

# **Retail Corridor Baseline Profile**

## **2015 Study**

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## EXECUTIVE SUMMARY

The Economic Development Strategic Plan FY 2014-2018 (EDSP) sets forth the strategy of establishing baseline measurements to reach goals in key retail areas and identify areas followed by policies (EDSP Performance Measures SR4.1, SR4.2, and SR4.3) to enable the City of Hayward to further evolve the Economic Development Strategic Plan and implement the General Plan 2040, which strive to discover ways to retain and grow retail businesses. Eleven (11) retail corridors were identified as the key areas to obtain the baseline data. The retail baseline profile includes creating a clear picture of which retail businesses exist and to identify categories of retail businesses within the designated corridors. This effort set out to achieve the following objectives:

- Understand retail corridor baseline of what businesses currently exist
- Identify retail goods and services by sales tax revenue
- Develop profile snapshot of retail conditions highlighting anchor retailers
- Compare demographic data by corridor
- Identify vacancy rates by corridor

Much of Hayward's retail space is easily accessed from major freeways. The Interstate 580 connects at the northern tip of Foothill Boulevard Gateway, which leads to the Downtown Corridor along Foothill Boulevard/ Interstate 238 with major arteries connecting from Castro Valley to both corridors. The Central Mission, South Hayward, and South Mission Corridors border the base of the East Bay Hills along Interstate 238. Central Mission, home to Hayward's auto row is in close proximity to California State University, East Bay. Union City is on the outskirts of South Mission Boulevard Corridor. The remaining corridors – 880 Retail, Hesperian Boulevard, Tennyson, Jackson Street, and A Street are all conveniently approachable from the I-880.

Hayward's substantial population of an estimated 154,612 residents supports its retail diverse range of shopping districts and retail centers serving a population that extends to unincorporated communities and beyond city limits. . The vacancy rate in all corridors is relatively low; however, many of the building structures are older and lack amenities to attract higher end retailers. The downtown corridor has the highest number of vacancies when compared to the others. New market rate housing developments may attract higher income earners, which in turn may increase interest from major retailers.

### Strip Center Definitions:

Staff developed categories for describing spaces, buildings, and retailers. Four categories were used to describe the types of space: Unanchored Strip Malls, Neighborhood Centers, Free Standing, and Community Centers.

1) **Unanchored Strip Malls** – A retail property with an attached row of stores or service outlets managed as a coherent retail entity, with on-site parking, usually located in front of the stores. Strip centers range in size from 20,000 to 99,999 square feet.

2) **Neighborhood Center** – A retail property designed to provide convenience shopping for the day-to-day needs of consumers in the immediate neighborhood. A center ranges in size from 30,000 to 150,000 square feet. A supermarket and/or drugstore anchor most of these (usually, one or more anchors). Smaller stores offer drugs, sundries, snacks, and personal services. The center is usually configured as a straight-line strip with no enclosed walkway or mall area, although a canopy may connect the storefronts.

3) **Free Standing-Space** use and/or property type designed for retail sale use which has no other building attached. A retail space can be within a non-retail property type, such as in an office or motel/hotel property.

4) **Community Center-** A retail property that typically offers a wider range of apparel and other soft goods beyond what the neighborhood center offers. These spaces have two or more anchors, such as supermarkets, super drugstores, and discount stores.

### Building Class Definitions:

The Classes were defined as follows via LoopNet:

#### **Class A**

—“These buildings represent the highest quality buildings in their market. They are generally the best looking buildings with the best construction, and possess high quality building infrastructure. Class A buildings also are well-located, have good access, and are professionally managed. As a result, they attract the highest quality tenants and also command the highest rents.”

#### **Class B**

—“This is the next notch down. Class B buildings are generally a little older, but still have good quality management and tenants. Often times, value-added

investor's target these buildings as investments since well-located Class B buildings can be returned to their Class A glory through renovation such as façade and common area improvements. Class B buildings should generally not be functionally obsolete and should be well maintained.”

### **Class C**

—The lowest classification of building space. These are older buildings (usually more than 20 years), are located in less desirable areas and are in need of extensive renovation. Architecturally, these buildings are the least desirable and building infrastructure and technology is outdated. As a result, Class C buildings have the lowest rental rates take the longest time to lease, and are often targeted as re-development opportunities.

### Restaurant Descriptions:

The way that food is served to customers is one variable in determining the industry classification of restaurants. Restaurants fall into several industry classifications.

- 1) **Fast Food/Quick Serve Restaurant**—Restaurant where food is prepared and served very quickly. Speed of service and low cost are considerations. There is an absence of tableware and cutlery. The consumer is expected to eat food directly from disposable containers that food is typically served in. Examples are:
  - a. Arby's
  - b. Burger King
  - c. KFC
  
- 2) **Fast Casual**—Full table service is not offered, but promises a higher quality of food with fewer frozen or processed ingredients than a fast food restaurant. Average prices charged will be higher than a quick service restaurant and non-disposable plates and cutlery may be offered. This category is a growing concept that fills the space between fast food and casual dining. Examples are:
  - a. Panda Express
  - b. Chipotle
  - c. Rubio's Fresh Mexican Grill
  
- 3) **Casual Dining**—Restaurants serve moderately priced food in a casual atmosphere. Table service is typically provided. A full bar with separate bar staff and a limited wine menu may be offered. Examples are:

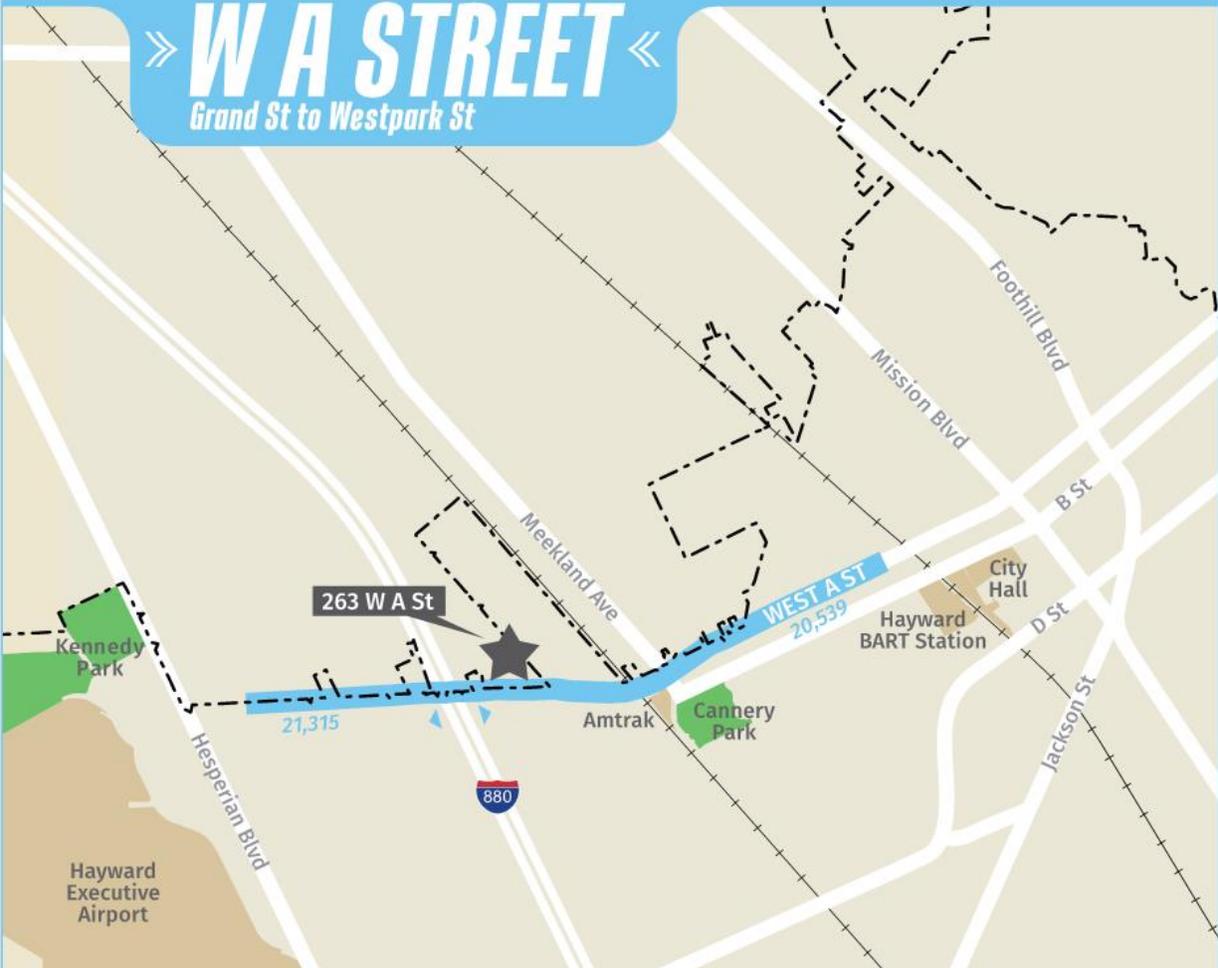
- a. Buffalo Wild Wings
- b. Applebee's
- c. Famous Dave's

4) **Fine Dining**—these are full service restaurants with specific, dedicated meal courses. Décor of such restaurants features higher quality materials with an eye towards the ambience desired by the restaurateur. The wait staff is usually highly trained and often wears more formal attire. Examples are:

- a. Neumanali
- b. Buon Appetito
- c. Acqua e Farina Ristorante

# HAYWARD RETAIL CORRIDOR

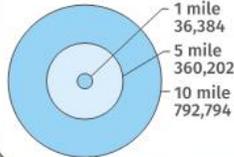
## » W A STREET « Grand St to Westpark St



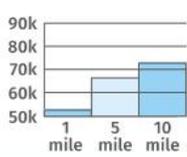
2015 SNAPSHOT FOR 263 W A St

Source: Costar

### Total Population



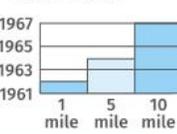
### Median HH Income



### Average Age



### Housing Median Year Built



## **A Street Corridor**

The A Street Corridor follows A Street from Grand to Hesperian. The I-880 freeway has exits at A Street in the north and south direction affording quick entry onto this major artery, which connects to the Hesperian Boulevard Corridor on the west end and BART and Downtown on the east end. Parts of the north side of A Street are designated county land and are not in the City of Hayward. A Street is a major thoroughfare where approximately 20,500 vehicles travel daily. A Street connects to corridors Hesperian and Downtown. These corridors offer goods and services A Street lacks. There are three limited service hotels serving this corridor which were built between 1973 and 1995 and three free standing retail strip centers built between the late 1960's and 1980's. Prior to the addition of roughly 300 new residential units, some currently under construction (Apricot Station - 57 units, Blackstone at the Cannery - 157 units and the new senior housing project at 808 A Street - 60 units), much of the existing inventory was built over the past six decades.

### Major business classifications of existing retail goods and services:

- *General retail* is the primary contributor to sales tax revenue in this corridor. Costco Business Center Department Store and miscellaneous retail personal service and family apparel businesses make up 77% of the sales tax revenue generated.
- *Food Products* and transportation are almost even in revenue contributions. Food products make up 12% of the sales tax revenue generated and consist of fast food restaurants, convenience stores, small family owned businesses, and ethnic markets.
- *Transportation* revenue is 11% and derives from multiple gas stations, and auto parts and repair

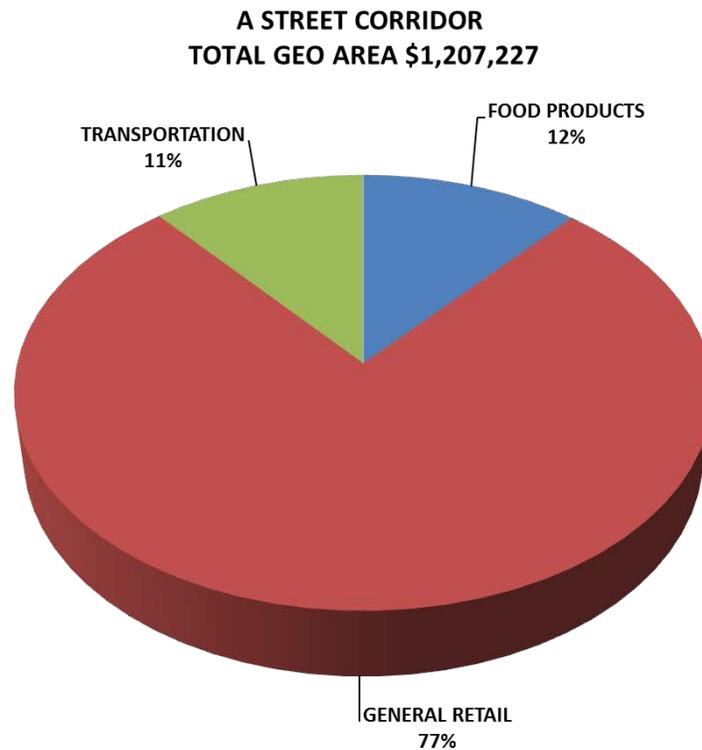
### **Challenges/Opportunities:**

Most of the general retail businesses are small with the exception of service stations and the Costco store. A street corridor has opportunities for the following types of businesses:

- Apparel Stores
- Florist/Nursery
- Furniture

- Recreation Products

At the present time, the corridor is a blend of County and City land. The City has the opportunity to explore mutually beneficial ways to improve economic conditions by working closely with the county to develop a land use strategy.

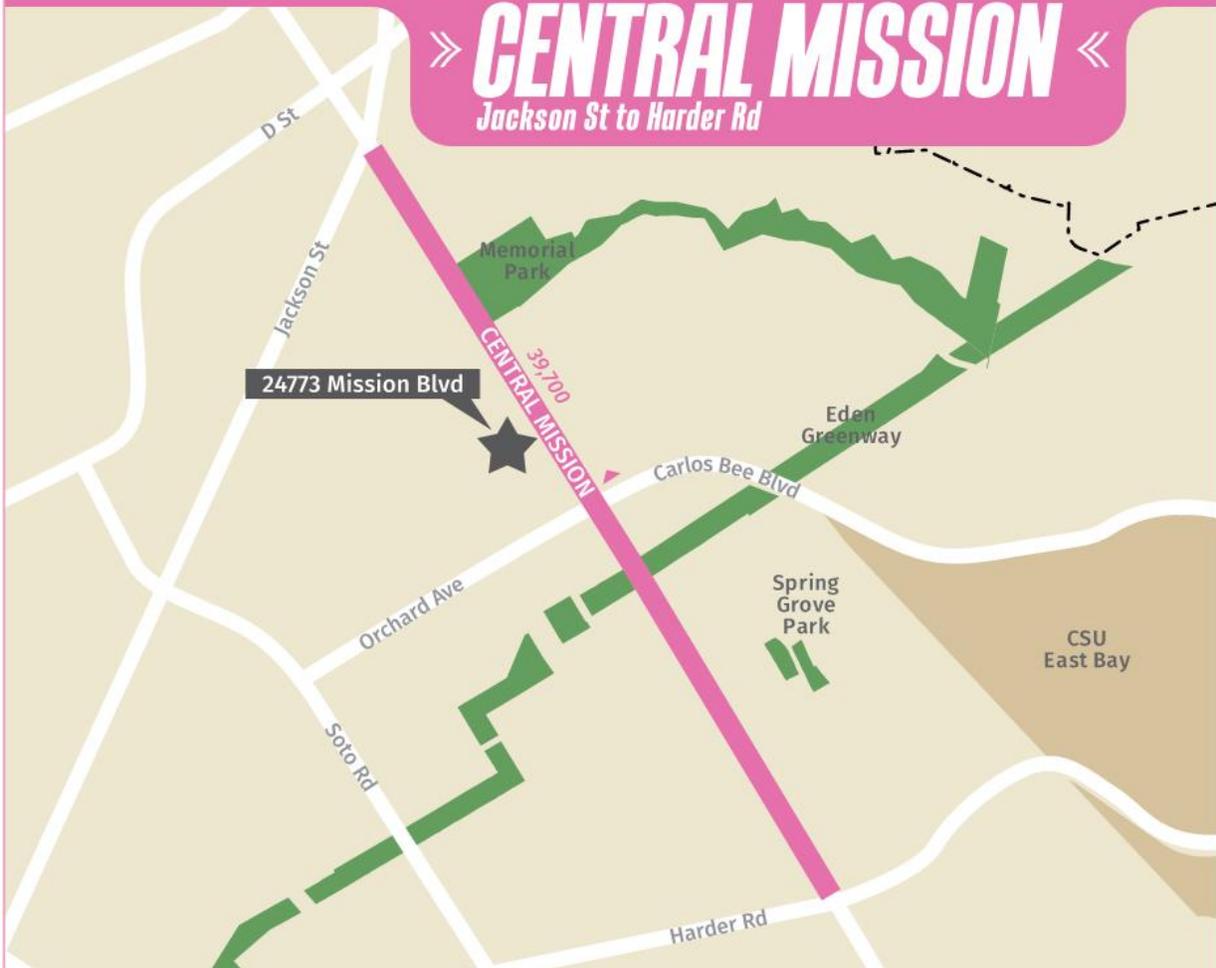


The current reported vacancy rate is 8.3%. The 5-year average is 1.8%. Based on 43 properties.

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# HAYWARD RETAIL CORRIDOR

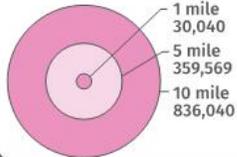
## » CENTRAL MISSION « Jackson St to Harder Rd



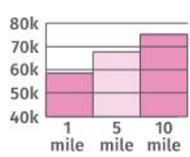
2015 SNAPSHOT FOR 24773 MISSION BLVD

Source: Costar

### Total Population



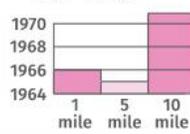
### Median HH Income



### Average Age



### Housing Median Year Built

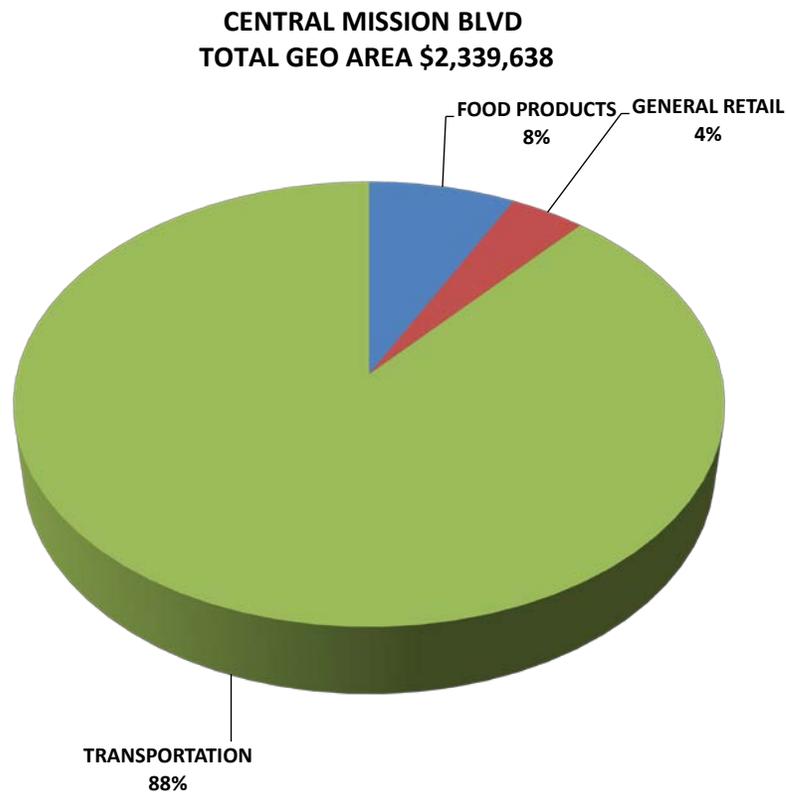


### **Central Mission Boulevard Corridor (CMBC)**

The Central Mission Boulevard Corridor (CMBC) extends from Downtown beginning at Jackson Street to Harder Road on I-238. Two major arteries connect from Mission Freeway/I-238 to California State University East Bay (Carlos Bee and Harder Rd). One grocery store serves this corridor, which offers culturally diverse food items. It also has fast casual dining within the grocery store. A variety of casual dining restaurants are sprinkled throughout the corridor along with older residential homes. The Hayward Plunge is a recreation attraction offering public swimming and lessons. Three limited service hotels built - between 1960 to 2000 serve this area. Hayward's auto row dominates within this corridor.

#### Major business classifications of existing retail goods and services:

- *Transportation* is the highest category for sales tax revenue generating 88% of the revenue. There is a high concentration of automobile-related businesses ranging from dealerships to auto repair and parts shops. A number of auto repair businesses occupy flex space. Five franchised dealerships (Toyota, Nissan, Honda, Volkswagen, and Mitsubishi, the latter is the newest addition) are in this radius. Contributing to the transportation numbers are service stations and used car dealerships. Currently, there is no clear indication of where auto row begins and ends.
- *Food Products* is in second position for sales tax generation at a mere 8%, dominated by fast food/quick service restaurants (McDonald's, Wendy's, El Pollo Loco, Chavez Market, convenience store, Jack in the Box, and Emil Villa's).
- *General Retail* is limited bringing in 4% of the sales tax revenue generated along this corridor. Connolly's fine furniture recently acquired the former Brother's Furniture Store. Connolly's has given the building a face lift with fresh paint. Two free standing retail strip centers built in the late 1950's are fully leased with a predominance of hair and nail care services. Other types of businesses include professional and recreation.



The current reported vacancy rate is 0.2%. The 5 year average is 6.7%. Based on 99 properties

**Challenges/Opportunities:**

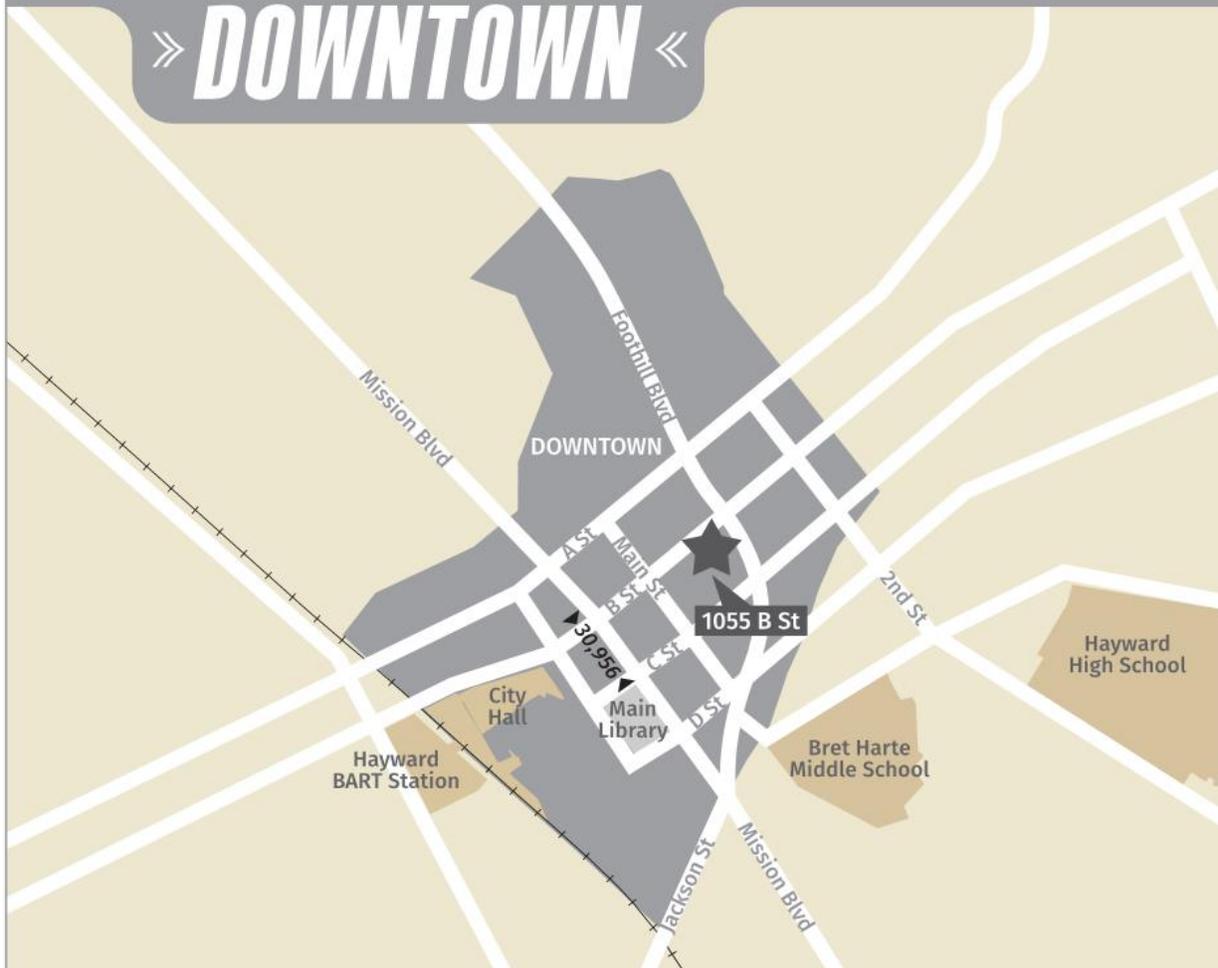
- Food (grocery store and fine dining)
- Apparel Stores (including those catering to college students)
- Recreation Products
- Electronics
- Furniture
- Casual Dining Restaurants
- Professional Services

Overall, there is relatively little activity within the food and general retail category. Opportunities exist to add banners or markers to indicate entry and exit of auto row. Attracting more developers and tenants for redevelopment of vacant buildings and land and those who cater to students attract retailers who cater to students for instance electronic and computer equipment, school supplies and apparel retailers.

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# HAYWARD RETAIL CORRIDOR

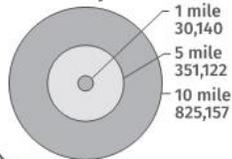
## » DOWNTOWN «



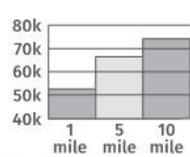
### 2015 SNAPSHOT FOR 1055 B ST

Source: Costar

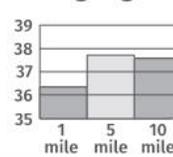
#### Total Population



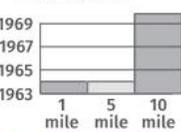
#### Median HH Income



#### Average Age



#### Housing Median Year Built



## **Downtown**

The Downtown Corridor begins at Hazel and Foothill Boulevard on I-238. In the northeast corner, Class B neighborhood Plaza Shopping Center built in the 1980's has Safeway Grocery Store as an anchor. A crescent of residential condominiums and apartments envelops the plaza. The Plaza Shopping Center also has some office space. Southwest entry into downtown at Hazel and Foothill has a gas station and the former Mervyn's headquarters catalyst site. The City is currently processing an application to revive the vacant former headquarters with upscale apartments and roughly 80,000 square feet of retail space on the 11.3-acre site. The project would be named Lincoln Landing.

Much of the downtown retail space was built between the late 1940's and 1950's. Many of the buildings on Foothill Boulevard/I-238 have façade improvements. A good mix of retail exists in the Northeast storefront neighborhood center, which was built in the late 1950's. This retail serves a spectrum of tenants and includes furniture, apparel, recreation, nutrition, other variety stores and the recent addition of an AT&T cell phone retailer. South of the Plaza Shopping Center is a retail storefront neighborhood center built in the late 1950's. The newest addition to the center is Dunn Edwards Paint Store, which operates more than 123 stores primarily located in the western states. The northern end of this center is occupied by Big 5 Sporting Goods store, which is a chain with more than 450 stores throughout mid and western United States.

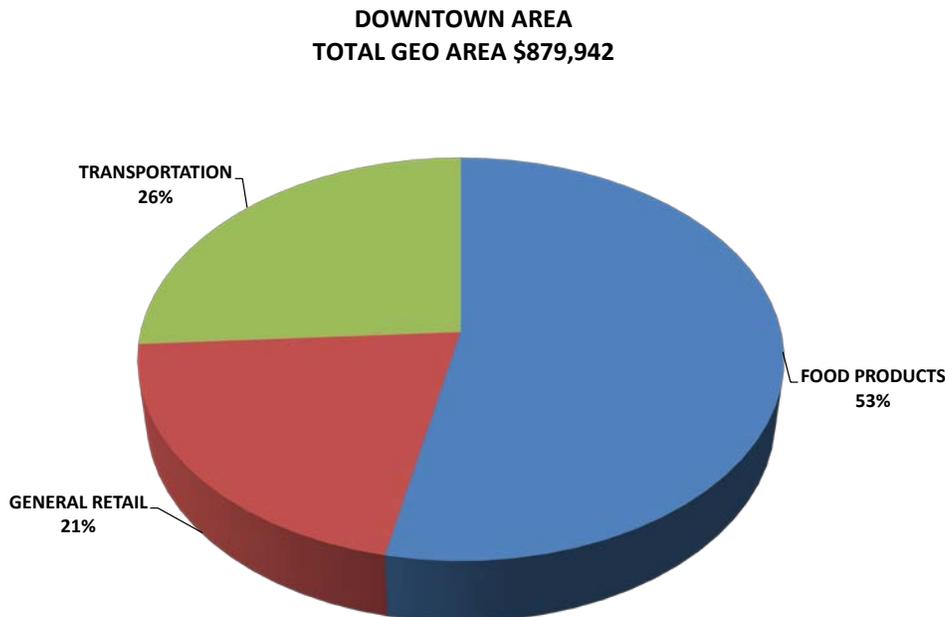
Other buildings along Foothill Boulevard/I-238 built in the 40's and 50's offer hardware, apparel, furniture and medical supplies. There is a financial office building built in the mid 1950's with a number of vacant spaces.

East of Foothill is a blend of office, residential, food, personal and professional service. Attractions in the area are banks, the historical All Saints Church, and quick serve restaurants. Bank of America and Wells Fargo occupy hard corners at A Street and 2<sup>nd</sup> street.

Recent tenancing activity along B Street and Foothill has revitalized the downtown. In particular B Street is bustling with activity around the Cinemark theatre, restaurants, and specialty stores. The activity wanes between Main and Mission, where there are number of vacant properties, most of which are concentrated on B Street between Main and Mission. Activity picks up again between Mission and Watkins where restaurants, specialty stores, City Government offices are located and abutting the Lucky Supermarket Community Center built in early 2000.

Major business classifications of existing retail goods and services:

- *Food Products* category is strongest in the downtown corridor with 53% of the sales tax revenue generated. Primary contributors are two national supermarkets Safeway and Savemart Lucky Stores, a mix of restaurants, fast food, casual, fast casual, and fine dining. Specialty markets like Kraski's, Peet's and Starbucks, and convenience stores also exist here.
- *Transportation* is relatively strong with 26% of the sales tax generated. Leading segments are service stations and auto parts and repair businesses.
- *General Retail* is very close to that of transportation at 21% in sales tax revenue generated. The majority of the revenue comes from discount variety stores, sporting goods, home furnishings, and specialty stores such as those offering wireless phones, personal service businesses like Century Theatres, drug stores, and Apparel stores.



The current reported vacancy rate is 24.2%. The 5-year average is 21.5%.  
229 properties

## **Challenges/Opportunities:**

Downtown Corridor has opportunities for the following types of businesses:

- Home furnishings
- Apparel
- Specialty Stores
- Casual and Fine Dining
- Professional Services

Staff has engaged downtown property owners with the objective of developing assessments in the core area (Foothill to Watkins) for the purpose of determining what types of incentives would assist the property owners in attracting retail and professional tenants. Staff will focus on long term vacancies (24 months or longer), buildings that have been vacant for more than two years, and those requiring substantial upgrades in order to meet current accessibility requirements and quality retail space. The long term vacancies have impacted the vibrancy of downtown.

There is an opportunity to develop 'B' Street to become a vibrant retail street in downtown, by attracting tenants to fill vacant spaces and increasing walkability.

# HAYWARD RETAIL CORRIDOR

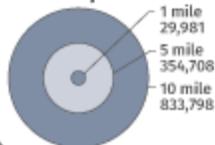
## » Foothill Blvd « Mattox Rd to Rex Rd



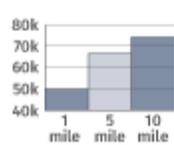
2015 SNAPSHOT FOR 21925 FOOHILL BLVD

Source: Costar

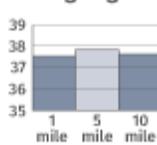
### Total Population



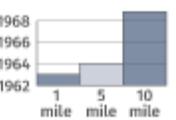
### Median HH Income



### Average Age



### Housing Median Year Built



## **Foothill Boulevard Gateway Corridor**

The Foothill Boulevard Gateway Corridor is a primary entry into Hayward as it extends from the interstate 580. This corridor runs east/west for approximately half a mile along Foothill Boulevard/I-238 between Apple Ave and Rex Road. It is not clear where entry into the City is made as some of the properties are within the Alameda County boundaries. There is a small sign identifying Hayward's entry; however, due to the size and location of the sign, it can be easily missed. Hospitality is offered by the Super 8 brand national budget hotel built in 1968 and Budget Inn of Hayward building built in 1961.

There are two vacant free standing retail buildings near the Foothill Gateway entry, which were built in the early 1960's. One is in Alameda County and the other in Hayward. A neighborhood center built in the late 1950's tenants a Walgreens, healthcare, recreation, and fast food businesses.

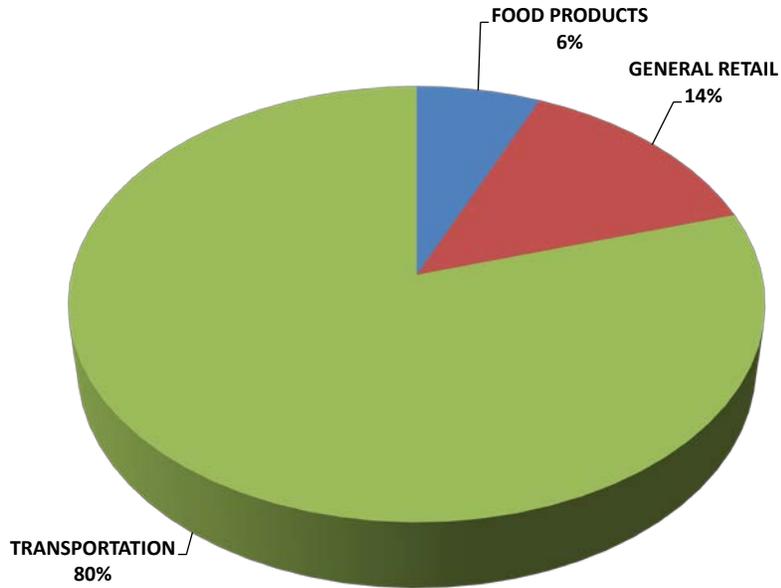
### Major business classifications of existing retail goods and services:

*Transportation* is the highest contributor with 80% sales tax revenue. Vehicle Sales, repair and service stations are major contributors. Dominating this category is Chevron, Union76, Pankey's Radiator Repair and East Bay Motorsports.

*General Retail* contributes 14% in sales tax generation. Walgreen's drug store is predominant in this category.

*Food products* contribute 6% and is primarily served by fast food and fast casual dining establishments (These include Casper's, Taco Bell, Jay's fish and Chips, and donut shops.)

**FOOTHILL BLVD GATEWAY  
TOTAL GEO AREA \$297,387**



The current reported vacancy rate is 7.1%. The 5 year average is 3.7%.  
24 properties

**Challenges/Opportunities:**

- Casual Dining
- Fine Dining
- Furniture
- Department Store
- Electronics
- Apparel
- Professional Services
- Building Materials

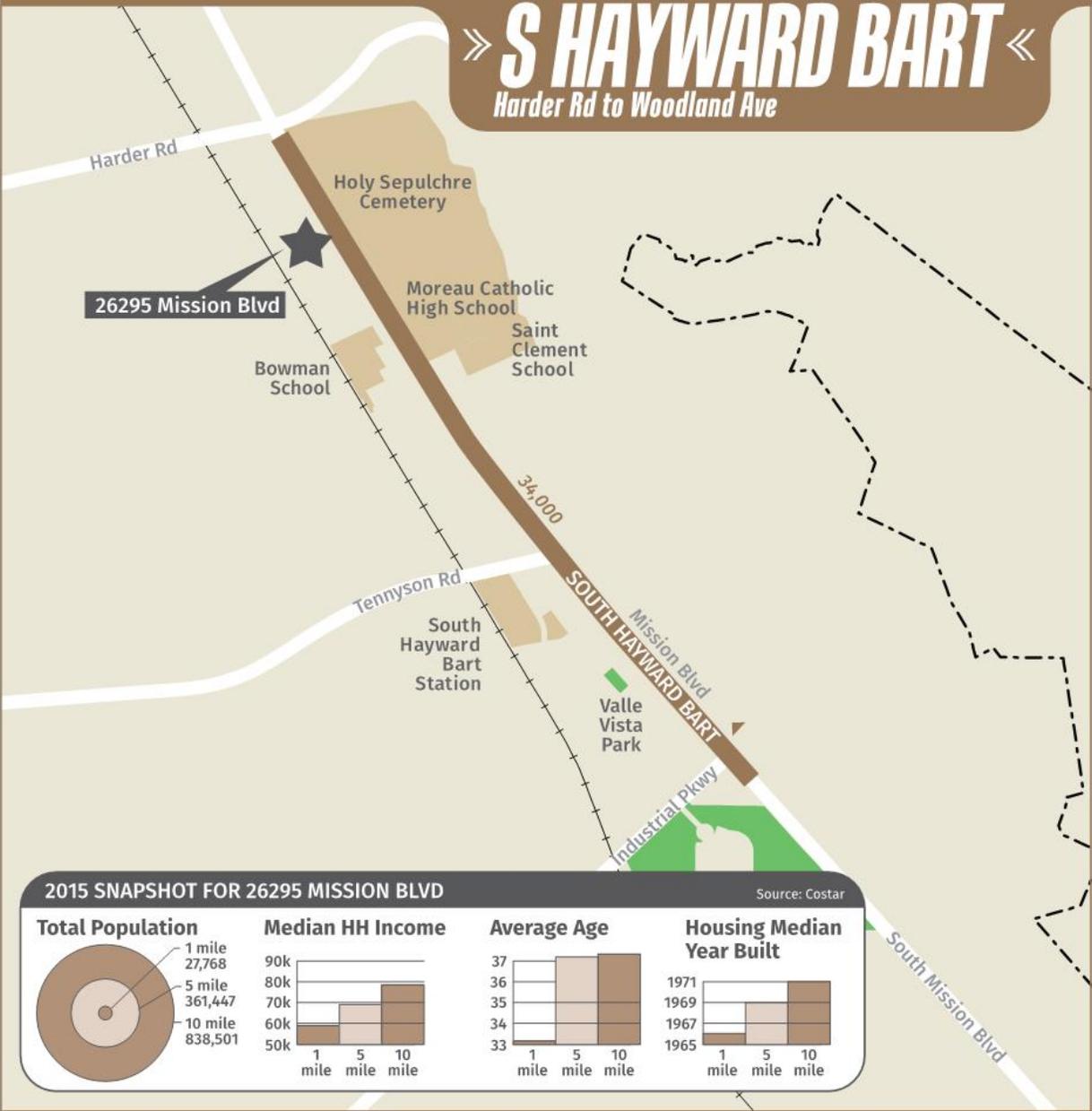
The portion of Foothill Boulevard between I-580 and Apple Avenue is under the jurisdiction of Alameda County. There are use conflicts that occasionally result from the abutting jurisdiction. For example, there is a medical marijuana

dispensary located less than half a block from the City of Hayward's border and lists an address in Hayward, despite the City's prohibition on medical marijuana.

Opportunities for development exist in the Foothill Boulevard Gateway Corridor in the category of government. The City has the opportunity to explore mutually beneficial ways to improve economic conditions in government by working closely with the Alameda County to develop new construction on vacant land.

# HAYWARD RETAIL CORRIDOR

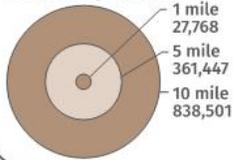
## » S HAYWARD BART « Harder Rd to Woodland Ave



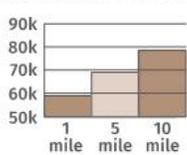
2015 SNAPSHOT FOR 26295 MISSION BLVD

Source: Costar

### Total Population



### Median HH Income



### Average Age

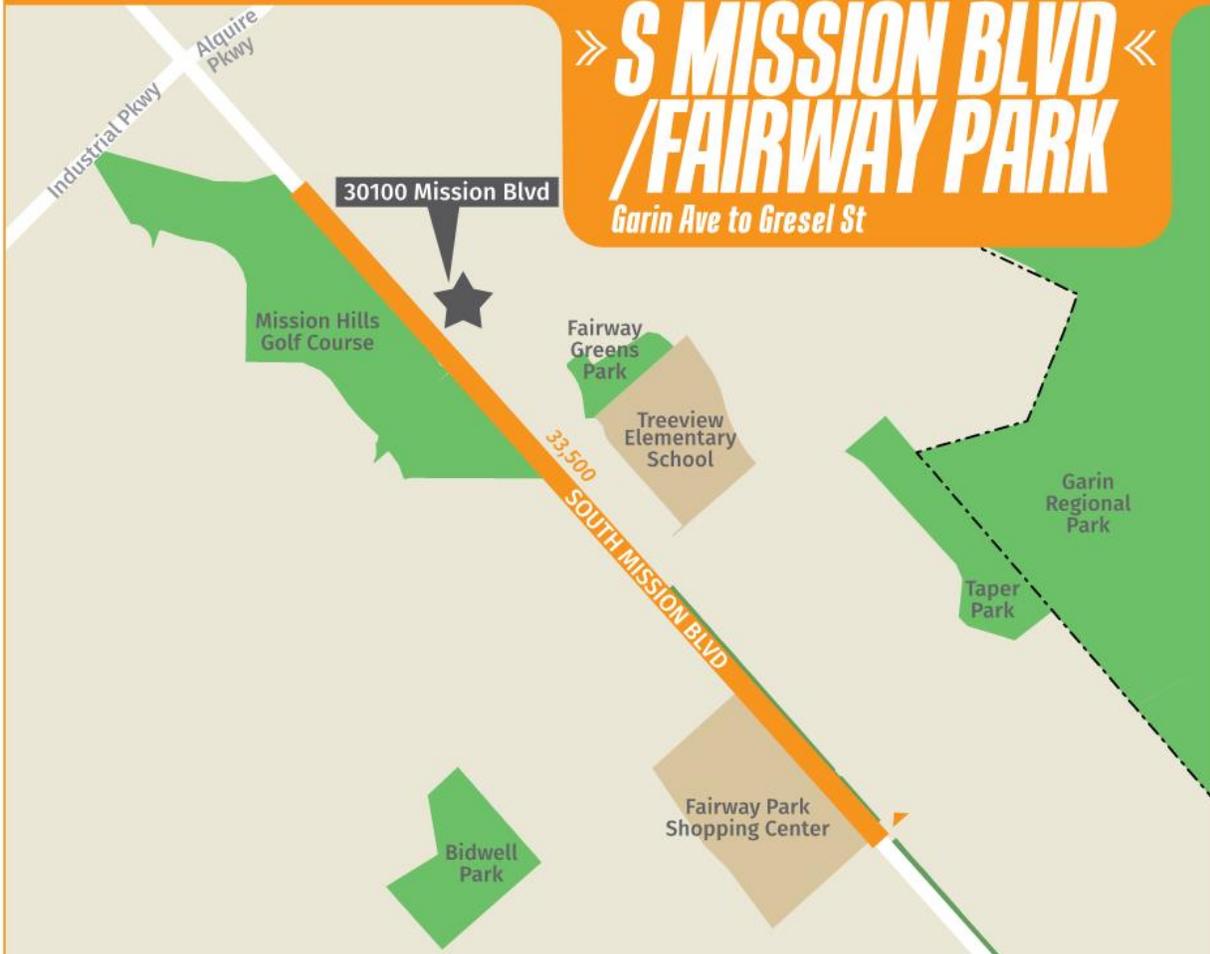


### Housing Median Year Built



# HAYWARD RETAIL CORRIDOR

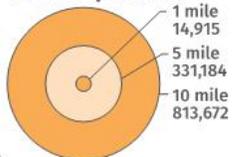
## » S MISSION BLVD « / FAIRWAY PARK Garin Ave to Gresel St



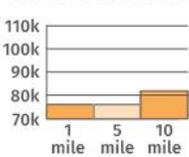
2015 SNAPSHOT FOR 30100 MISSION BLVD

Source: Costar

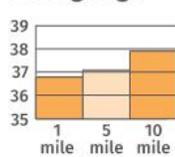
### Total Population



### Median HH Income



### Average Age



### Housing Median Year Built



## **South Hayward BART Area Corridor/South Mission Corridor**

The South Hayward BART Area/South Mission Corridor begins at Harder Road and Mission and continues to Gresel Street. The southwest corner has two freestanding buildings. One built in 1973 serves as the K-Mart department store, an identified catalyst site. The other recently renovated building built in 1985 contains a fast casual café, cell phone store, and electronic equipment store specializing in stereo equipment. This catalyst site encompasses 11.0 acres. The northeast corner location is Holy Sepulchre Cemetery. Adjacent to the cemetery is Moreau Catholic High School and Saint Clements Catholic Church.

Continuing along southwest mission is fast food, Haymont neighborhood center built in 1971. There are a couple of monument marker businesses that support Holy Sepulchre Cemetery. Although K-Mart sells food products, the primary source of groceries in the area is from Food Source (Raley's) grocery store located at the Mission Plaza Neighborhood Center built in 1992. Business types range from banks to food, personal care, and health care services.

Beyond Moreau Catholic School and Mission Plaza Neighborhood Center, a combination of businesses exists along the Mission Freeway/I-238 interspersed with auto sales, auto repair, auto rentals, residential, churches, liquor stores, tobacco stores, home improvement, fast food, international casual dining establishments, and numerous vacant parcels of land.

Continuing south on Mission Freeway/I-238 is one of Hayward's newest developments. The \$53.5 million project, called the South Hayward BART Family & Seniors Communities, is being developed by Eden Housing and slated to open in May of 2016. The development will comprise a total of 151 affordable apartments and 206 market-rate apartments being developed by AMCAL are expected to be finished in January 2017. The affordable housing units will be built adjacent to the market rate housing. Within the area of the Eden Housing Project development inquiries have been made for additional housing development.

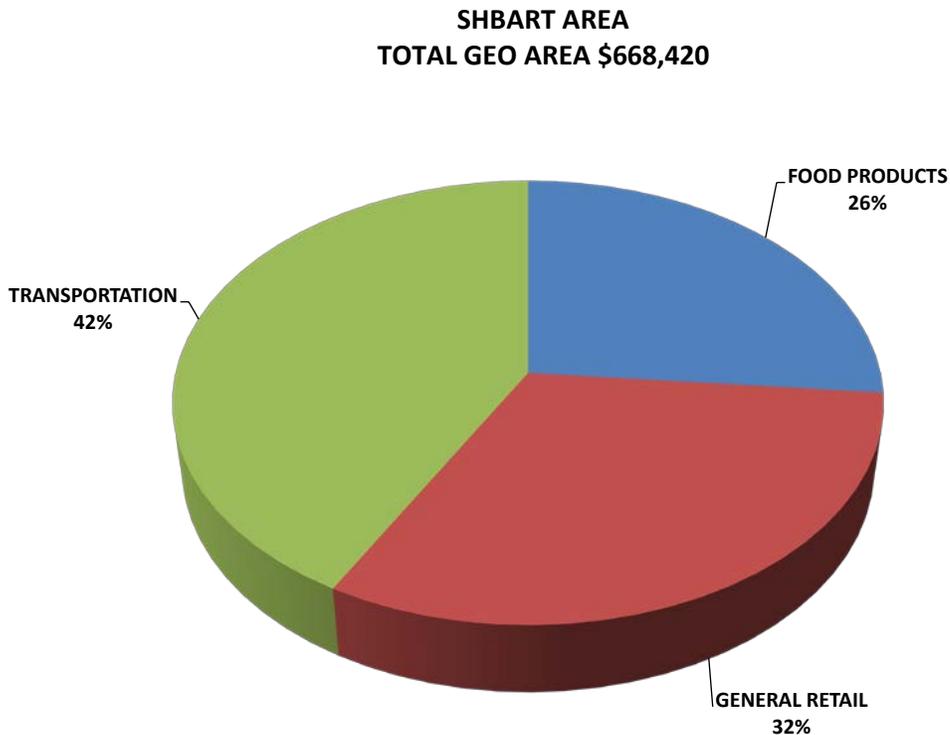
Existing Retail Goods and Services for South Hayward BART Area corridor are as follows:

*Transportation* is the highest revenue generator in the corridor with 42% sales tax revenue generation. Primary sources of revenue are used vehicle sales, repair and service stations. Major contributors to this category are KJ Auto Sales, Infinitude

Auto Sales, Elias Motors, Campway's Truck Accessory World, and BP Service Station.

*General Retail* is second in revenue generation with 32% contributions fueled by second hand stores, variety stores, department stores, and home furnishings.

*Food products* generate 26% in sales tax revenue, primarily served by supermarket Food Source, fast food restaurants, and casual international cuisine.



The current reported vacancy rate in South Hayward Bart Area is 0.4%. The 5 year average is 7.1%.  
78 properties

The South Mission Boulevard Corridor begins at Industrial Parkway location of the Holiday Bowl catalyst site, which is abutting the Mission Hills golf course residential community. Most of the South Mission Boulevard Corridor is residential with the exception of a few retail buildings, service stations, convenience store and the Fairway Park Shopping Center, a neighborhood center built in 1955 and renovated in 1991. A multitude of goods and services is available at this center including fast food, personal care, pharmacy, florist, finance, smoke and a discount variety store. Missing from this center is a grocery store. Recently, Fresh and Easy closed its doors.

Major Classification of existing retail goods and services for South Mission Boulevard Corridor are as follows:

*Food Products* is the top tax generation category contributing 45% with fast food restaurants dominating (Jack in the Box, Kentucky Fried Chicken, and Sonic). Most are located in the Fairway Park Neighborhood Center.

*Transportation* is the second revenue generator at 33% with major contributions from service stations (Arco AM/PM Mini Marts and Shell)

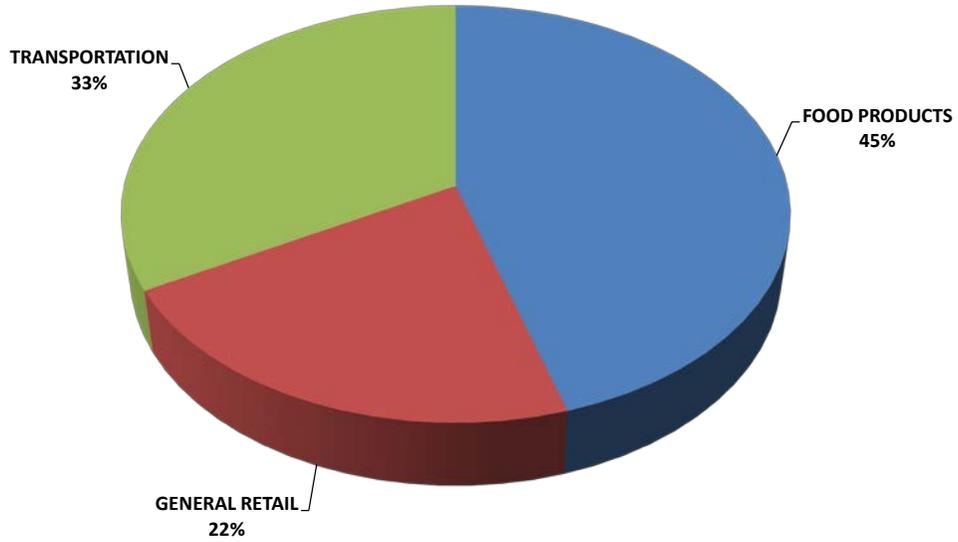
*General Retail* sales tax revenue contribution at 22% is supported by Dollar Tree Stores and Rite Aid Drug Store.

### **Challenges/Opportunities:**

- Food Markets
- Business Services
- Apparel
- Specialty Stores
- Furniture
- Professional Services

There is an opportunity to attract developers to build Class A space in catalyst sites staff identified, which include K-Mart, Holiday Bowl, former Valle Vista Roller Rink, and Haymont Center.

**SOUTH MISSION BLVD  
TOTAL GEO AREA \$217,632**



The current reported vacancy rate is 7.4%. The 5 year average is 4.1%.  
22 properties

# HAYWARD RETAIL CORRIDOR

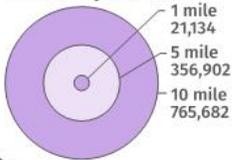
## » HESPERIAN « Kennedy Park to Alden E Oliver Sports Park



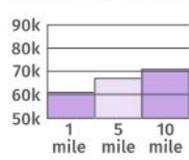
2015 SNAPSHOT FOR 24018 HESPERIAN BLVD

Source: Costar

### Total Population



### Median HH Income



### Average Age

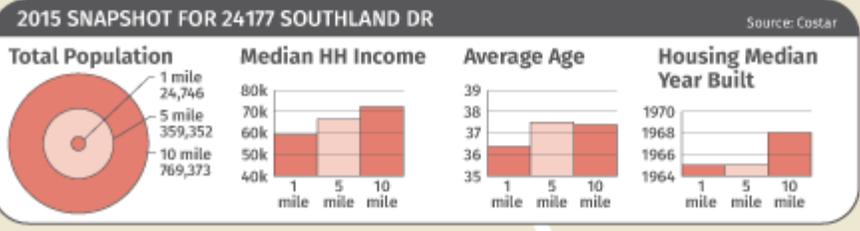


### Housing Median Year Built



# HAYWARD RETAIL CORRIDOR

## » SOUTHLAND MALL «



92

## **Hesperian Boulevard Corridor/Southland Mall**

The Hesperian Boulevard Corridor is the largest of the retail corridors and is home to many of the big box retailers in the City. It spans from the north city limit (Kennedy Park) to the south city limit (Alden E Oliver Sports Park). This corridor spans the entire city, contains the airport retail parcels, multiple retail neighborhood centers spread throughout, La Quinta limited service motel built in 1989 and renovated in 1998, educational institutions, some industrial, numerous service stations, a regional serving shopping mall (Southland) which contains the largest retail cluster, the approved future Shea Property Industrial Flex Space Development, and former Kaiser Hospital. This corridor has convenient highway access via I-880. Recent additions to the mall are Buffalo Wild Wings a chain casual dining restaurant, City Sport Club an upscale gym, and Dicks Sporting Goods a fortune 500 American corporation. Rouse Properties recently received City approval to add a movie theatre to the complex. This corridor has the greatest concentration of restaurants and general retail.

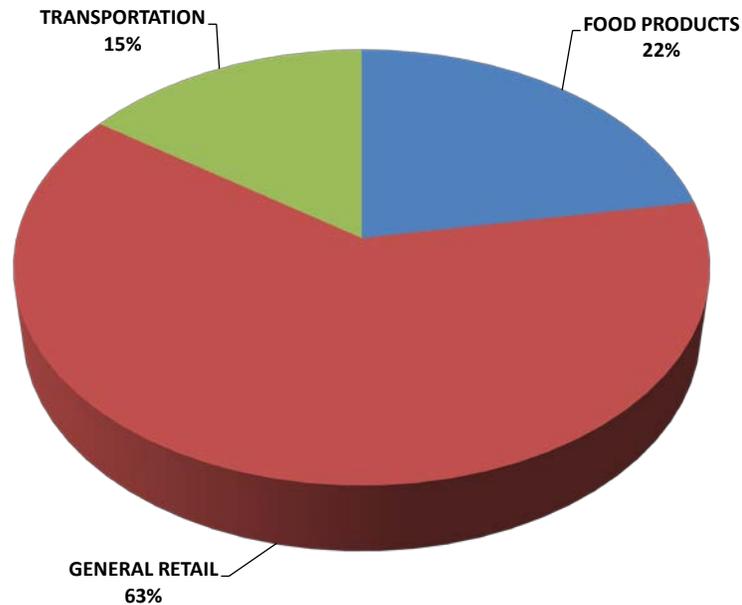
### Major business classification of existing retail goods and services:

*General Retail* is the top category with 63% sales tax revenue. Significant impact from department stores Target, Costco and DD's Discounts. Pet Club, Walgreen's Drug Store, Toys R Us, Rite Aid Drug Store and T-Mobile strongly add in this category. Mall anchors are Macy's Sears, JC Penny, Burlington Coat Factory and Ross Stores. Sporting goods store Dicks is currently under construction at Southland Mall. Less prominent are specialty stores like jewelry, optical and mobile phone businesses.

*Food Products* comprise the second largest category contributing 22% sales tax revenue. Black Bear Diner is a recent addition to the corridor, a variety of fast food restaurants, Supermarkets Food Maxx, Mi Pueblo and Smart and Final, casual dining establishments Olive Garden and Sizzler primarily make up the food category. The mall offers a wide variety of fast food and casual dining restaurants. Popular eateries include Elephant Bar, Olive Garden, Famous Dave's, Applebee's Grill and Hometown Buffet.

*Transportation* is third with service stations dominating (Chevron, Exxon, Rotten Robbie, Union 76, Valero) and vehicle repair. The sales tax revenue contribution is 15%.

**HESPERIAN BLVD CORRIDOR  
TOTAL GEO AREA \$3,349,826**



The current reported vacancy rate is 1.2%. The 5-year average is 1.4%.  
176 properties

**Challenges/Opportunities:**

- Grocery Stores
- Specialty Stores (electronics and housewares)

Hesperian Corridor/Southland Mall Area is a very strong trade area. There are 336 new residential developments within a five mile radius of the mall (Camden Place 168, Kingston 34, North lane 16, Pulte Homes 118). The planned residential should help in building a case for development of a major supermarket which the corridor currently lacks.

# HAYWARD RETAIL CORRIDOR

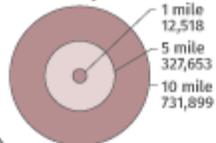
» I-880 «



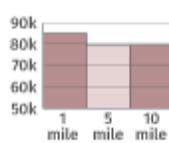
## 2015 SNAPSHOT FOR 2472 WHIPPLE RD

Source: Costar

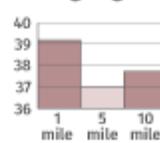
### Total Population



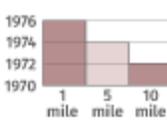
### Median HH Income



### Average Age



### Housing Median Year Built



## **I-880 Retail Area Corridor**

There are no clear markers indicating entry into the Hayward 880 retail corridor. The 880 Retail Area Corridor is at the southwestern border of Hayward abutting the Industrial Mixed-Use Area. Industrial Parkway a major thoroughfare is in Union City SW and Hayward NE. Union City has a small gateway marker just before reaching Calaveras Landing, a retail community center. Abutting the Calaveras Center is a small industrial flex space in Hayward. Parts of Whipple Ave are in Union City SE and Hayward's industrial area SW. Along Whipple Avenue are numerous Hayward transportation businesses. The 880 retail corridor is a mix of industrial, hospitality, and retail. Retail in the area is emerging with the recent developments (Target Center, 24 Hour Fitness, City Sports). An application is under review for the Wiegman retail development which would require converting industrial lands to commercial. North of the Target Center and the proposed Wiegman Center are industrial businesses FGY Stone & Cabinet and a recycling center. The hospitality within this corridor comes from two limited service hotels built in 1979-1987. An assortment of fast food and casual dining eateries serve this area. On the west side of the I-880 is Union Landing a major retail center featuring Walmart, BestBuy, Lowes, and Cinemark Theatre, providing an existing regional draw. There is easy access into this corridor from I-880 in both the SW and NE direction. Major arteries are Whipple Road and Industrial Parkway. The cluster of existing retail makes this corridor a prime location to expand its commercial use with re-zoning.

### Major business classification of existing retail goods and services:

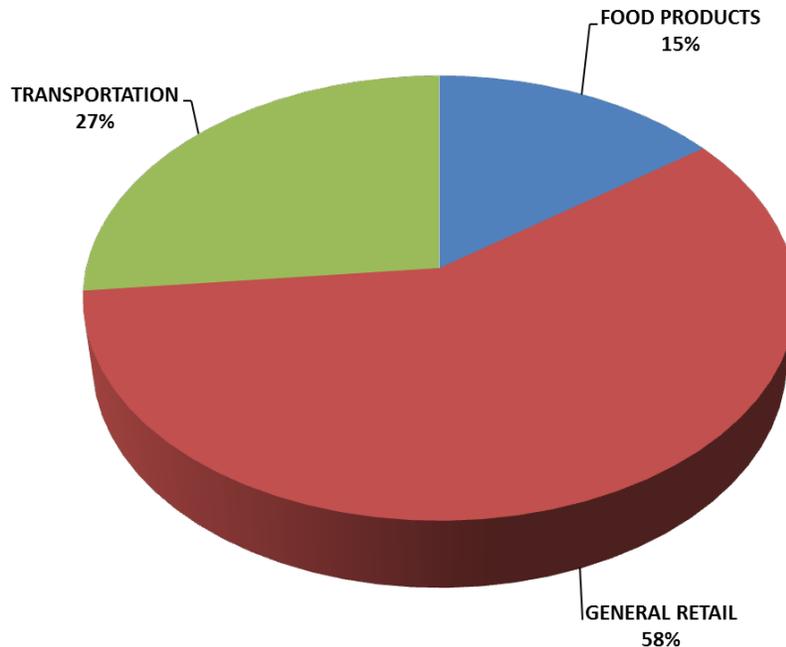
*General Retail* is the top category in sales tax generation of 58%. Significant contributions from department store Target.

*Transportation* has sales tax generation of 27% coming primarily from service stations (Union 76 and Chevron) and used car sales from smaller auto brokers.

*Food Products* contribute 15% mainly from Denny's a casual dining restaurant is the anchor in this category. Panda Express, McDonald's, Country Waffles and Ono Hawaiian BBQ are a few QSR's featured in the area.

The current reported vacancy rate is 4.6%. The 5-year average is 2.5%.  
176 properties

**I-880 RETAIL  
TOTAL GEO AREA \$787,472**



**Challenges/Opportunities:**

- Food Products
- Specialty Stores
- Professional Services
- Regional Serving Retail

Opportunities exist to change zoning in the 880 retail corridor for the purpose of attracting other big box retailers. Its close proximity to interstate 880, Union Landing and the industrial day time population makes it a prime location to develop more modern mixed use retail space.

Currently there is an application to build the Wiegman Super Retail Center adjacent to Target.

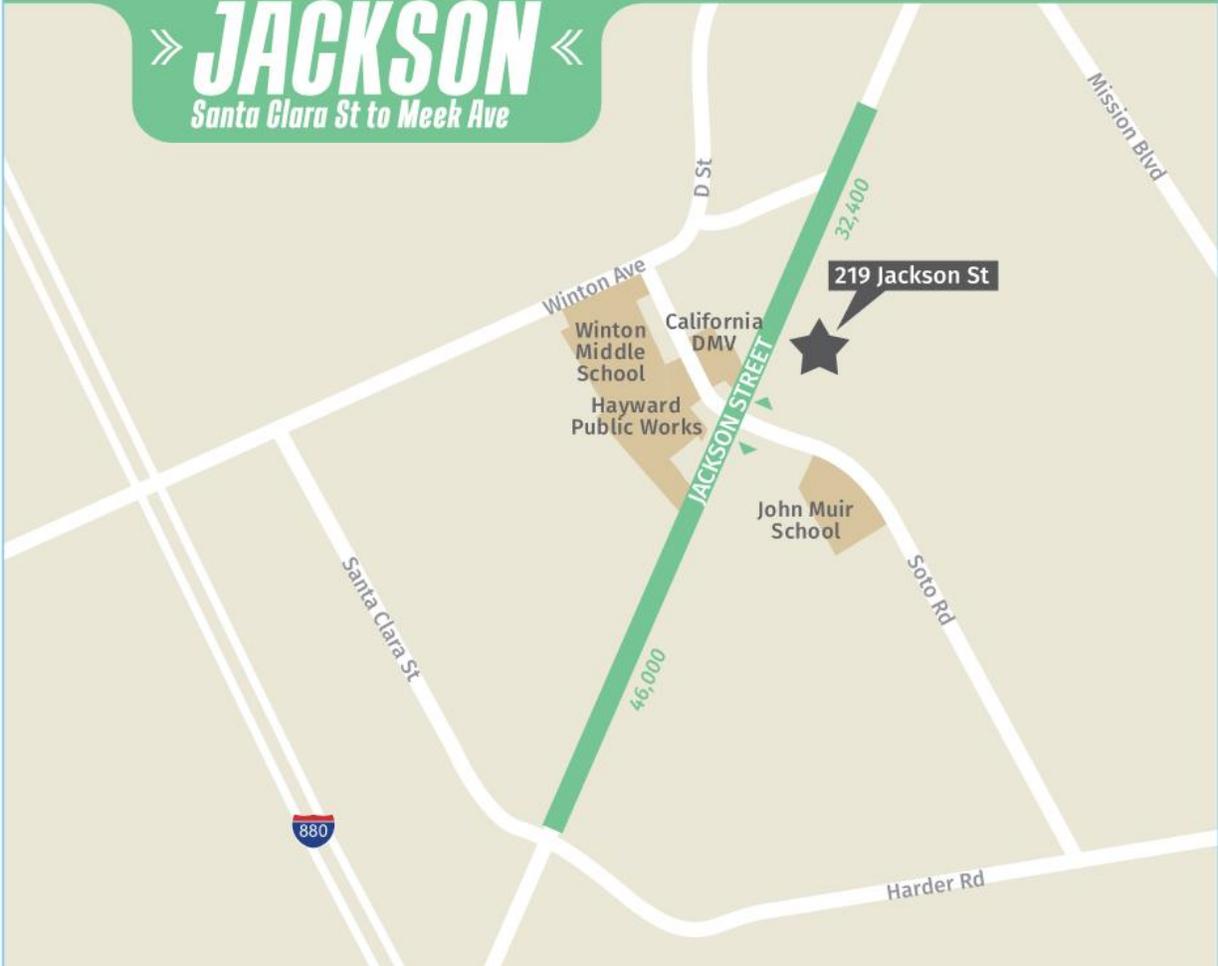
880 Retail Area Corridor opportunities exist for the following types of businesses:

Food Products  
Specialty Stores  
Professional Services  
Regional Serving Retail

Opportunities exist to change zoning in the 880 retail corridor for the purpose of attracting other big box retailers. Currently, it has a conglomeration of uses. Its close proximity to I-880, Union Landing and the industrial day time population makes it a prime location to develop more modern mixed use retail space.

# HAYWARD RETAIL CORRIDOR

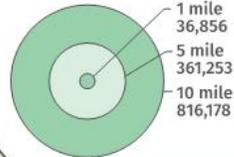
## » JACKSON « Santa Clara St to Meek Ave



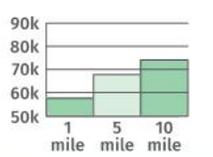
### 2015 SNAPSHOT FOR 219 JACKSON St

Source: Costar

#### Total Population



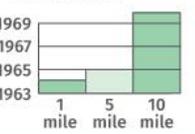
#### Median HH Income



#### Average Age



#### Housing Median Year Built



## **Jackson Street Corridor**

The Jackson Street Corridor begins at W Harder and Santa Clara Street near /I-880 interchange and follows Jackson through to Silva Ave. On the west end are two major retail supermarket neighborhood shopping centers (Albertson's Gateway Plaza built in 1990 and Safeway Jackson Square Center built in 1972). Across from Jackson Square are a couple of small strip centers. In addition to the major supermarkets scattered throughout the corridor are numerous specialty grocery stores (Grocery Outlet, Cross Roads Foods, Artega's Food Center, El Rancho Super Mercado, Hayward Produce Market & Taqueria). A collection of miscellaneous retail includes tattoo parlors, apparel stores, massage therapy, convenience stores, laundromats, phone centers, and fast food restaurants. Industrial Flex space also makes up a section of the corridor. Hospitality is offered by limited service motel, Discovery Inn.

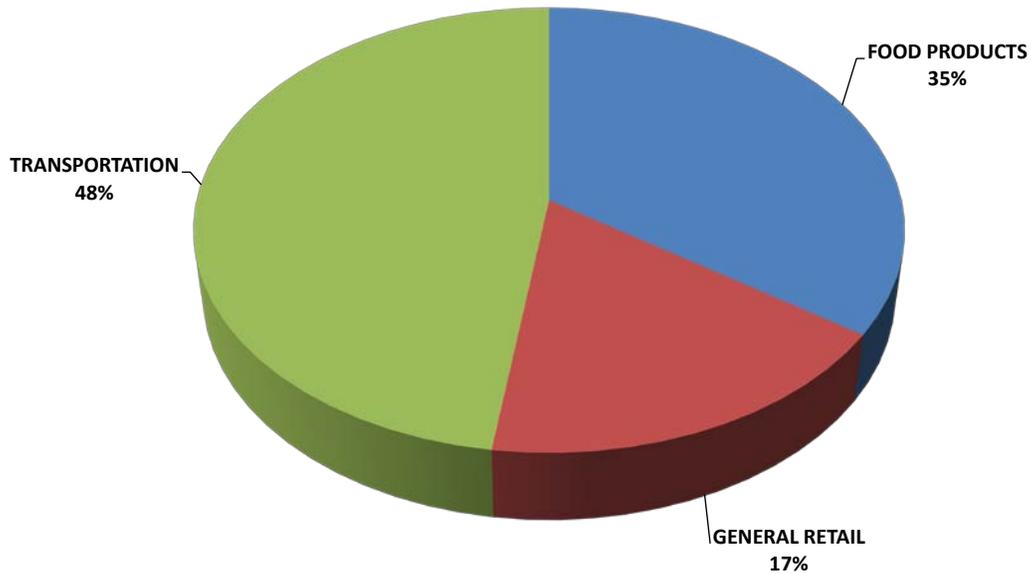
### Major business classification of existing retail goods and services:

*Transportation* is highest with sales tax revenue of 48%. Service stations are major contributors (Union 76, Valero and Arco).

*Food Products* is second highest with sales tax revenue of 35%. Supermarkets Safeway and Albertsons are major contributors along with convenience stores. There are a number of specialty restaurants (Baskin Robbins, Starbucks, Seven Eleven, Taco Bell, Popeye's Chicken, Nations Giant Hamburgers, Tins Teapot Bistro and Lee's Sandwiches).

General Retail sales tax revenue at 17% is principally supported by anchors *CVS Pharmacy* and *Walgreens Drug Store*.

**JACKSON STREET RETAIL  
TOTAL GEO AREA \$674,794**



The current reported vacancy rate is 1.0%. The 5-year average is 1.1%.  
99 properties

**Challenges/Opportunities:**

An opportunity exists to redevelop and potentially repurpose some of the existing infrastructure.

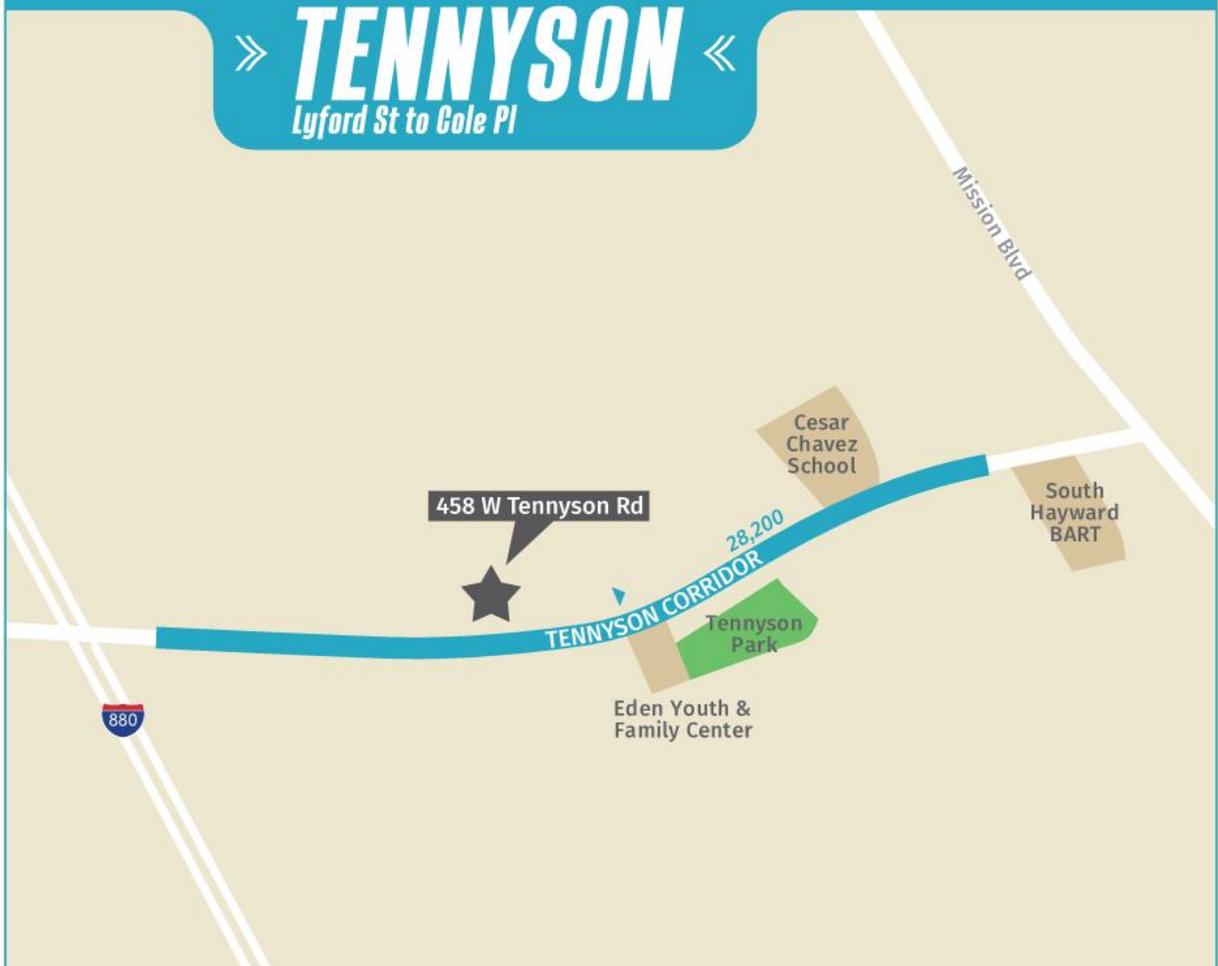
- Apparel Stores
- Florist Nursery
- Furniture Appliances

Jackson corridor has a diverse mix of businesses. Although food products do fairly well in this corridor, it lacks higher end food establishments.

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# HAYWARD RETAIL CORRIDOR

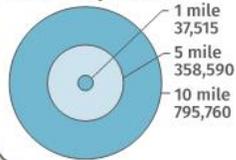
## » TENNYSON « Lyford St to Cole Pl



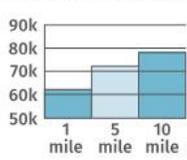
2015 SNAPSHOT FOR 458 W TENNYSON RD

Source: Costar

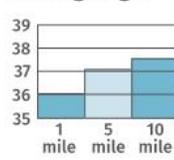
### Total Population



### Median HH Income



### Average Age



### Housing Median Year Built



## Tennyson Corridor

The eastern end of the Tennyson Corridor is at Cole Place near the railroad tracks and the western section is near interstate 880 beginning at Lyford St and Seminole Way. This corridor is made up of 17 strip centers ranging from neighborhood to free standing (City Mini, Tampa Center, Skyline Center a, Lustig Court Center, Superway Center, Tennyson Shopping Center, Mission Plaza, El Charro Supermarket Center, Mission Plaza, Chavez Supermarket Center, Tampa Square Center, Tennyson Center, Leidig Ct Strip Center and four other un-marked centers feature apparel, ethnic foods, professional services, auto repairs, fast food, international food markets, casual dining restaurants, personal care businesses, liquor and convenience stores, and miscellaneous retail.

The corridor is infused with residential, churches, healthcare, recreation and community centers. The newest addition to the corridor is the Fire House Clinic, which offers full service with a primary and preventive care center that is focused on serving individuals and families who need easier access to health care services.

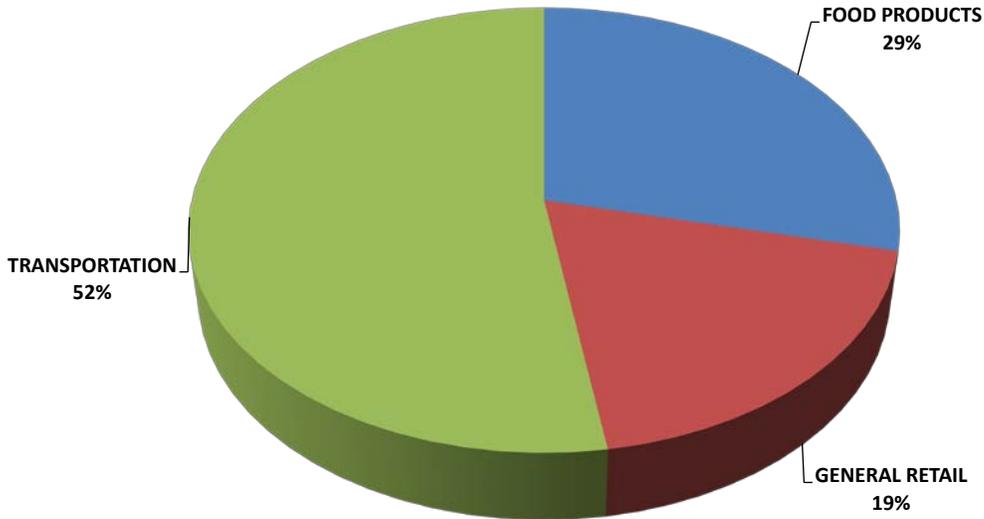
### Major business classification of existing retail goods and services:

*Transportation* is highest in revenue generation at 52%. Service stations are major contributors (All American Gas, Rotten Robbie, Arco AM/PM, Union 76, and Shell). Added to this category are O'Reilly and CARQUEST auto parts retailers.

*Food Products* sales tax generation is 29% with fast food and super markets (Jack in the box, KFC, Chavez Supermarket, Tennyson Liquor and Deli, Steve's Liquor, Little Caesars Pizza) and a multiple Mexican and Asian restaurants.

General retail sales tax generation is at 19%, dominated by Walgreen's Drug Store and DD's Discount Store (Ross), targets the needs of moderate income households. A number of small independently owned and operated apparel stores are present in the corridor as well.

**TENNYSON CORRIDOR 2**  
**TOTAL GEO AREA \$667,322**



The current reported vacancy rate is 0.0%. The 5 year average is 1.2%.  
28 properties

**Challenges/Opportunities:**

- Furniture/Appliance
- Apparel

What is immediately apparent in this corridor is filled with older strip centers and a mixture of standalone properites and residential intermixed. Despite this there are minimal vacancies. Many of the businesses target an international audience with ethnic foods and apparel stores. A number of changes can be implemented to improve the appearance of the corridor including landscaping and façade improvements. Because of its close proximity to Union City there may be an opportunity to attract national retailers offering higher quality brands.

## METHODOLOGY

The research consisted of three phases:

- *Phase I*—Staff utilized the internet, surveyed local commercial realtors, and conducted research using CoStar a provider of commercial real estate data) to determine vacancy rates, type of property use, class, goods and services, and demographics within each corridor.
- *Phase II*—Staff toured corridors for field verification to determine accuracy of all data.
- *Phase III*—Staff researched MuniServices data to determine top sales tax revenue categories.
- *Phase IV*—Staff developed maps of each corridor, selected a sample site for the purpose of gathering the following demographics: population, household income, average and median year built. Traffic counts were also included.

MuniServices data was applied as verification to support staff's visual inspection of goods and services of the following areas:

- General Retail- apparel stores, department stores, furniture stores, appliance stores, and recreation products.
- Food Products- restaurants, liquor stores, mini- marts, convenience stores, food markets, and food processing equipment.
- Transportation- vehicle sales, service stations, auto parts and auto repair

Staff developed categories for describing spaces, buildings, and retailers.

Four categories were used to describe the types of space. These were the Unanchored Strip Malls, the Neighborhood Center, the Free Standing, and the Community Center.

## Conclusion

The eleven identified retail corridors are bustling with activity. Growing vacancy rates and poor infrastructure in some corridors demand immediate attention. Staff is determined to begin to address specific needs of local businesses, identify business expansion opportunities, and determine if City policies and regulations are reflective of changing and emerging business needs. Incentives will be implemented to attract, expand, and retain businesses that offer high-quality jobs, generate local sales tax revenue, and provide necessary goods or services to residents as a way to attract more developers and tenants and increase inflow of new tenants.

The large diverse range of shopping districts and retail centers primarily surround the perimeter of the City, which affords Hayward's trade areas to capture the local market and attract non-local households from neighboring communities. The traffic counts are good and vacancy rates are dwindling. Some of the City's corridors abut county land or other cities land, making it difficult to determine when entering and existing Hayward. A Street Corridor and Foothill Boulevard Gateway abut Alameda County. The 880 Retail Corridor is adjacent to Union City in many sections. There is an opportunity to create a sense of place with entry markers.

The highest performing sales tax generating corridors are Central Mission, A Street, Southland Mall and Hesperian; the highest among them in income generation. Hesperian boulevard including Southland Mall has the highest concentration of newer built retail inventory and the largest generator of taxable sales. The majority of casual dining restaurants are also found in these corridors. With the exception of Southland Mall every corridor is lacking apparel.

Among the corridors, downtown's vacancy rate is highest creating the greatest potential for attracting apparel and specialty stores. Currently there is one apparel store offering higher end clothing (Vintage Alley). Other apparel from specialty stores offer special occasion wedding apparel and 2<sup>nd</sup> hand (Vintage and Modern, Miss Pumpkin House of Treasures, Oh What a Find and Alma's Creations). Central Mission and South Hayward Bart apparel stores are also 2<sup>nd</sup> hand thrift stores. The poor condition of existing vacant inventory and current median household incomes pose a challenge. Recent residential development applications at (Mervyn's site and Maple and Main) would increase the number of households and potentially increase the median income making downtown more attractive to

mainstream retailers and add to local household purchasing power. Development of incentive programs for business attraction would also have a positive impact. Due to the abundance of fast food, QSR restaurants and convenience stores in every corridor, food products come in relatively strong in most corridors, with downtown Hayward having the largest sales tax generation in this category. Overall an opportunity exists to attract more fine dining establishments throughout the City. Major supermarkets are lacking in several corridors (South Hayward Bart, South Mission and Hesperian Boulevard). The City has a number of relatively small specialized markets in the Jackson and Central Mission Corridors.

Fresh and Easy closed its doors in two corridors, South Mission and Hesperian Boulevard.

Throughout every retail corridor, transportation, food products and general retail are the major categories contributing the sales tax generation. What's missing is business to business. This is due to the lack of Class A space and regional competition.

The majority of Hayward's strip centers were built between mid- 1960's to early 2,000's. Although much of the retail inventory is Class C the vacancy rate in the City of overall retail remain low at the current rate of 2.5%. The five year average is 4.2% indicating the demand for retail space. Opportunities exist to address specific needs of local businesses, identify business expansion opportunities and determine if City policies and regulations are reflective of changing and emerging business needs. Incentives could be implemented to attract, expand and retain businesses that offer high-quality jobs, generate local sales tax revenue, and provide needed goods or services to residents.

The Bay Area Rapid Transit (BART) has two stations in Hayward. One station is located in downtown and the other in South Hayward. The existence of mass transit creates opportunities to expand the development of transit oriented districts with mixed use residential and commercial space. Additionally, mass transit makes it easier to access Hayward's cultural landmarks and points of interest in downtown. The hotels within our trade areas are Class C and B presenting an opportunity to attract hotel developers.

After establishing the retail corridor's economic general direction, this research will be available to develop marketing materials, to develop the program further and allocate resources more efficiently. Informed future planning will enable the

City to reach its goals of driving economic growth through business attraction, retention and expansion efforts.

Hayward values a pedestrian-friendly downtown to grow the economy through a wide sampling of retail businesses. Along with improving the City's revenue base, Hayward strives to create a community that reflects all the needs of the growing population as well as the increasing businesses. Emphasis is placed on breathing new life into the City as opportunities for economic development are pursued. Challenges are researched and strategized with equal measure.

Based on the baseline profile analysis of 11 retail corridors, 4 corridors have been identified as key areas to focus new programs on.

**Downtown B Street:**

- Develop an incentive program to assist property owners and businesses on capital upgrades of vacant buildings.
- The buildings require substantial upgrades in order to meet current accessibility requirements and quality retail space.
- Directed incentive program to re-invest into the core historic downtown targeted on tenanting the long-term vacancies is necessary.

**Central and South Mission Boulevard:**

- Evaluate the Mission Boulevard Corridor major intersections targeting space for a retail shopping center.
- Some sites along this corridor, which are better suited for retail development, should be explored in greater depth in order to create appropriate locations for retail goods and services.
- The intersections of Carlos Bee/Mission, Harder/Mission, and Tennyson/Mission have been identified for further evaluation.
- Support the Hayward Auto Row with branding and signage supporting the re-emerging franchised auto dealers along Mission Boulevard.

**Tennyson Road:**

- Develop an incentive program for façade, parking lot lighting, and landscaping for the existing commercial strip centers.
- Evaluate frontage improvements including sidewalk, curb, gutter, utility undergrounding and median landscape improvements along Tennyson Commercial Corridor.
- Explore a banner program for the Tennyson Corridor.

### **880 Freeway/Whipple:**

- Evaluate a potential zone change from Industrial to Commercial for the Whipple intersection at Southwest Industrial Boulevard off the 880 Freeway, which has the potential for development of a regional serving retail as market forces are pushing the area to be more aligned with retail development.
- Consider the following ongoing initiative:

The City is currently processing a development application to convert Industrial lands to commercial space just north of Whipple Target.

### **General & Limiting Conditions**

Efforts have been made to ensure that the data contained in this report are accurate and up-to-date, effective as of the date of this study completion. This study is based on general knowledge, site verification, and information provided by commercial real estate intelligence database provider CoStar and investment consulting company MuniServices.

No responsibility is assumed for inaccuracies in reporting by any data source used in preparing or presenting this study report. This report is based on information that was current as of 2014/2015.

Commercial Real Estate is ever changing and evolving; therefore it is virtually impossible to determine all data changes as a result of future events and circumstances.