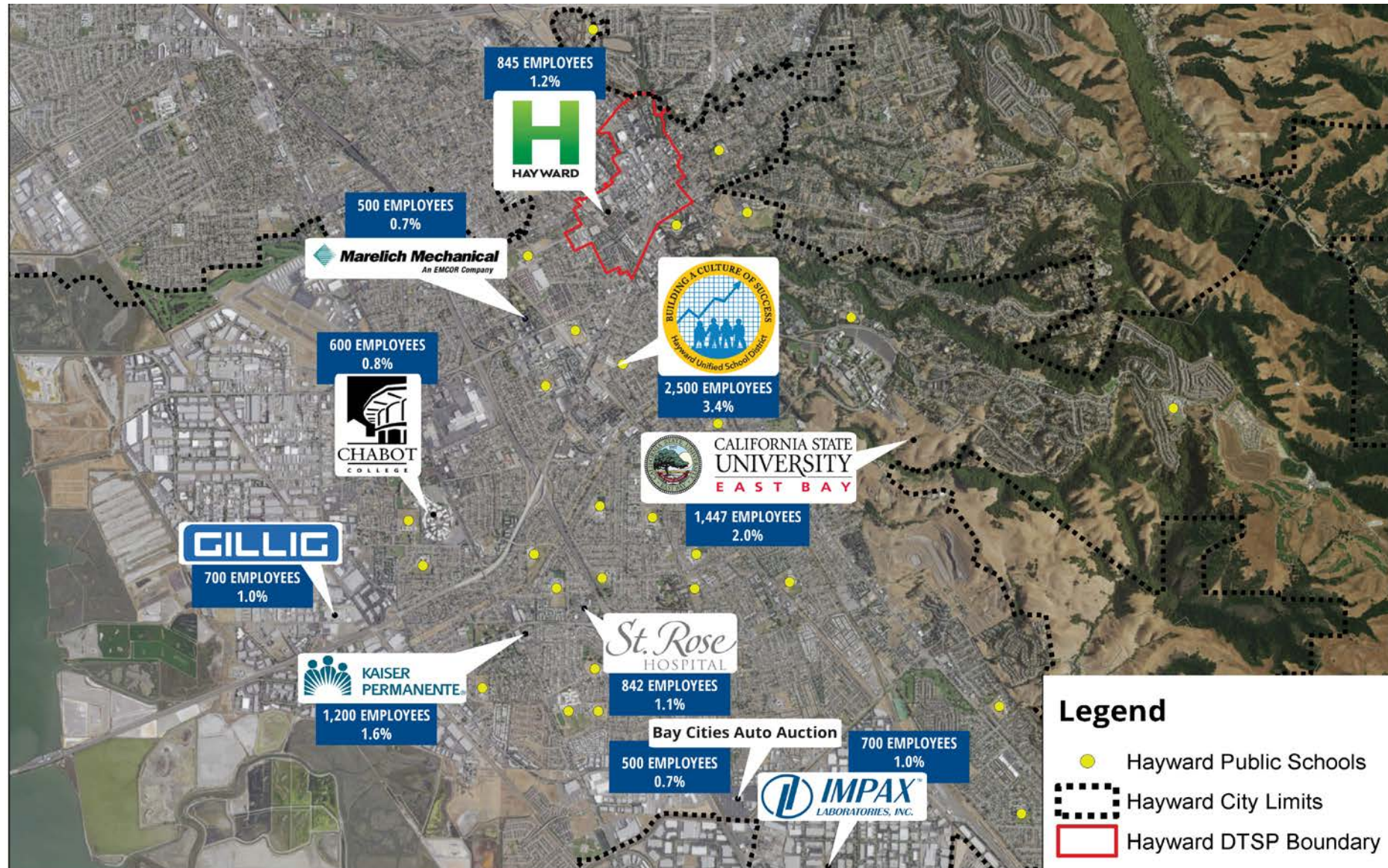
Jobs Housing Balance – City of Hayward

East Bay Jobs:Housing Ratios	
City	Jobs:Housing Ratio
Hayward	1.46
San Jose	1.48
Fremont	1.45
Livermore	1.43
Pleasanton	1.34
Oakland	1.18

Source: California Department of Finance, U.S. Census American Community Survey 2014, LWC.

The Jobs:Housing ratio measures the relationship between where people work and where they live.

BACKGROUND - EMPLOYMENT



BACKGROUND - EMPLOYMENT

Employment by Industry, Location Quotient (1/2)

City of Hayward Employment by Industry, 2014					
Industry	Number of Jobs, Hayward	% of Total Jobs, Hayward	Number of Jobs, County of Alameda	% of Total Jobs, County of Alameda	LQ (County)
Agriculture and Natural Resources Jobs	412	0.6%	2,933	0.4%	1.50
Arts, entertainment, and recreation, and accommodation, and food services	7,161	10.2%	67,563	9.0%	1.13
Construction	4,607	6.6%	37,828	5.0%	1.30
Educational services, and health care and social assistance	13,345	19.0%	169,199	22.6%	0.84
Finance and insurance, and real estate and rental and leasing	3,630	5.2%	45,812	6.1%	0.84
Information	1,538	2.2%	22,656	3.0%	0.72
Manufacturing	8,156	11.6%	79,593	10.6%	1.09

Continued on next slide

Source: US Census Data, 2014 American Community Survey

BACKGROUND - EMPLOYMENT

Employment by Industry, Location Quotient (2/2)

City of Hayward Employment by Industry, 2014, cont'd.						
Industry	Number of Jobs, Hayward	% of Total Jobs, Hayward	Number of Jobs, County of Alameda	% of Total Jobs, County of Alameda	Share of County	LQ (County)
Other services, except public administration	4,000	5.7%	38,731	5.2%	10.3%	1.10
Professional, scientific, and management, and administrative and waste management services	8,432	12.0%	125,361	16.7%	6.7%	0.72
Public administration	2,461	3.5%	27,250	3.6%	9.0%	0.96
Retail Trade	8,440	12.0%	74,951	10.0%	11.3%	1.20
Transportation and warehousing, and utilities	5,206	7.4%	36,705	4.9%	14.2%	1.51
Wholesale	2,934	4.2%	21,204	2.8%	13.8%	1.48
Total Employed Population, 16 years and over	70,322	100.0%	749,786	100.0%	9.4%	1.00

Source: US Census Data, 2014 American Community Survey

BACKGROUND – GROWTH PROJECTIONS

ABAG PROJECTIONS – Downtown Hayward

ABAG Priority Development Area Projections Downtown Hayward				
	2010	2040	Difference	% Change
Households	4,380	9,500	5,120	117%
Jobs	7,570	8,490	920	12%

Source: Plan Bay Area 2040 Final Preferred Land Use Scenario

BACKGROUND – PIPELINE PROJECTS

LINCOLN LANDING



- 476 units
- 80,500sf commercial
- 53,600sf group open space
- Surface and structured parking (1,151 spaces)
- 6 stories; 84.5ft max
- Amenities – pools, fitness center, etc.

BACKGROUND – PIPELINE PROJECTS

MAPLE & MAIN



- 240 apartments
- 48 units affordable (20%)
- Ground floor retail (5,571sf) and leasing office (1,580sf)
- 6 level parking structure and surface parking (504 spaces)
- 5 stories; 58.4ft
- Amenities – courtyards, rooftop terrace, fitness center
- Existing medical office improved

BACKGROUND – PIPELINE PROJECTS

LIBRARY & COMMUNITY LEARNING CENTER



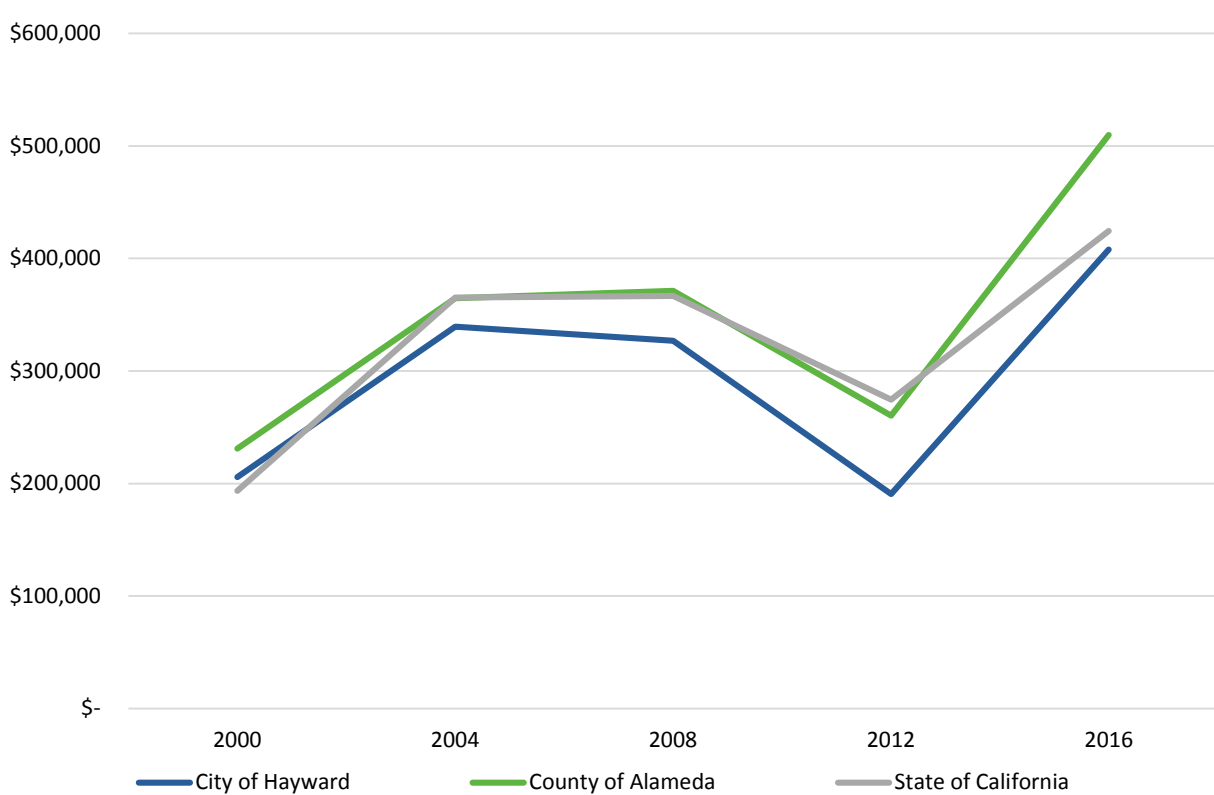
- Flexible, collaborative learning environment
- 58,000sf
- 3 stories; 53-61 ft max
- Civic plaza and arboretum
- Parking garage improvements (solar panels, bike parking, etc.)
- C Street improvements (trees, special paving, storm drain, etc.)

FINDINGS - RESIDENTIAL

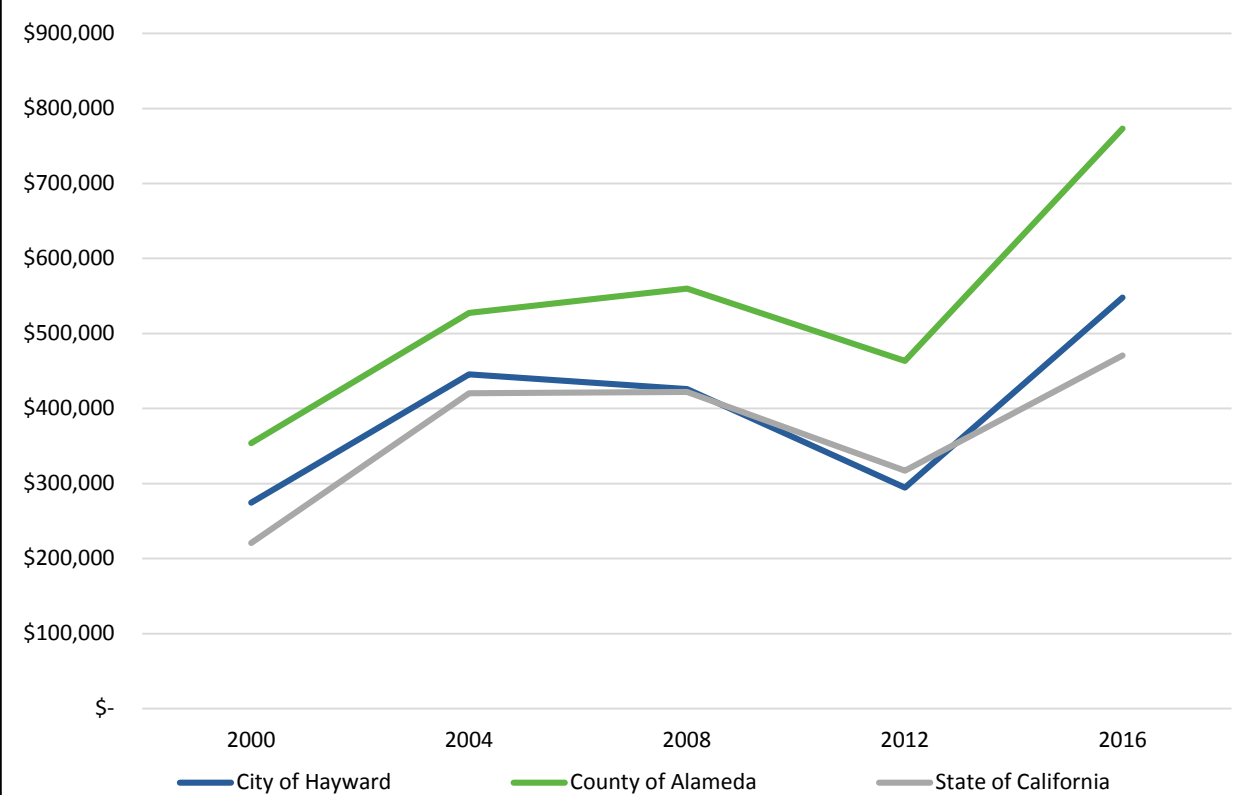
FINDINGS – CURRENT DEMAND

City Residential Median Sales Price Change

Median Sales Price Change: Condos/Coops



Median Sales Price Change: Single Family Houses



RESIDENTIAL FINDINGS – CURRENT DEMAND

Downtown Residential Median Sales Price/SF (January 2017)

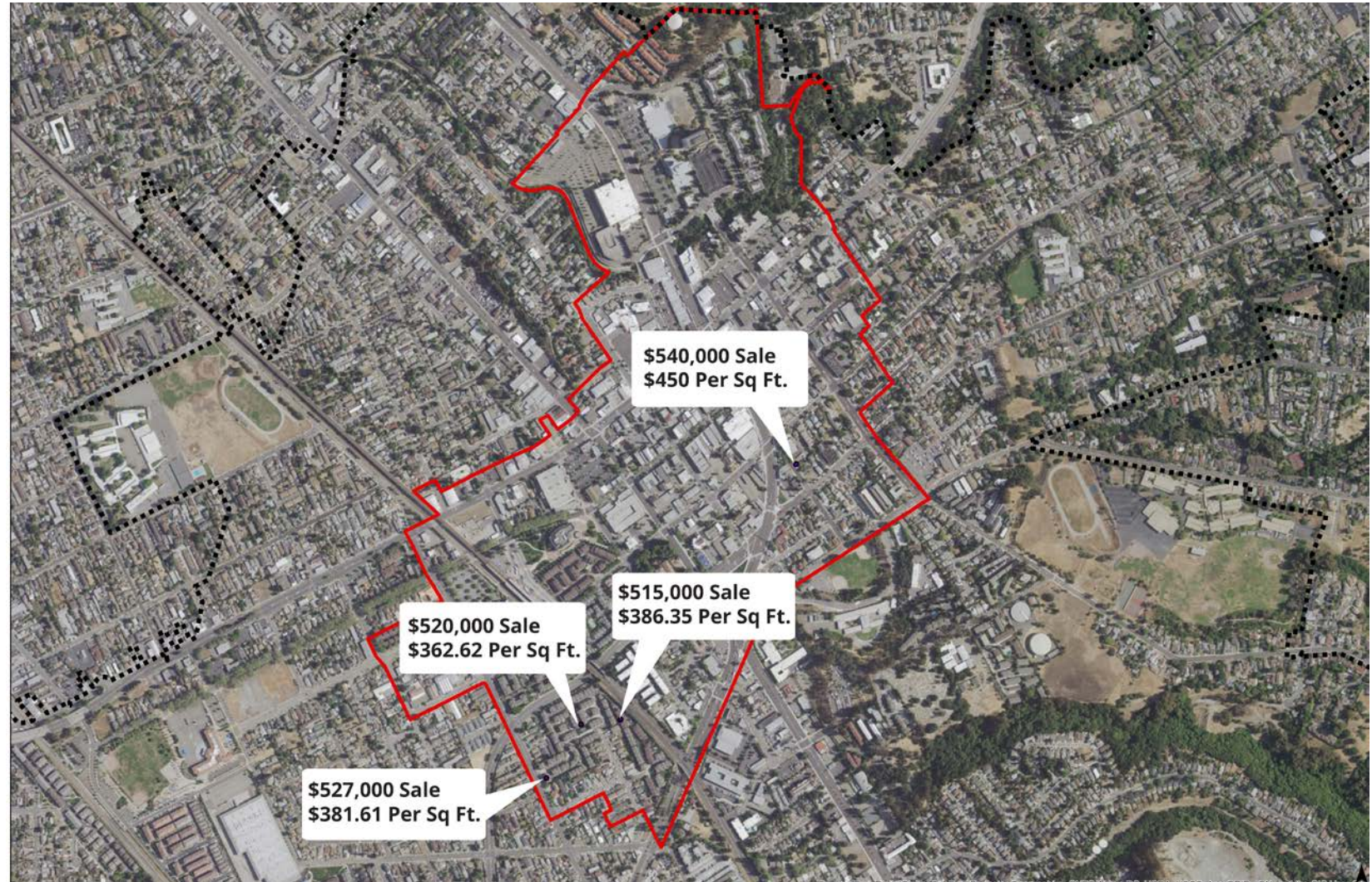
Median Listing Price Downtown:

- Single Family \$540,000 (1)
- Condos \$520,000

1. Only one SF home listed on 1/16/17

Median Sales Price Citywide:

- Single Family \$547,778
- Condos \$407,956



FINDINGS – CURRENT DEMAND

City & Downtown Residential Tenure

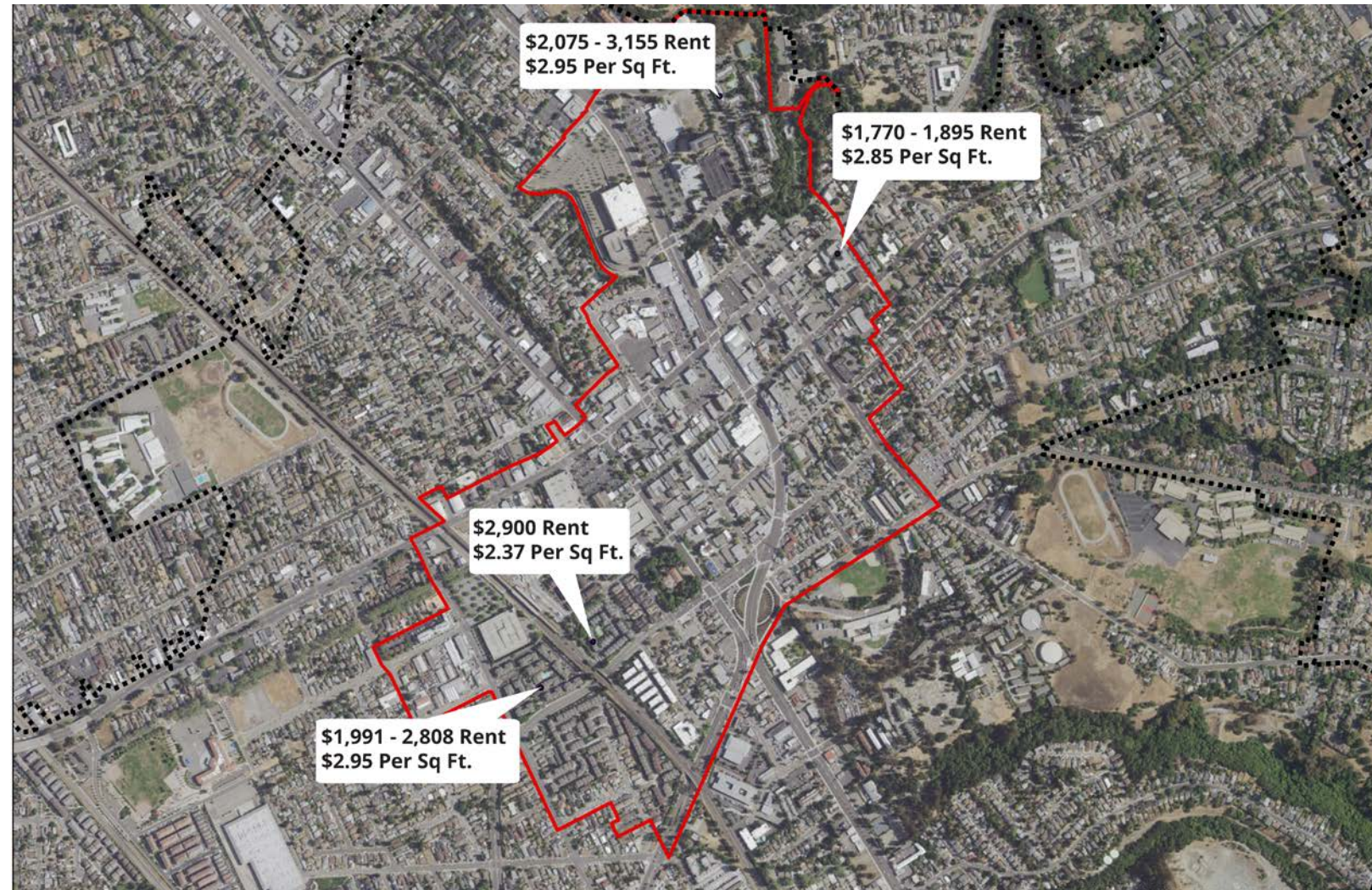
Residential Tenure			
	2000	2010	2015
Downtown Hayward			
Owner-Occupied	26.4%	30.7%	29.1%
Renter-Occupied	72.4%	64.5%	68.7%
Vacant	1.2%	4.8%	2.1%
City of Hayward			
Owner-Occupied	52.7%	49.6%	48.3%
Renter-Occupied	44.8%	44.4%	46.2%
Vacant	2.5%	6.1%	5.6%

Source: ESRI Business Analyst Online; Economic and Planning Systems, Inc.

RESIDENTIAL FINDINGS – CURRENT DEMAND

Downtown Average Rent/SF (January 2017)

- Average Rent Downtown:
\$2.90/sf
- Average Rent Citywide:
\$2.01/sf
- Maple & Main Development Project Rent Range:
 - ~\$3.99/sf for studio
 - ~\$2.83/sf for three bedroom



FINDINGS – CURRENT DEMAND

Downtown Jobs Housing Balance

Downtown Hayward Jobs:Housing Ratio (2010)			
City/Area	Jobs	Occupied Households	Jobs: Housing Ratio
Downtown Hayward	7,570	4,170*	1.82
City of Hayward	70,322	48,285	1.46

Source: California Department of Finance, U.S. Census American Community Survey 2014, LWC; Plan Bay Area Final Preferred Land Use Scenario, Dyett & Bhatia, and LWC.

* Downtown household vacancy rate of 4.8% applied, as reported by Economic and Planning Systems, Inc.

RESIDENTIAL FINDINGS – FUTURE DEMAND

High Demand for Residential Development

Overview

- Prices increasing, low vacancies
- Bay Area housing market
- Trend moving back to downtowns
- Transit accessible
- Walkable design increases demand
- Improve jobs:housing balance
- CSUEB expects 5,500 Hayward campus students above existing capacity by 2040 (expected to be accommodated on campus)

Future Demand/Needed Capacity

- **Approximately 4,404 units needed**
 - Accounts for pipeline projects:
 - Lincoln Landing - 476 units
 - Maple & Main - 240 units
- **Approximately 2,642,400 – 5,284,800sf**
 - Unit size range 600sf - 1,200sf

FINDINGS – OFFICE

OFFICE FINDINGS – CURRENT DEMAND

Downtown Office Vacancy (% Total)



Source: Transwestern

- Average Office Vacancy Rate for the East Bay is **8%** as of Q3 2016 (Source: CoStar)

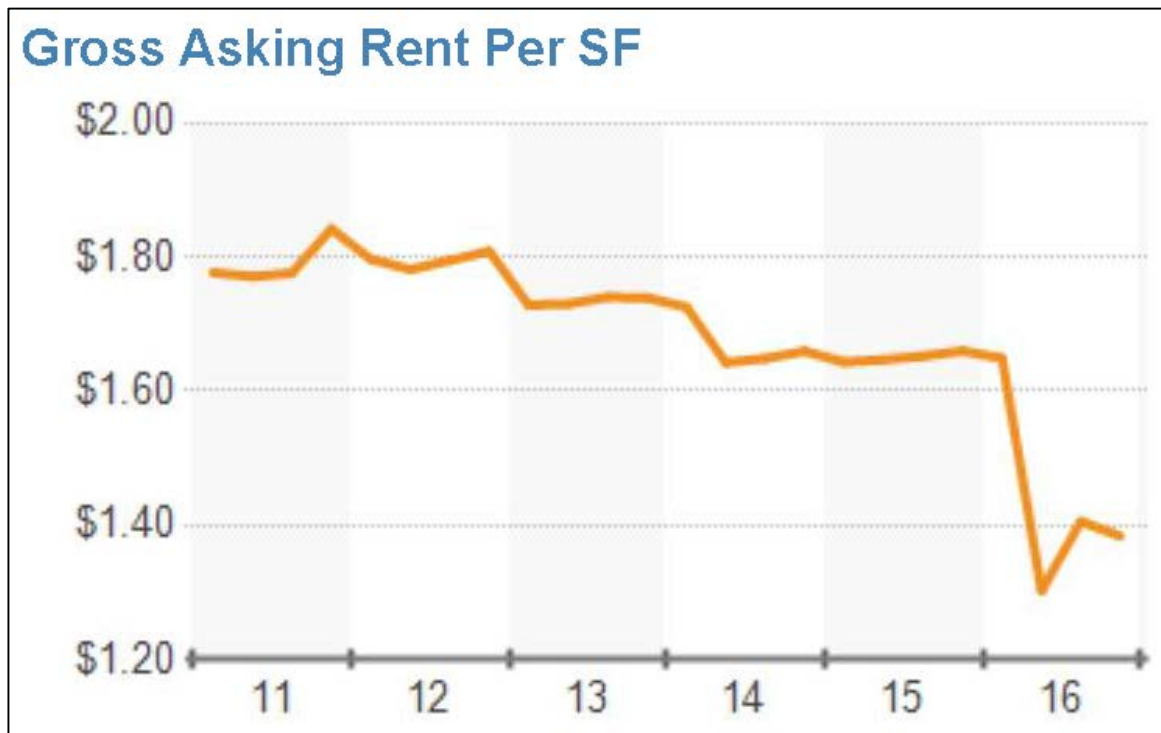
Office Vacancy - Downtown Hayward (2016)		
Availability	Survey	5-Year Avg
Vacancy Rate*	45.9%	49%
Vacant SF*	565,780	604,194
Availability Rate	46.3%	49.4%
Available SF	571,012	608,749
Sublet SF	0	0
Months on Market	29.9	28.3

Source: Transwestern

* With former Mervyn's HQ (336,000 SF) and City Center Centennial Tower (144,991 SF), total vacant square footage in Downtown Hayward drops from 565,780 SF to **84,789 SF**, reducing the Vacancy Rate to **14.99%**.

OFFICE FINDINGS – CURRENT DEMAND

Downtown Office Gross Asking Rent per SF



Source: Transwestern

Office Vacancy - Downtown Hayward (2016)		
Availability	Survey	5-Year Avg
Gross Rent Per SF	\$1.38	\$1.70
Sale Price Per SF	\$115	\$118
Asking Price Per SF	\$177	\$156

Source: Transwestern

- Average Asking Rent for Oakland-East Bay is **\$2.96**, Q3 2016 (Source: JLL)

OFFICE FINDINGS – FUTURE DEMAND

Increasing Demand for Office Space

Overview

- Vacancy rates decreasing
- Bay Area office market
- Trend moving back to downtowns
- Transportation access/transit connectivity
- Fiber optic conduit required with new projects in Downtown
- Hayward missing central cluster of office and commercial space; Downtown can fill void
- Industrial – advance manufacturing/industries expected in Industrial Pkwy loop/areas (outside of Downtown)
- CSUEB projects space needs of 528,761sf at Hayward campus by 2040 (expect to accommodate on campus)

Future Demand/Needed Capacity

- **Assume 874 non-retail jobs**
 - Professional/finance
 - Health/education/recreation services
 - Other
- **Approximately 174,800 sf**
 - Office space - 200sf/employee

FINDINGS – RETAIL

FINDINGS – RETAIL DEMAND

Downtown Retail

- Two discrete markets to analyze
 - Consumers seeking goods and services from retailers
 - Demographics / psychographics
 - In-migration trends
 - Shopping habits
 - Non-residential demand generators
 - Existing anchors and draws
 - Psychological barriers



FINDINGS – RETAIL DEMAND

Downtown Retail

- Two discrete markets to analyze
 - Retailers seeking space from property owners
 - Rents and terms, "TI" allowances
 - Risk mitigation (e.g. co-tenancies, ownership)
 - Intangibles (e.g. perceptions, momentum)



FINDINGS – RETAIL DEMAND

Downtown Retail

- Not evaluated in a vacuum but vis-a-vis its competitors
 - Where else might the consumer shop (dine, recreate, etc.)?
 - What other alternatives is the retailer considering?



FINDINGS – RETAIL DEMAND

Consumer Market

- Existing competition
 - Mission Boulevard
 - Southland Mall
 - Hesperian Boulevard
 - Bayfair Center
 - Union Landing
 - Castro Valley Boulevard
 - Dublin / Pleasanton
 - Stoneridge Shopping Center



FINDINGS – RETAIL DEMAND

Consumer Market

- Resulting "trade area" boundaries
 - Skew to the east and northeast
 - Psychological barriers?



FINDINGS – RETAIL DEMAND

Consumer Market

- Demographic highlights (2016, ESRI)
 - Non-Hispanic whites = overwhelming minority
 - 24% Latino
 - Primarily Mexican
 - 21% Asian
 - Chinese, Filipino
 - Heavier concentration than citywide
 - 10% black

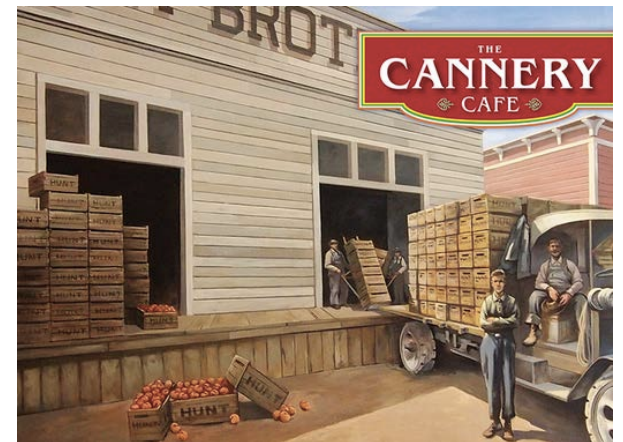


Tosilog	3.99
Longsilog	3.99
Adsilog	3.99
Hotsilog	3.99
Embasilog	4.99
Bangsilog	4.99
Tinapsilog	5.99
Liempisilog	4.99
Pork-BBQ-silog	4.99
Chicken-BBQ-silog	4.99

FINDINGS – RETAIL DEMAND

Consumer Market

- Demographic highlights (2016, ESRI)
 - Socioeconomic diversity (\$75,300 MHI)
 - 33% low-income (below \$50K)
 - 29% middle-income (\$50K to \$100K)
 - 38% upper-income (\$100K+)
 - 14,500 households
 - 26,100 people with B.A. or higher
 - 21,400 workers in managerial or professional jobs



FINDINGS – RETAIL DEMAND

Consumer Market

- In-migration trends
 - Median home value (2016, ESRI): \$581,500
 - Rising housing prices moving south (from Oakland)...
 - Five "hottest" Bay Area neighborhoods for home appreciation are all in **East Oakland** (Zillow, January 2017)



FINDINGS – RETAIL DEMAND

Consumer Market

- Shopping habits
 - Growing market share of online channel
 - Downtown settings somewhat less vulnerable
 - Driven by food, beverage and entertainment
 - Lost retail primacy long ago...
 - Offer a multi-dimensional experience



FINDINGS – RETAIL DEMAND

Consumer Market

- Psychographics
 - Lifestyles, sensibilities and aspirations of consumer populations
 - Qualitative, rather than quantitative



WAL★MART®



FINDINGS – RETAIL DEMAND

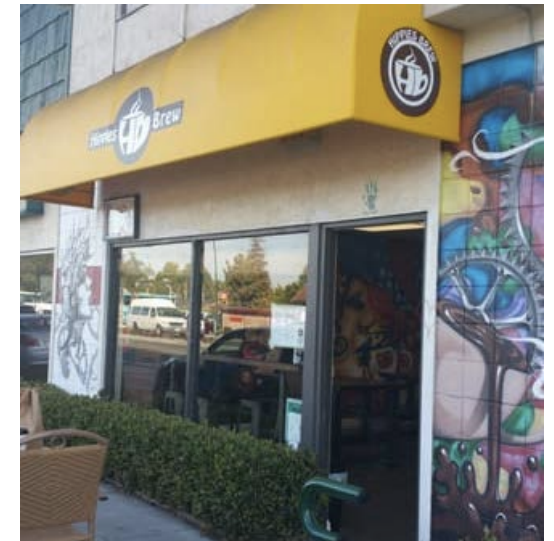
Consumer Market

- Psychographics
 - Ethnically/socioeconomically-diverse young families and single parents
 - Immigrant Strivers; American Dream, Made Good; Single-Parent Strivers; Paycheck To Paycheck
 - Affluent empty-nesters
 - Comfortably Domestic; Hill People
 - Young professionals
 - Techies; Neo-Hipster Trendoids

FINDINGS – RETAIL DEMAND

Consumer Market

- Non-residential demand generators
 - **Students**
 - Cal State University East Bay (CSUEB): 11,500 students
 - 1,300 live on campus, remainder commutes
 - Roughly 95% have cars
 - Shuttle service to/from B Street, BART
 - Chabot College (community college): 14,300 students
 - 4,500 full-time



FINDINGS – RETAIL DEMAND

Consumer Market

- Non-residential demand generators
 - **Workers**
 - Specific Plan Area: 7,192 non-retail jobs
 - Trade Area: 19,358 non-retail jobs
 - Health services (3,760)
 - Education and libraries (2,545)



FINDINGS – RETAIL DEMAND

Consumer Market

- Non-residential demand generators
 - **Traffic Counts**
 - 50,000+ cars per day on Foothill Boulevard (current)
 - Pass-by visibility -- versus local traffic



FINDINGS – RETAIL DEMAND

Consumer Market

- Longevity = Proxy for Demand
 - Chef's China Bistro (2005)
 - Kokyo Sushi Buffet (2010)
 - 2525 Vintage & Modern Resale Clothing (2012)
 - Vintage Alley (2011)
 - Doc's Wine Shop (2012)
 - Neumanali (2003)



FINDINGS – RETAIL DEMAND

Tenant Market

- Site planning considerations
 - *Existing* foot traffic
 - ... at what time of day/week?
 - Pass-by automobile traffic
 - ... at what speed?
 - Presence of adjacent parking
 - ... in front or behind?



FINDINGS – RETAIL DEMAND

Tenant Market

- Site planning considerations
 - Hinges on *perceptions* of safety
 - Female perspective, at night



FINDINGS – RETAIL DEMAND

Tenant Market

- Site planning considerations
 - Most desirable locations
 - Auto
 - Foothill Boulevard or on the Loop
 - Visibly adjacent parking
 - Anchor store or use



FINDINGS – RETAIL DEMAND

Tenant Market

- Site planning considerations
 - Most desirable locations
 - Pedestrian
 - B Street, with visibility to Foothill/Loop
 - Anchor store or use
 - Continuously active retail fabric
 - Nearby parking (with travel path perceived as safe)
 - Correlated with periods of peak foot traffic

FINDINGS – RETAIL DEMAND

Tenant Market

- Occupancy costs (rent plus pass-thru expenses)
 - Must be proportionate to gross sales
 - 10% rule-of-thumb
 - Average Asking Rent: \$1.33 per sq ft (not including expenses)
 - Higher for most desirable locations
 - Estimated \$2.00 to \$3.00 per sq ft at Cinema Place
 - North of \$3.00 per sq ft at Lincoln's Landing
 - \$1.33 per sq ft sustainable only with gross sales in the low \$200's per sq ft
 - Restaurants in the low to mid \$300's per sq ft

FINDINGS – RETAIL DEMAND

Tenant Market

- Occupancy costs (rent plus pass-thru expenses)
 - Could vary based on concessions
 - Tenant-improvement allowances
 - Essential for early-stage entrepreneurs
 - Especially restaurateurs



FINDINGS – RETAIL DEMAND

Tenant Market

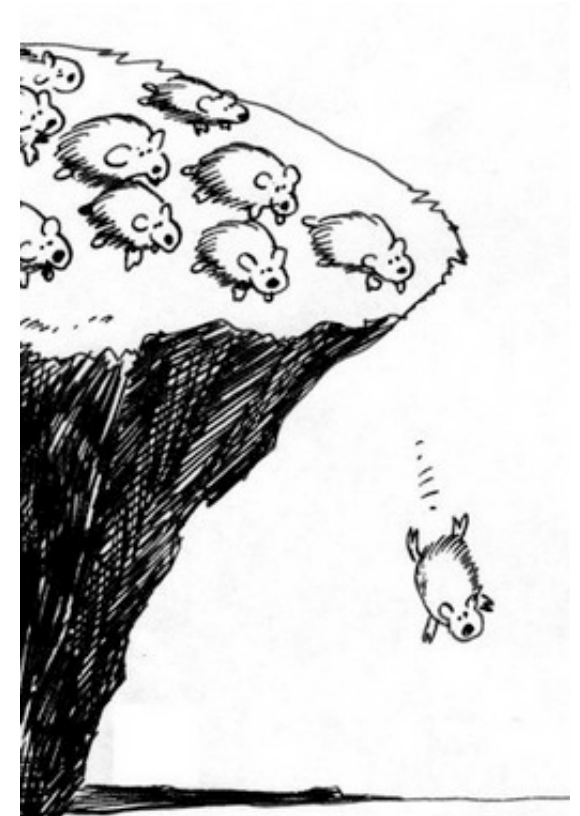
- Building conditions
 - Large floor-plates
 - Older structures
 - Many in need of code-compliance upgrades
 - Not justified by market rents, likely ROI



FINDINGS – RETAIL DEMAND

Tenant Market

- Existing co-tenancies
 - Helps to mitigate perceived risk
 - Larger anchor stores
 - "Bell-weather" brands
 - Successful independents



FINDINGS – RETAIL DEMAND

Tenant Market

- Recent commitments
 - Demonstrates momentum and trajectory
 - "Changes the conversation"
 - "I chose Hayward as our next opportunity because it's a jewel on the rise. The diverse population, the development and value for your investment is strong, and I feel like we fit perfectly into the new renaissance culture that's emerging here. We hope to play a significant role in the vanguard of the Hayward culinary scene resurgence."

- **Michael LeBlanc**, owner of Pican in Uptown Oakland and now, Bijou in Downtown Hayward



FINDINGS – RETAIL DEMAND

Tenant Market

- Level of risk tolerance
 - Leaders (willing to pioneer unproven markets)
 - Typically independents and smaller chain-lets
 - Followers (wait for proof of market's viability)
 - Most larger brands
 - Continuum of risk



FINDINGS – RETAIL DEMAND

Tenant Market

- Downtown Hayward's current "evolutionary" stage
 - Leaders, in sit-down food/beverage and comparison goods (select boutiques)
 - Followers, in convenience-oriented categories
 - Given existing supermarket anchors



FINDINGS – RETAIL DEMAND

Tenant Market

- Current evolutionary stage = relatively weak leverage
 - Occupancy costs (developer/landlord)
 - Leaders need and/or demand low rents, T.I. allowances
 - "Second-generation" spaces (already code-compliant), versus new construction



STRATEGIES TO CONSIDER

STRATEGIES TO CONSIDER

GENERAL

- Streamline permitting
 - Create predictable development standards
 - Allow desired uses by-right
 - Process permits efficiently and provide options to expedite

STRATEGIES TO CONSIDER

GENERAL

- Incentivize desired development
 - Reduce parking burden where appropriate
 - Create a standardized development agreement
 - Reduce fees temporarily

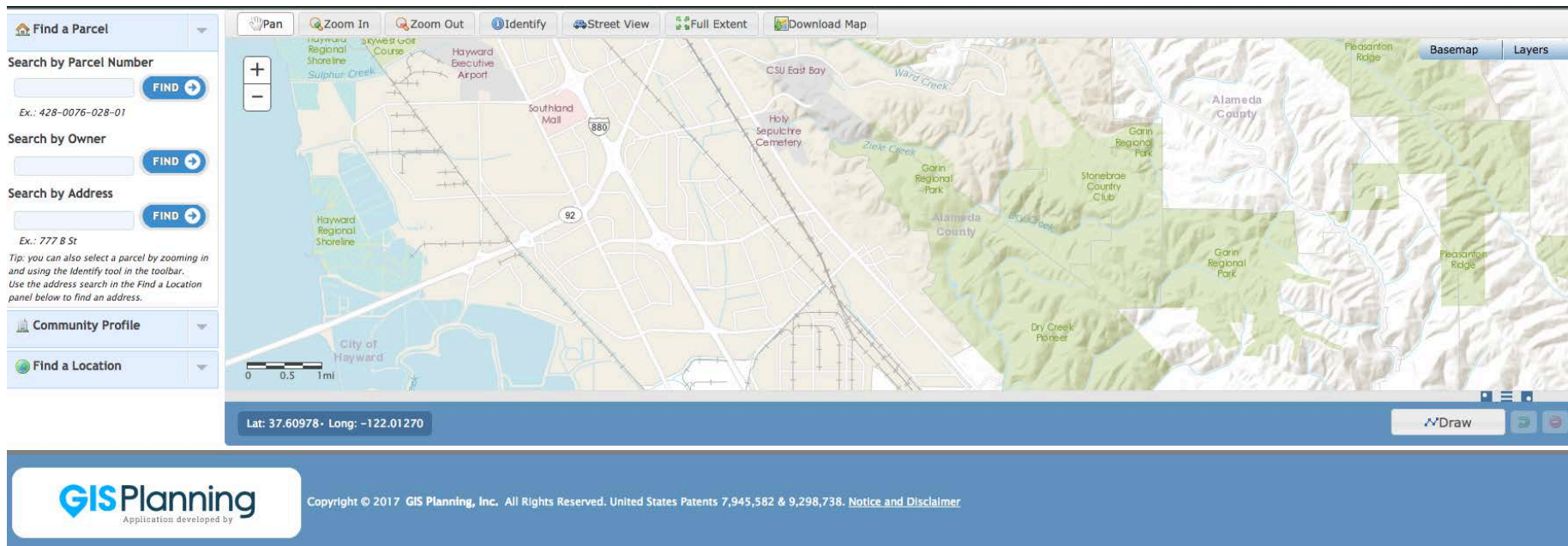


Google

STRATEGIES TO CONSIDER

GENERAL

- Improve informational/promotional resources
 - Online tools for available/opportunity sites



STRATEGIES TO CONSIDER

GENERAL

- Leverage existing vacant or underutilized City properties and parking lots for public-private partnerships
- Conduct activities to create “shovel-ready” opportunity sites
- Address infrastructure deficiencies
- Promote the use of historic preservation tax credits for rehabilitation

STRATEGIES TO CONSIDER

GENERAL

- Continue with Economic Development efforts
- Expand efforts to improve security
- Daylight and accentuate San Lorenzo Creek
- Improve pedestrian and bicycle safety
 - Allow opportunities for tactical urbanism (parklets, wayfinding signs, etc.)



SF Gate

STRATEGIES TO CONSIDER

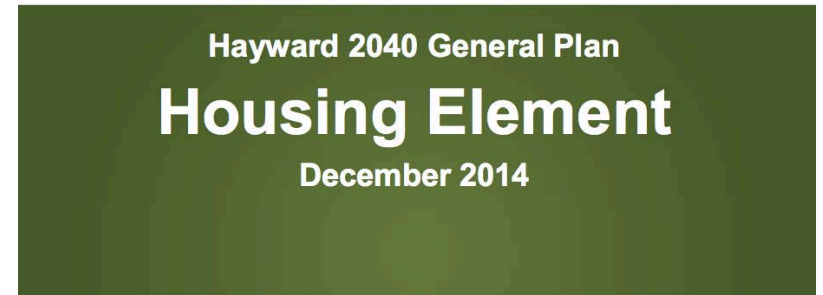
RESIDENTIAL

- Support new housing units to meet future demand and reduce commercial vacancies
- Allow varied housing types and affordability levels to support diverse community
 - Live/work spaces
 - Mixed-use
 - Accommodate strategies that lower housing costs (e.g., affordable-by-design strategies, unbundle cost of parking from housing cost, etc.)

STRATEGIES TO CONSIDER

RESIDENTIAL

- Continue to apply inclusionary housing requirements (per 2040 General Plan Housing Element, December 2014)
- Support affordable housing assistance by the Housing Authority of the County of Alameda (HACA)
- Leverage partnerships to create affordable housing (Eden Housing)



STRATEGIES TO CONSIDER

OFFICE

- Existing buildings - provide flexibility in nonconforming standards to allow for retrofits and reconfigurations to support new uses
- Reduce parking burden where appropriate
- Assist with efforts to fill vacant office space
 - Explore co-tenanting for large spaces
 - Evaluate potential opportunities with East Bay colleges

STRATEGIES TO CONSIDER

OFFICE

- Allow artisan manufacturing
 - Support the arts community
- Provide/enhance small business assistance
 - Façade improvements program
 - Training
 - Creation/retention of jobs



STRATEGIES TO CONSIDER

RETAIL

- Accepting the limits of physical and design upgrades
 - Solving the "Loop" and improving connectivity – necessary *but* not sufficient
 - Positioning and tenancing strategy must...
 - Accurately reflect market realities
 - Have secured private sector buy-in



STRATEGIES TO CONSIDER

RETAIL

- Taking an incremental approach with retail mix
 - Starting with what *already* works
 - Ensuring continuity with and not straying too far from the current reality
 - Aiming for that *next* evolutionary stage
 - Not necessarily the ultimate aspiration, but stages cannot easily be "leapfrogged"



STRATEGIES TO CONSIDER

RETAIL

- Getting to that *next* evolutionary stage...
 - Arrival of new anchors and bell-weather
 - Growth in momentum and "buzz"



STRATEGIES TO CONSIDER

RETAIL

- Calibrating demands to balance-of-power
 - Limited wiggle room with developers/tenants
 - This is *not* San Francisco...
 - Will bolt for less risky alternatives
 - ... or not even try in the first place



STRATEGIES TO CONSIDER

RETAIL



- Sending the right message to the private sector
 - "If [Lincoln Landing] is not approved, that would be the '**kiss of death**' for Downtown Hayward as far as the development and leasing communities were concerned."
 - Prominent East Bay retail leasing professional

STRATEGIES TO CONSIDER

RETAIL

- Correlating zoning and design standards with retail viability
 - Allow some concessions to the automobile on high-ADT corridors
 - Larger signage, perpendicular to the street
 - *Visibly* adjacent parking
 - Encourage higher densities to support retail "leaders"
 - Increases consumer demand
 - Lessens importance of ground-floor rents in pro-forma



STRATEGIES TO CONSIDER

RETAIL

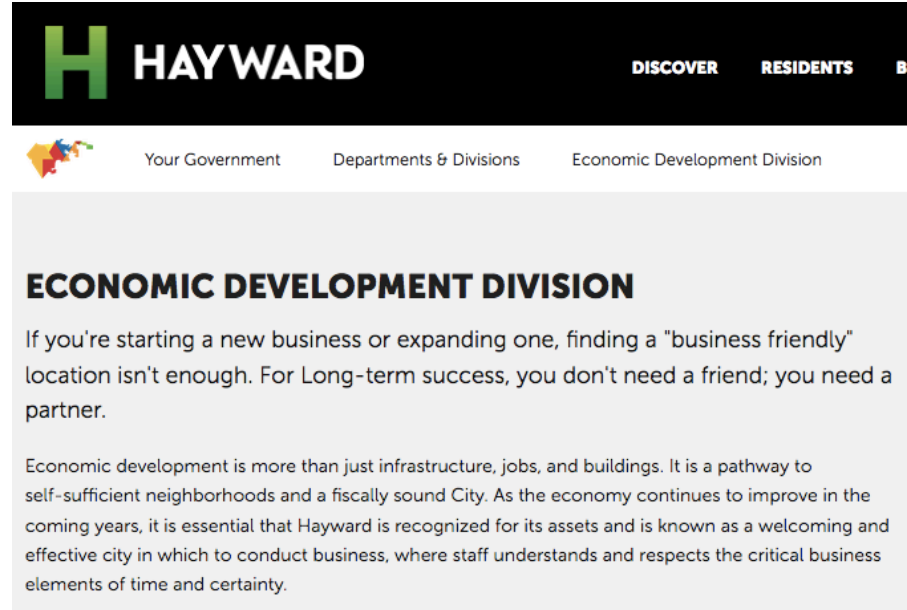
- Allowing the free market to dictate retail mix
 - Not sure how it will want to evolve
 - Consumer preferences are varied and subjective
 - Interventions can be based on unrepresentative voices, ultimately backfire
 - Biggest fears often misplaced
 - Downtown Hayward large enough to accommodate independents, chain-lets *and* larger chains



STRATEGIES TO CONSIDER

RETAIL

- Capitalize on Economic Development's role and strengths
 - Retail development community moves at a different pace
 - Inability to keep up can badly damage City's image

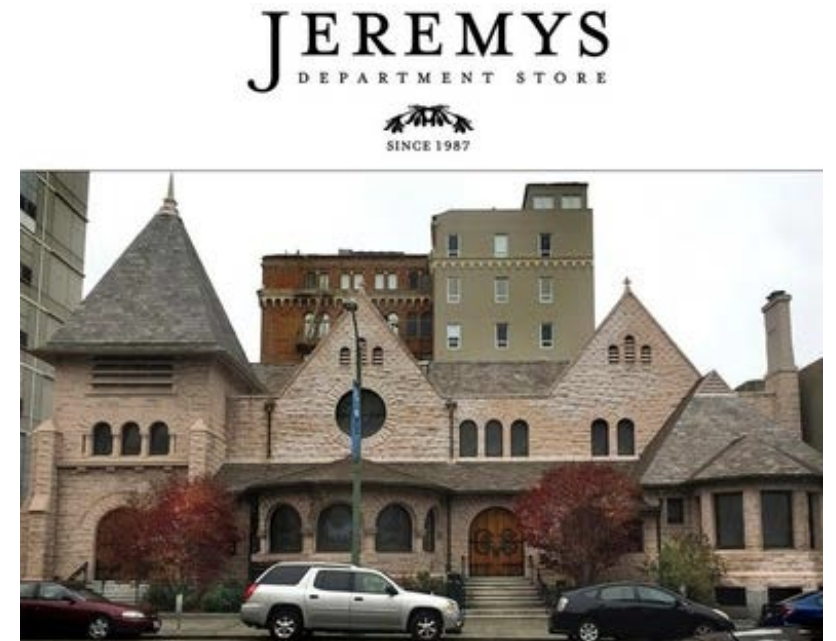


The screenshot shows the Hayward City website. The header features the Hayward logo (a green 'H' followed by 'HAYWARD') and navigation links for 'DISCOVER', 'RESIDENTS', and 'BUSINESS'. Below the header, there are links for 'Your Government', 'Departments & Divisions', and 'Economic Development Division'. The main content area is titled 'ECONOMIC DEVELOPMENT DIVISION' and contains the following text:

ECONOMIC DEVELOPMENT DIVISION

If you're starting a new business or expanding one, finding a "business friendly" location isn't enough. For Long-term success, you don't need a friend; you need a partner.

Economic development is more than just infrastructure, jobs, and buildings. It is a pathway to self-sufficient neighborhoods and a fiscally sound City. As the economy continues to improve in the coming years, it is essential that Hayward is recognized for its assets and is known as a welcoming and effective city in which to conduct business, where staff understands and respects the critical business elements of time and certainty.



STRATEGIES TO CONSIDER

RETAIL

- Nurturing relationships within the retail development community
 - Tenant-rep brokers as the "gatekeepers"
 - Can spread positive (or negative) word-of-mouth



STRATEGIES TO CONSIDER

RETAIL

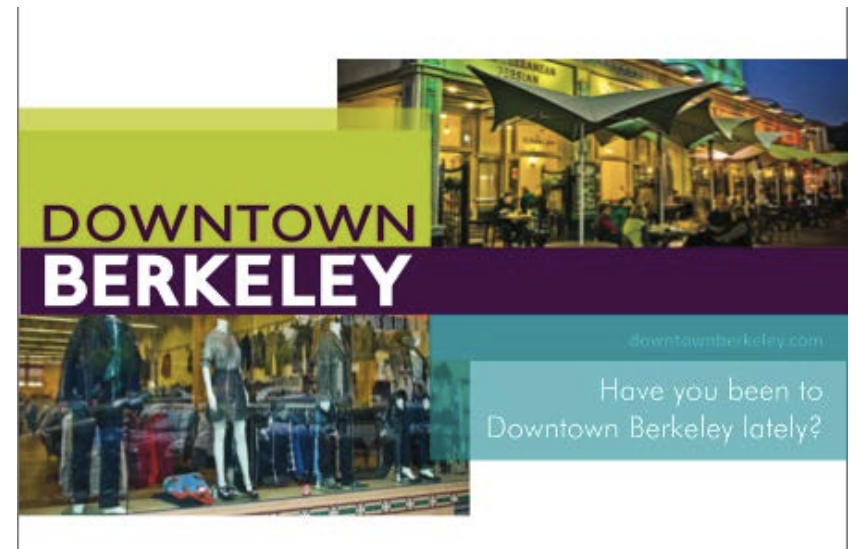
- Nurturing relationships within the retail development community
 - Reframing the opportunity in Downtown Hayward
 - Downtown-wide retail leasing piece
 - Presentations at local industry conferences
 - Media attention in local industry publications
 - Newsletter for local industry professionals



STRATEGIES TO CONSIDER

RETAIL

- Nurturing relationships within the retail development community
 - Reframing the opportunity in Downtown Hayward
 - Crafting a narrative about upward trajectory
 - Promoting arrival of bell-weather
 - Demonstrating commitment of public sector



STRATEGIES TO CONSIDER

RETAIL

- Strengthening relationships with the most responsive landlords ("leaders")
 - Developing new incentives for necessary building upgrades
 - Code-compliance (accessibility, seismic, etc.)
 - Tenant-improvement dollars
- (Most) others will either follow or sell...

STRATEGIES TO CONSIDER

RETAIL

- Embracing Downtown's "core" customer
 - Young (i.e. in 20's or 30's)
 - Ethnically diverse
 - Lower and middle-income
 - Kids in tow or at home



STRATEGIES TO CONSIDER

RETAIL

- Most interesting (and least vulnerable) business districts offer a diversified retail mix
 - Can draw on several different markets
- Notion of Downtown as a "crossroads" for the entire city



STRATEGIES TO CONSIDER

RETAIL

- Giving *proportional* attention to Downtown's secondary markets
 - Students (high school, university, community college)
 - Similar demographically in many respects to core customer
 - Affluent empty-nesters
 - Largely latent at present
 - Young, upwardly-mobile professionals
 - Still modest but likely to grow in number
 - Local employers
 - Interested in entertainment venues for company events

STRATEGIES TO CONSIDER

RETAIL

- Elevating Downtown's retail mix (to the *next* stage)
 - Value-priced natural foods anchor
 - "Fast casual" eateries



STRATEGIES TO CONSIDER

RETAIL

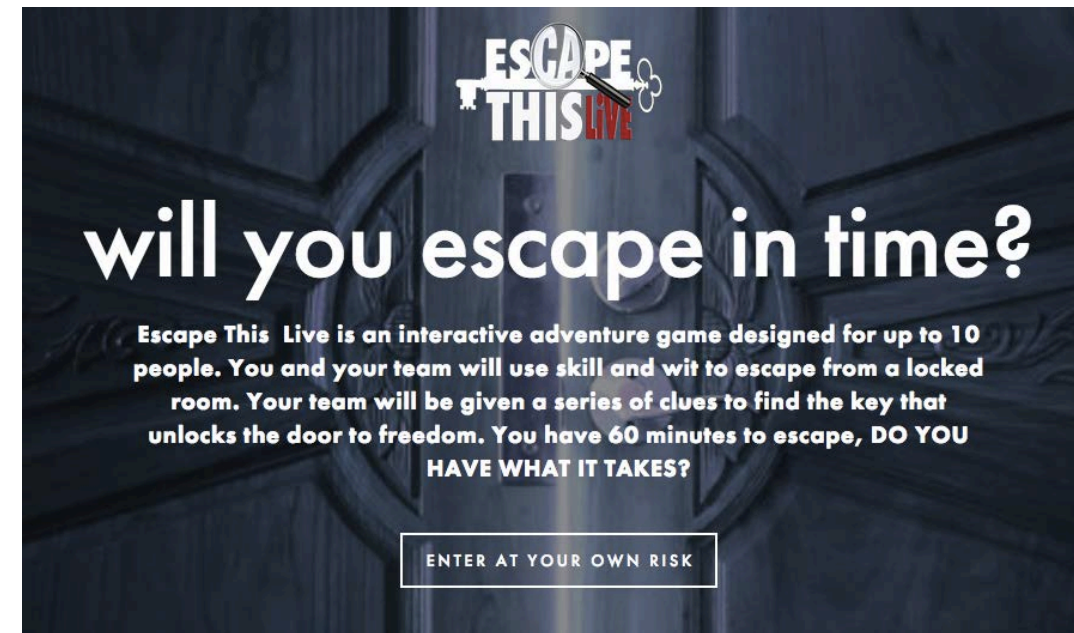
- Elevating Downtown's retail mix (to the *next* stage)
 - Oakland and Peninsula-based restaurateurs and chefs
 - Destination food concepts with a "cult" following



STRATEGIES TO CONSIDER

RETAIL

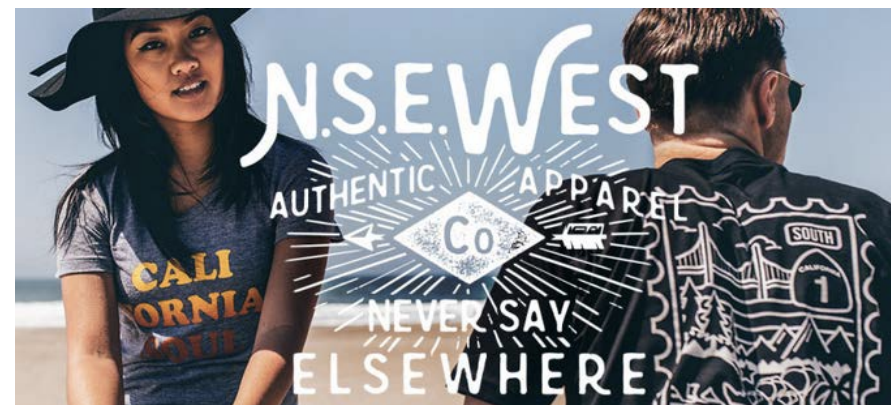
- Elevating Downtown's retail mix (to the *next* stage)
 - Diversified entertainment offerings



STRATEGIES TO CONSIDER

RETAIL

- Elevating Downtown's retail mix (to the *next* stage)
 - Niche-driven boutiques



STRATEGIES TO CONSIDER

RETAIL

- Elevating Downtown's retail mix (to the *next* stage) – common elements
 - Contemporary decor and signage
 - Accessible pricing and product
 - Unpretentious and relaxed vibe



STRATEGIES TO CONSIDER

RETAIL

- Elevating Downtown's retail mix (to the *next* stage) – most likely tenants
 - Smaller chain-lets and entrepreneurs
 - Often undercapitalized
 - Successful track record in analogous districts
 - Drawn to the narrative of upward trajectory
 - Undeterred by rough edges and inconveniences of Downtown settings
 - Homelessness/vagrancy



STRATEGIES TO CONSIDER

RETAIL

- Elevating Downtown's retail mix (to the *next* stage) – most likely tenants
 - Harnessing Hayward's entrepreneurial energy
 - Role of *Popuphood*
 - CSUEB's strength in entrepreneurialism



STRATEGIES TO CONSIDER

RETAIL

- Remembering that retention is just as important as attraction
 - Either your best ambassadors or your black eye...



DISCUSSION



SUMMARY OF WORKSHOP #1 FINDINGS

Overview

Public Workshop #1, January 25, 2017

- 53+ attendees
- Brief Presentation
- Breakout groups
- Mapping exercise
- Identity, mobility, public realm, amenities



STREET NETWORK IMPROVEMENTS

- **Traffic calming**
- **Ped and bicyclist safety**
- **Intersection safety/function**
- **Pedestrian crossings**
- **Two-way streets**



B Street and Montgomery, next to BART Station

BICYCLE FOCUS

- **Prioritize bike network**
- **Improve bicyclist safety**
- **Bike Parking**
- **Wayfinding and Signage**



1069 B Street between Foothill Boulevard and Main Street

IMPROVING THE PEDESTRIAN/VISITOR EXPERIENCE

- **Lighting**
- **Vacant lots, parking lots, abandon buildings**
- **Vibrant public realm**
- **Entryways/access**
- **Building frontage and façade improvements**
- **Street trees and furniture**



City Center Drive Between Maple Court and 2nd Street

OPPORTUNITIES

- **Infill, vacant and underutilized parcels**
- **Greenway**
- **San Lorenzo Creek**
- **Existing amenities**
- **Connections to and within Downtown**



1061 B Street between Foothill Boulevard and Main Street

SENSE OF PLACE

- Rich cultural history
- Sense of place and arrival
- Downtown as a destination
- Wayfinding signs
- Gateways



Alley on B Street, between Foothill and Main

“NOW WHAT?”

- Integrate characteristics of great places
- Think big and think small
- Unlock new opportunities
- Develop a preferred alternative



NEXT STEPS

Design Charrette- Masonic Lodge 1074 B St, Hayward, CA

Charrette Event	Tuesday 3/14	Wednesday 3/15	Thursday 3/16	Friday 3/17	Saturday 3/18
Morning		Open Studio See the Consultant Team In Action <i>(Exact times may vary each day)</i>			Closing Presentation
Lunch		Focused Presentations Consultant Team Present on Transportation, Economics, and Infrastructure			
Afternoon		Open Studio See the Consultant Team In Action <i>(Exact times may vary each day)</i>			
Evening	Opening Presentation	Evening Pin-Up Review and Provide Input on Preliminary Designs			

NEXT STEPS

Event	Date
Design Charrette	March 14 – 18, 2017
Task Force Meeting #4- Preferred Alternative	May 15, 2017
Planning Commission/City Council Study Session- Preferred Alternative	May 16, 2017
Task Force Meeting #5- Draft Specific Plan Table of Contents	June 5, 2017

Thank you.

<https://www.hayward-ca.gov/your-government/boards-commissions/downtown-specific-plan-task-force>

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