



CITY OF HAYWARD



INDUSTRIAL DISTRICT REGULATIONS UPDATE

Research and Recommendation Report



November 2017



HAYWARD



Table of Contents

Executive Summary	1
Issues Addressed	2
Summary of Recommendations	3
Next Steps	4
Introduction	5
Hayward’s Industrial District Vision	5
Factors Influencing Workplace Location	5
Getting There; Why Update the Industrial District Regulations?	6
This Report	8
1 Districts and Subdistricts	11
1.1 Existing Setting	11
General Plan Land Use Diagram	11
Zoning Districts	13
1.2 Issues and Strategies	16
Key Sites	18
1.3 Opportunities and Recommendations	20
Recommendation 1-A: Add New Subdistricts to Reflect Differences in Character	20
Recommendation 1-B: Provide Purpose Statements to Reflect the Character and Intent of Each Subdistrict	22
Recommendation 1-C: Require Master Plans for Development or Redevelopment of Key Sites	22
2 Regulation of Land Uses	27
2.1 Existing Setting	27
General Plan	33
Economic Development Strategic Plan	33
Baseline Corridor Report	33

Zoning.....	35
2.2 Issues and Strategies	36
Use Allowances Don't Reflect Neighborhood Context or Workplace Trends.....	36
Impacts of Warehousing and Distribution Uses.....	37
Waste Handling/Recycling Operations Impacts.....	38
Streamline Review for Priority Uses.....	38
2.3 Opportunities and Recommendations	39
Recommendation 2-A: Tailor Use Regulations to Reflect Subdistrict Purpose.....	39
Recommendation 2-B: Allow Advanced Industry Use Types	39
Recommendation 2-C: Limit Heavy Industry and Outdoor Uses	39
Recommendation 2-D: Require a Conditional Use Permit for Large Warehousing and Distribution Uses	40
Recommendation 2-E: Allow Supportive Uses.....	40
Recommendation 2-F: Revise Use Definitions and Provide Association with NAICS Group Uses, Where Applicable	40
Recommendation 2-G: Incorporate Measurable Performance Standards	41
3 Development Standards and Design Guidelines	43
3.1 Existing Setting.....	43
General Plan	45
Zoning.....	45
Site Plan Review	49
Design Guidelines	49
3.2 Issues and Strategies	50
Quality of Design	50
Industrial District Development Standards	51
Outdated Design Guidelines.....	56
Unclear Design Review Process and Applicability.....	56
Lack of Illustrations and Imagery	57

3.3	Opportunities and Recommendations	57
	Recommendation 3-A: Update and Refine Development Standards	57
	Recommendation 3-B: Clarify Applicability of Development Standards	58
	Recommendation 3-C: Reorganize, Consolidate, and Simplify Development Standards	59
	Recommendation 3-D: Update Design Guidelines	59
	Recommendation 3-E: Explicitly Require Compliance with Design Guidelines	60
	Recommendation 3-F: Require Site Plan Review for All New Development and Façade Improvement Projects	60
	Recommendation 3-G: Provide Illustrations and Images within the Development Standards and Design Guidelines	60
4	Thresholds for Site Improvements	61
4.1	Existing Setting	61
	General Plan.....	61
	Zoning	62
	Design Guidelines.....	62
	Building Code	63
	Other Municipal Code Regulations.....	63
4.2	Issues and Strategies	64
	Purposes and Findings	65
	Blanket Standards and Bright Line Thresholds	66
	Negotiated Improvements.....	66
	Area and Master Plans/Planned Unit Developments/Design Guidelines.....	67
	Valuation Thresholds	68
4.3	Opportunities and Recommendations	69
	Recommendation 4-A: Strengthen Required Findings	69
	Recommendation 4-B: Require Certain Site Improvements as Standards.....	69
	Recommendation 4-C: Create a Blanket Landscaping Standard that Applies to All Development Projects	70
	Recommendation 4-D: Clarify Bay-Friendly Landscaping Requirements and Green Infrastructure Mandates.....	70

5	Incentives/Benefits and Disincentives.....	71
5.1	Existing Setting.....	71
	General Plan	71
	Zoning.....	71
5.2	Issues and Strategies	73
	Use Permits and “Streamlined” Review.....	73
	Varying Development Standards.....	74
	Density Bonus in Exchange for Amenities.....	75
5.3	Opportunities and Recommendations	75
	Incentives/Disincentives for Use.....	76
	Incentives for Amenities/Site Improvements	76

Appendix A: Stakeholder Interview Summary

A.1	Introduction	A-1
A.2	Major Themes	A-2
A.3	Comments	A-7
A.4	List of Interviewees.....	A-34

Appendix B: Business Survey Report

B.1	Introduction.....	B-1
B.2	Key Findings	B-1
B.3	Individual Responses.....	B-2
B.4	Final Survey	B-7
B.5	Data Output of Individual Questions and Open-Ended Responses	B-13

EXECUTIVE SUMMARY

The 2040 General Plan recognizes the Industrial Technology and Innovation Corridor as an important economic asset that needs to be protected and enhanced.

Zoning regulations and design guidelines are key tools in translating a general plan's broad land use and design vision into a workable set of rules and regulations that shape new development. Zoning regulations control what is built on the ground, and what uses occupy buildings and sites. Design standards and guidelines shape how private development can create a sense of place and enhance streetscapes and the public realm.

The Industrial District Regulations project is a unique and exciting opportunity to create an implementation framework that translates the General Plan policies related to the City's Industrial Technology and Innovation Corridor into an effective and user-friendly set of land use and development regulations that help grow the corridor as an economic and employment center containing a healthy balance of traditional manufacturing and information- and technology-based uses.

Cities can encourage certain types of development and amenities by setting regulations that make it easier to do the "right" thing and disincentives for doing the "wrong" thing. Incentives may come in the form of process, such as providing streamlined review for uses that are desired, or in the form of density bonuses (e.g., added height or floor area) to encourage certain uses, in exchange for providing amenities over and above existing requirements. On the other hand, higher review thresholds and narrow development standards can act as disincentives.

The ultimate objective for this project is to produce a state of the art, flexible, user-friendly set of regulations that will serve as an effective tool to encourage the establishment and expansion of advanced technology industries; attract well designed, high amenity development; address compatibility issues between existing sensitive uses and industrial activities; and discourage low-employment intensity, high-impact uses.

As the first step of this effort, the Consultant Team is evaluating the City's current approach to regulating industrial development and determining if there are alternative approaches that would better implement the General Plan's vision of an Innovation Corridor.

"Enhance the Industrial Technology and Innovation Corridor to expand the economic and employment base of Hayward and to achieve a healthy balance between a manufacturing-based economy and an information- and technology-based economy"

General Plan Land Use Goal 6

The Consultant Team began working on the project in May 2017. Its work has included field reconnaissance; interviews with City staff and community stakeholders; an online survey targeted toward industrial business owners and employees; interviews with industry professionals and others with knowledge and experience in industrial development; an assessment of existing regulatory tools, plans, and design guidelines used by the City; and best practices from local and national jurisdictions.

This report summarizes the principal findings and conclusions of the Consultant Team's work and recommends a number of ways that the current regulations could be improved to meet the City's objectives. The next phase of the project will include drafting recommended zoning regulations and design guidelines for review by City staff, decision makers, the community, and other interested persons.

Issues Addressed

The City of Hayward's existing regulatory framework may be interfering with the City's ability to reimagine its primary industrial area as an 'innovation corridor' and get the type and quality of development that it wants. Based on background research and stakeholder and City staff interviews, the following key topics of concentration provide a framework for this Research and Recommendations Report:

1. Districts and Subdistricts
2. Regulation of Land Uses
3. Development Standards and Design Guidelines
4. Thresholds for Site Improvements
5. Incentives/Benefits and Disincentives

To carry forward the concepts embodied in this report, everyone's views and opinions must be heard and considered. Input from residents, property owners, business owners, and employees will be a vital aspect of the process. Specifically, the City will want to hear from owners, industry professionals, and people who work in the industrial area about what zoning regulations and design guidelines can do to promote a desirable and attractive amenity-rich industrial environment. The City will also want to hear about what residents want and expect development regulations and design guidelines to do to address compatibility concerns. Future community meetings will provide opportunities for residents located adjacent to the industrial area to provide feedback on the proposed regulations.

The focus of this research report and set of recommendations is on the removal of unintended regulatory barriers and providing incentives to further promote economic development goals; encouraging the establishment and expansion of advanced technology industries; attracting well designed, high amenity development; addressing compatibility issues between existing sensitive uses and industrial activities; and discouraging low-employment intensity, high-impact uses. The regulations must be predictable, understandable, and enforceable. They must be written to make their intent and purpose clear to everyone—property owners, businesses,

real estate professionals, developers, and residents in general. The ideas this report presents are set forth to achieve these objectives.

Summary of Recommendations

The recommendations proposed for consideration are grouped into the five topical areas summarized below. More detail on each of the recommendations is included in the body of this report.

TABLE ES-1: RECOMMENDATIONS		
<i>Recommendation</i>		<i>Purpose/Issue Addressed</i>
Districts and Subdistricts		
1-A	Add New Subdistricts to Reflect Differences in Character	Accommodate differences in character, development patterns, and context in the existing district. Develop nodes of similar compatible uses.
1-B	Provide Purpose Statements to Reflect the Character and Intent of Each Subdistrict	Reflect the character and intent of each subdistrict to enable compatible uses. Provide basis for findings to verify that design guidelines, standards, and on- and off-site improvement requirements are being met.
1-C	Require Master Plans for Development or Redevelopment of Key Sites	Create a process that coordinates uses, development standards, infrastructure, on- and off-site improvements, and CEQA review for larger sites.
Regulation of Land Uses		
2-A	Tailor Use Regulations to Reflect Subdistrict Purpose	Allow uses that match the purposes of the subdistrict.
2-B	Allow Advanced Industry Use Types	Promote and define desired uses within each subdistrict to ensure compatibility.
2-C	Limit Heavy Industry and Outdoor Uses	Conditionally allow or prohibit potentially incompatible uses.
2-D	Require a Conditional Use Permit for Large Warehousing and Distribution Uses	Apply conditions on large warehousing and distribution uses to ensure consistency with design guidelines, standards and site improvement requirements.
2-E	Allow Supportive Uses	Allow office, retail, lodging, and service commercial uses.
2-F	Revise Use Definitions and Provide Association with NAICS Group Uses, Where Applicable	Update, clarify, and group advanced industries into compatible uses.
2-G	Incorporate Measurable Performance Standards	Prevent impacts such as dust, fumes, glare, noise, and vibration.

TABLE ES-1: RECOMMENDATIONS

<i>Recommendation</i>		<i>Purpose/Issue Addressed</i>
Development Standards and Design Guidelines		
3-A	Update and Refine Development Standards	Achieve quality design and foster the type of character desired within subdistricts by regulating height, FAR, parking and landscaping requirements, etc.
3-B	Clarify Applicability of Development Standards	Bring properties into conformance with code when substantial upgrades or increases in floor area are proposed.
3-C	Reorganize, Consolidate, and Simplify Development Standards	Provide logical organization for standards.
3-D	Update Design Guidelines	Reflect contemporary industrial design types and provide clear design direction for site planning, frontages, building design, fencing, screening, etc.
3-E	Explicitly Require Compliance with Design Guidelines	Ensure implementation of good design principles.
3-F	Require Site Plan Review for All New Development and Façade Improvement Projects	Ensure implementation of standards and guidelines for all new development, alteration, and expansion projects
3-G	Provide Illustrations and Images within the Development Standards and Design Guidelines	Use illustrations and images to clearly communicate design standards and guidelines for staff, applicants, and decisionmakers.
Thresholds for Site Improvements		
4-A	Strengthen Required Findings	Clarify nexus between projects and required improvements, consistent with adopted policies.
4-B	Require Certain Site Improvements as Standards	Require sidewalks, screening, and complete streets improvements as part of minimum design standards.
4-C	Create a Blanket Landscaping Standard that Applies to All Development Projects	Require landscaping and/or street trees along the building frontage.
4-D	Clarify Bay-Friendly Landscaping Requirements and Green Infrastructure Mandates	Streamline multiple landscaping and water efficient requirements and improve stormwater quality entering the Bay.

Next Steps

This report will be the basis for community meetings and workshops. Comments on the recommendations in this report and further work with City staff will guide preparation of initial drafts of updated zoning regulations for industrial development in the City of Hayward.

INTRODUCTION

Hayward's Industrial District Vision

The 2040 General Plan recognizes the Industrial Technology and Innovation Corridor as an important economic asset that needs to be protected and enhanced. Typical building types in the Industrial Technology and Innovation Corridor include warehouses, office buildings, research and development facilities, manufacturing plants, business parks, and corporate campus buildings. Future changes are expected to include building and landscaping improvements, infill development, and the redevelopment of underutilized properties. General Plan goals and policies are designed to maintain and improve the Industrial Technology and Innovation Corridor, expand Hayward's economic and employment base, and support land use changes that help Hayward transition from a manufacturing-based economy to an information-and technology-based economy.

Factors Influencing Workplace Location

The San Francisco Bay Area is a strong biotech and information technology industry cluster. Hayward is located within the I-80/880 Corridor which accounts for 20% of the total manufacturing, wholesale, and transportation jobs in the Bay Area. Hayward's economy has historically been linked to traditional industrial and distribution uses. While technology-related industrial uses have increased in Hayward over the last 20 years, they have not increased to the level of having a character defining effect as other areas (i.e. warehousing and distribution) have experienced.

While a wide range of factors inform employer decisions about workplace location and form, a recent SPUR Report, *Rethinking the Corporate Campus* (April 2017), found four major factors that act as key drivers:

1. Talent acquisition and retention, including the provision of transportation, employee location preferences, and a variety of perks and amenities.
2. Security and intellectual property, from the desire for remote locations to the placement of buildings and the willingness to incorporate public-facing amenities.
3. Floorplate size, or the square footage of usable space on one floor of a building. Many firms seek to maximize floorplate size in order to create highly flexible environments.
4. Growth and exit strategy, which encourage expansion into standardized, modular buildings and sites that are widely available and can be sold or leased easily.

These findings mirror comments received during interviews conducted with land owners, business owners, real estate professionals, industrial and manufacturing groups, community members, and other stakeholders for this project (see Appendix A for a summary of stakeholder comments and key findings). A number of people interviewed identified employee availability and desires, appropriateness of the facility and location for their operation, and cost as the top considerations for companies when deciding where to locate. Feedback from an online survey targeted at employees and employers in the project area primarily supported key driver #1 identified in the SPUR Report, regarding location, access to transportation, and employee amenities. (See Appendix B for the results of the online survey and summary of key findings.)

Online Survey Feedback

- Respondents enjoy Hayward’s location, given its proximity to freeways, trails, and where people live.
- Respondents would like to see more commercial/retail opportunities (e.g., places for lunch, coffee shops, restaurants, shopping centers, gyms).
- Respondents support better access to BART, improved sidewalks and bicycle facilities.
- Respondents expressed mixed views on the safety of streets and attractiveness of neighborhood.
- Parking is not generally seen as a problem/concern. Being close to other similar types of businesses was likewise identified as less important.

1.1 Getting There; Why Update the Industrial District Regulations?

The focus of this project is to update the zoning district regulations for the City’s industrial areas. These areas, the Project Area, are shown in Figure A.

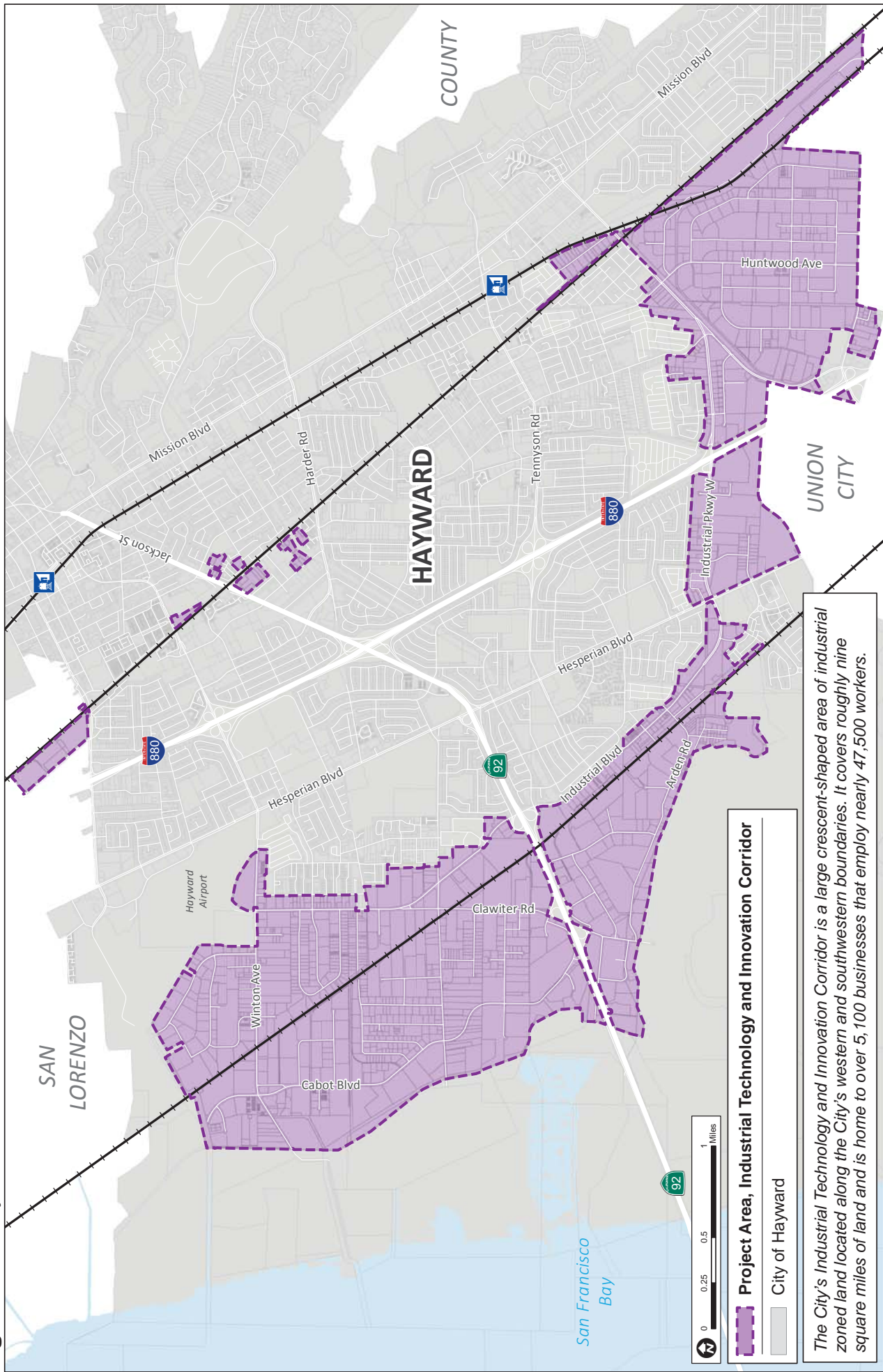
Zoning district regulations translate the policies of a comprehensive land use plan into parcel-specific regulations. Although the City updated its General Plan in 2014, the Industrial District regulations have not been comprehensively updated since 1993. The current regulations have not been revised to reflect changes in the General Plan, nor do they recognize many current advanced technology uses, prioritize desired uses, or allow supportive commercial uses. As such, the existing regulatory framework may be interfering with the City’s ability to reimagine its primary industrial area as an ‘innovation corridor’ and get the type and quality of development that it wants.

Sample Stakeholder Comments

With some companies, aesthetics of the area is a factor, but it’s not necessarily a priority. Ease of access for employees, a facility that meets their needs, loading areas that meets their needs, competitive rent rate-these are what is important.

If you are business owner, you think about ‘Where can we recruit and maintain good employees?’

Figure A | Project Area



Project Area, Industrial Technology and Innovation Corridor

City of Hayward

The City's Industrial Technology and Innovation Corridor is a large crescent-shaped area of industrial zoned land located along the City's western and southwestern boundaries. It covers roughly nine square miles of land and is home to over 5,100 businesses that employ nearly 47,500 workers.

Hayward is not alone in its desire to transition from a manufacturing-based economy to an information-and technology-based economy and to attract high-employment density and high amenity industrial development. Many Bay Area jurisdictions are undertaking similar efforts, including Fremont, San Leandro, and Union City.

The City recognizes the Technology and Innovation Corridor transition requires a multi-pronged approach. This effort to update the Industrial District Regulations is just one of the many efforts City is currently pursuing to implement the Economic Development Strategic Plan and increase its competitive strength in attracting and retaining desired industries.

This Report

This report presents the background research and land use analysis conducted as the first step of the Industrial District Regulations update effort. This research and analysis was conducted to gain an understanding of the Industrial Technology and Innovation Corridor’s physical and regulatory strengths and weaknesses and determine if there are alternative approaches for regulation in Hayward’s industrial districts that would better implement the General Plan. It summarizes the principal findings and conclusions of the Consultant Team’s work and recommends a number of ways that the current regulatory approach could be improved to meet the overall objectives of the update.

Parallel Efforts: Cannabis Manufacturing and Sales

In June 2017, the State legislature passed Senate Bill 94, which was intended to establish a comprehensive system to control and regulate the cultivation, distribution, transport, storage, manufacturing, processing, and sale of medical cannabis and medical cannabis products and adult-use cannabis and cannabis products. The City will need to adopt local cannabis regulations by January 1, 2018; otherwise, State regulations will govern and the City will have no local discretionary review abilities.

Legalization of recreational marijuana will bring challenges to the City of Hayward to ensure compliance with growing, processing and distribution of cannabis products, including hazardous materials used to grow and refine the products, and the handling of combustible waste, in addition to design, safety and security challenges.

In late 2017, the City Council is slated to adopt municipal code amendments to allow commercial cannabis sales, cultivation, testing and manufacturing uses throughout the City. Based on the proposed regulations, various cannabis-related uses would be permitted or conditionally permitted in the Industrial District as follows:

- *Cannabis testing facilities, which would have similar operational characteristics to laboratories, would be permitted as a primary use or subject to Administrative Use Permit approval in the Industrial District.*
- *Commercial Cannabis Cultivation would be subject to regulations based on size. Smaller-scale Cultivation businesses containing 5,000 square feet and less would be subject to Administrative Use Permit approval in the Industrial District; and large-scale Cultivation operations that exceed 5,000 square feet would be subject to Conditional Use Permit approval in the Industrial District.*
- *Commercial Cannabis Manufacturing. The State has designated two types of commercial cannabis manufacturing activities. Level 1 facilities involve the use of non-volatile solvents or no solvents for the manufacturing process and Level 2 facilities may involve use of volatile solvents, such as butane. Level 1 manufacturing facilities would be subject to a Conditional Use Permit in the Industrial District, and Level 2 facilities would not be permitted.*
- *All Commercial Cannabis operations would be subjected to the general regulations and use-specific requirements to ensure public safety and minimize potential impacts to other sensitive land uses including but not limited to provision of security plans, odor control plans and sustainability plans.*

These regulations are expected to be codified in the Industrial District prior to the regulations update contemplated by this report.

This page intentionally left blank.

1 DISTRICTS AND SUBDISTRICTS

Zoning, simply stated, is the division of a city into districts and the prescription and application of a uniform set of regulations in each district. The zoning districts, and their land use and development and design standards, are intended to implement General Plan land use designations and reflect differences in character among different areas.

The challenge is to devise a zoning district framework to effectively implement the policies and land use designations in the City's General Plan; providing sufficient distinction to reflect differences in character and context without overcomplicating the approach.

1.1 Existing Setting

The General Plan Land Use Diagram expresses the intended use of land throughout the City through land use designations. The Land Use Diagram is largely implemented through the City's zoning regulations, including zoning district use regulations and development standards. Many land use designations have more than one corresponding zoning district, which allows a more detailed interpretation of the Land Use Diagram based on existing uses, neighborhood conditions, and other considerations.

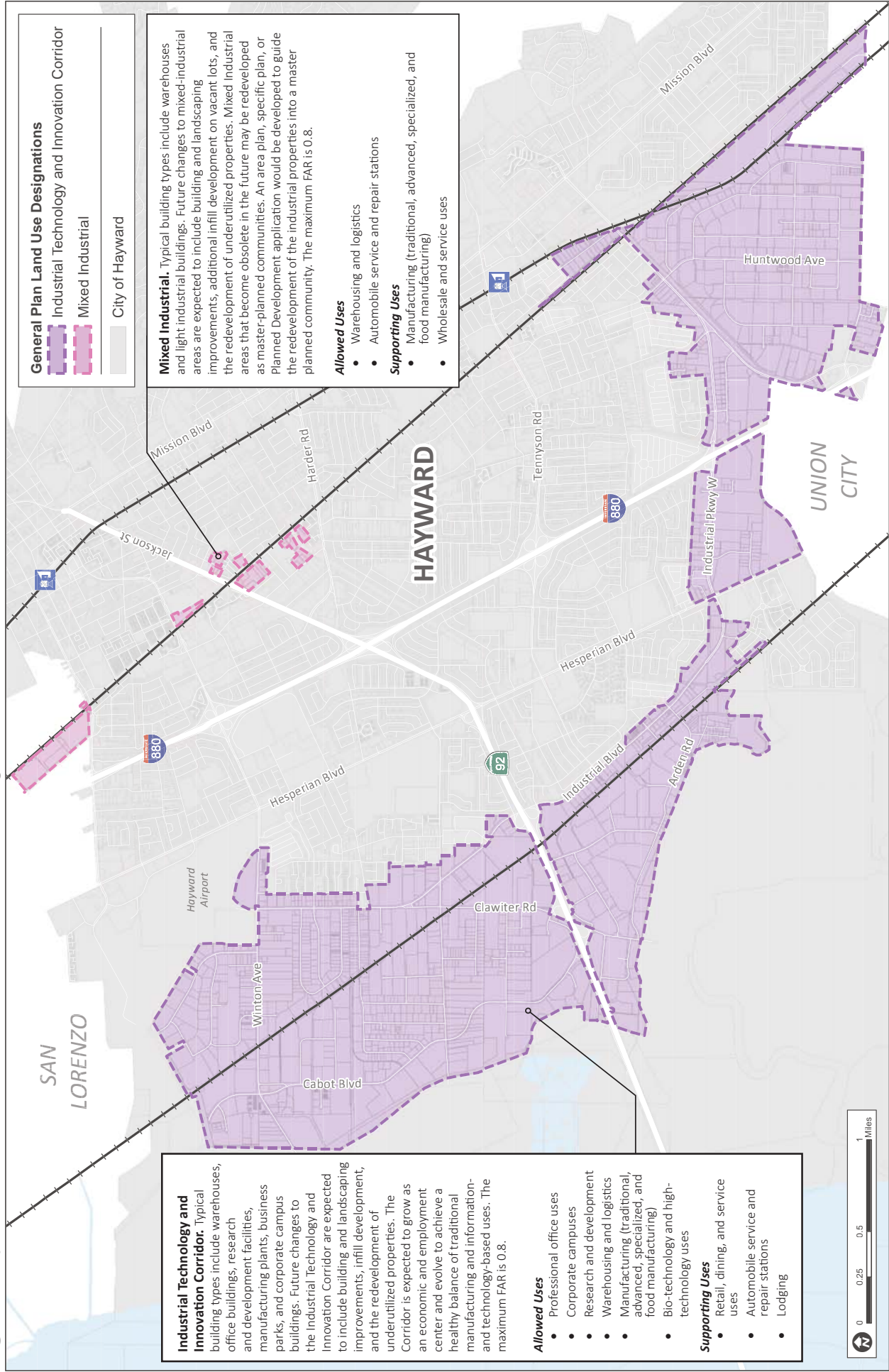
General Plan Land Use Diagram

Hayward's General Plan Land Use Diagram identifies two Industrial Land Use Designations which make up the Project Area; Industrial Technology and Innovation Corridor and Mixed Industrial (Figure B: Industrial General Plan Land Use Designations).

The *Industrial Technology and Innovation Corridor* applies to the large crescent-shaped industrial area located along Hayward's western Urban Limit Line and southwestern city limits and contains approximately nine square miles. The Corridor is the main employment area of the City and the General Plan identifies it as an important economic asset that needs to be protected and enhanced. General Plan policies for the Industrial Technology and Innovation Corridor support land use changes that will help Hayward transition from a manufacturing-based economy to an information- and technology-based economy.

The second Industrial Land Use Designation, *Mixed Industrial*, generally applies to older industrial properties within the central part of the City. Mixed Industrial properties are typically located near railroad tracks and are generally surrounded by residential neighborhoods and commercial uses. There are 67 acres designated Mixed Industrial.

Figure B | Industrial General Plan Land Use Designations



Zoning Districts

The City contains three Industrial Zoning Districts: Industrial (I), Business Park (BP), and Light Manufacturing, Planning/Research and Development District (LM). The Planned Development (PD) District, Air Terminal—Aviation Commercial (AT-AC) District, and Air Terminal—Industrial Park (AT-IP) District also apply to lands in the Industrial General Plan Land Use Designations. The correspondence between the City’s Industrial General Plan Land Use Designations and zoning districts is presented in Table 1 and shown in Figure C: Industrial General Plan Land Use Designations and Zoning. The purpose of each district follows. The use regulations and development standards of each district are intended to implement the specific district purpose.

Industrial (I) District. The purpose of the Industrial (I) District is to provide for and encourage the development of industrial uses in areas suitable for same, and to promote a desirable and attractive working environment with a minimum of detriment to surrounding properties.

Business Park (BP) District. The BP District is intended to provide for establishment of high quality business office parks in a campus environment at key locations within the Industrial Corridor.

Light Manufacturing, Planning/Research and Development (LM) District. The LM District is intended to provide for limited manufacturing and other light industrial uses within the Industrial Corridor which are compatible with business parks and adjacent residential areas.

Air Terminal Districts – The purpose of the AT Districts are to provide the City with a unique special area occupied primarily by commercial, industrial and public uses that are aviation-oriented. High performance industrial and commercial facilities are encouraged provided that they are not of a nature that might be hazardous to the Airport’s Operation. The Airport property is owned and managed by the City of Hayward therefore the City has control over tenants, uses and development on the AT-zoned properties.

Air Terminal—Aviation Commercial (AT-AC) District. The purpose of the AT-IP Subdistrict is to provide for and encourage the development of industrial uses in suitable areas and to promote a desirable and attractive working environment with a minimum of detriment to surrounding properties and uses.

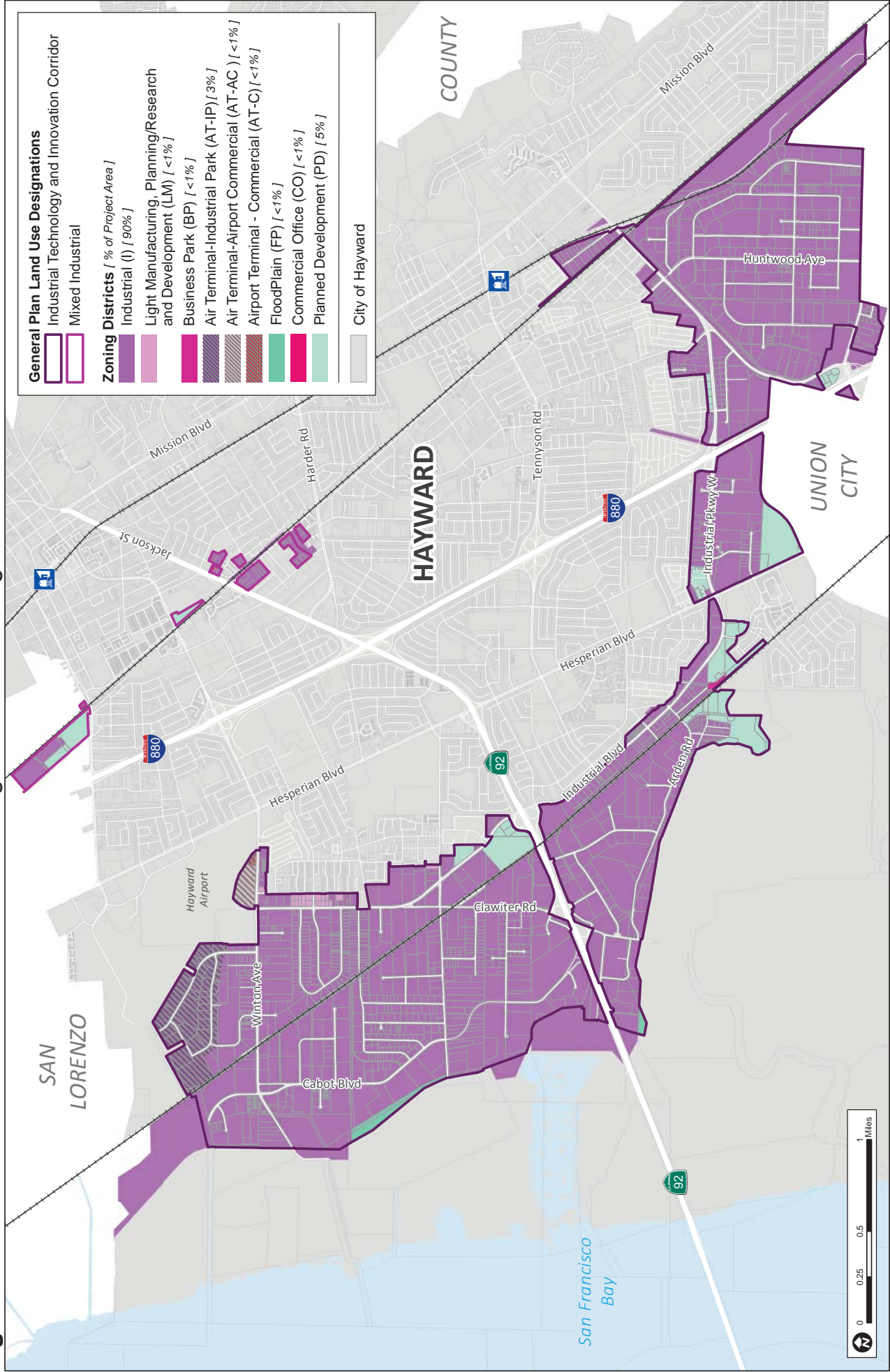
Air Terminal—Industrial Park (AT-IP) District. The purpose of the AT-AC Subdistrict is to provide for commercial and service activities that are clearly related to or supportive of the operational aspects of the Air Terminal.

The ***Planned Development (PD) District*** allows flexibility in the use and development of property. Land uses permitted in any other zoning district may be permitted in the PD District. The development standards applicable to uses most similar in nature and function to the uses proposed in the PD District apply. The PD District does not necessarily stipulate additional design criteria, site improvements, or off-site infrastructure.

TABLE 1: GENERAL PLAN DESIGNATION/ZONING DISTRICT CORRESPONDENCE

<i>Zoning District</i>		<i>General Plan Land Use Designation</i>	<i>Land Area (acres)</i>
I	Industrial	Industrial Technology and Innovation Corridor	2,931.0
		Mixed-Industrial	45.0
BP	Business Park	Industrial Technology and Innovation Corridor	2.2
LM	Light Manufacturing, Planning/Research and Development	Industrial Technology and Innovation Corridor	11.7
AT-AC	Air Terminal—Aviation Commercial	Industrial Technology and Innovation Corridor	14.7
AT-IP	Air Terminal—Industrial Park	Industrial Technology and Innovation Corridor	107.6
PD	Planned Development	Industrial Technology and Innovation Corridor	149.2
		Mixed-Industrial	21.3

Figure C | Industrial General Plan Land Use Designation and Zoning



1.2 Issues and Strategies

While a number of distinct zoning districts apply to the Industrial General Plan Land Use Designations, the majority of the area in the Industrial General Plan Land Use Designations, over 80%, is within a single zoning district, the Industrial Zoning District. The result is a ‘one size fits all’ approach where virtually all areas within the Industrial General Plan Land Use Designations are subject to the same use regulations and development standards with little variation to reflect different character and context.

An advantage of this approach is the predictability it offers both property owners and developers with respect to what the zoning permits on any parcel in a district. A disadvantage of this approach is that it does not work as well in areas that contain a wide variety of land uses or of development conditions, such as differing lot sizes, building heights, or adjacent land uses. Where the regulations and standards are relatively tight, this ‘one-size-fits-all’ approach results in a relatively homogenous character within the district, which is typically reflected in a similarly uniform pattern of development. Where the regulations and standards are broad, this ‘one-size-fits all’ approach results in a wide variety of uses and development patterns with little or no unifying factor or identity. Hayward’s industrial area fits into this second category. The relatively broad and permissive nature of the industrial regulations, combined with the large area of land within the industrial district (approximately 9 square miles); variety of parcel sizes (11,000 square feet to hundreds of acres), configuration, and characteristics; timing of development; and ownership pattern, has had the effect of no specific pattern of development throughout the district and an overall lack of distinct identity or sense of place.

Many jurisdictions incorporate the use of subdistricts to reflect unique characteristics and needs of individual areas, respond to the changing nature of industrial uses and development, and to promote specific General Plan policies. Traditionally, this has consisted of ‘light’ and ‘heavy’ industrial or manufacturing subdistricts. Increasingly, jurisdictions have further refined this approach by including more types of industrial subdistricts, such as those promoting research and development, manufacturing, and other targeted uses or those with specific standards to allow residential or react to proximity to residential uses.

For example, the City of San Carlos implements its Planned Industrial General Plan Land Use Designation through four zoning subdistricts; IL (Light Industrial), which permits a variety of industrial uses including light industrial, bio-tech, and warehousing; IH (Heavy Industrial), which permits a variety of industrial uses including heavy industrial and warehousing; IA (Industrial Arts), which focuses on the promotion of small-scale industrial and manufacturing uses; and IP (Industrial Professional), which focuses on office, medical, research and development, and other large scale, professional uses. Table 2 provides the various types of industrial subdistricts utilized by a sample of other Bay Area jurisdictions. Note how jurisdictions can use zoning language to characterize the types of areas that they are seeking to develop through labeling such as manufacturing, employment, research, production, distribution, office park or standard light, medium and heavy industrial districts.

TABLE 2: SAMPLE INDUSTRIAL SUBDISTRICTS IN BAY AREA CITIES

<i>City</i>	<i>District</i>	<i>Subdistrict</i>
Emeryville	Industrial Zones	INL Light Industrial Zone
		INH Heavy Industrial Zone
Fremont	Industrial Districts	I-S Service Industrial
		I-T Tech Industrial
		I-G General Industrial
	Warm Springs Innovation (WSI) District	WSI-1 Fremont Boulevard
		WSI-2 Old Warm Springs Boulevard-North
		WSI-3 Old Warm Springs Boulevard-South
		WSI-4 Innovation Way
		WSI-5 Lopes Court
		WSI-6 Southwestern
		WSI-7 Grimmer Boulevard-North
		WSI-8 BART Area
		WSI-9 Warm Springs Boulevard-East
		WSI-10 Warm Springs Court
Newark	Industrial Districts	MT-1 High Technology Park
		MT Industrial Technology Park
		MP Industrial Park
		ML Limited Industrial
		MG General Industrial
Palo Alto	Office, Research, Industrial, and Manufacturing Districts	MOR Medical Office and Medical Research
		ROLM Research, Office, and Limited Manufacturing
		RP Research Park
		GM General Manufacturing
San Francisco	Production, Distribution, and Repair (PDR) Districts	PDR-1-B: Light Industrial Buffer
		PDR-1-D: Design
		PDR-1-G: General
		PDR-2: Core Production, Distribution, and Repair
San Leandro	Industrial Districts	IL Industrial Limited
		IG Industrial General
		IP Industrial Park
		IT Industrial Transition

TABLE 2: SAMPLE INDUSTRIAL SUBDISTRICTS IN BAY AREA CITIES

<i>City</i>	<i>District</i>	<i>Subdistrict</i>
Oakland	Industrial Zones	M-20 Light Industrial Zone
		M-30 General Industrial Zone
		M-40 Heavy Industrial Zone
		CIX-1 Commercial Industrial Mix - 1 Zone
		CIX-1A West Oakland Plan Area Commercial Industrial Mix - 1A Zone (Business Enhancement)
		CIX-1B West Oakland Plan Area Commercial Industrial Mix - 1B Zone (Low Intensity Business)
		CIX-1C West Oakland Plan Area Commercial Industrial Mix - 1C Zone (High Intensity Business).
		CIX-1D West Oakland Plan Area Commercial Industrial Mix - 1D Zone (Retail Commercial Mix)
		CIX-2 Commercial Industrial Mix - 2 Zone
		IG General Industrial Zone
IO Industrial Office Zone		
South San Francisco	Employment Districts	BC Business Commercial
		BTP Business Technology Park
		FC Freeway Commercial
		MI Mixed Industrial
Union City	Industrial Districts	MG General Industrial
		ML Light Industrial
		MS Special Industrial
		RDC Research and Development Campus

Key Sites

While zoning subdistricts reflect differences in character, the development or redevelopment of key sites also has the ability to establish a new or changed character of an area. Due to the scarcity of land and infrequency of significant redevelopment, these key site redevelopment opportunities don't often arise. In Hayward, the most immediate opportunity is the Gillig site, an approximately 34-acre site that was used for bus manufacturing until the operation recently moved to Livermore.

When there is an opportunity for development or redevelopment of key sites such as Gillig, it is important that the change in character furthers the community's vision for the area. This is particularly important in areas where change or transformation is envisioned. Application of conventional zoning such as the City's current I District, can produce mediocre effects as the use limitations and development standards apply to a broad area and may not reflect site specific characteristics. A flexible, comprehensive planning approach, through a planned development, master plan, or similar planning program, can offer more innovative land development opportunities, allow the integration of uses, and encourage a higher level of design.

Sample Stakeholder Comments

It's okay to require a basic master plan for larger sites, with enhanced site improvements that are logical.

There are minimal retail opportunities - but absolutely, hotel, retail, and restaurant uses in a campus setting on a Gillig-like, large master plan site makes sense.

Gillig redevelopment - mix of heights and uses to give it an industrial campus feel; master plan for that area would be appropriate as it's the first entry point into Hayward. Could see combo of retail, biotech, hotel, restaurant but not distribution.

Emeryville's recent transformation began with a couple of large developments; Wareham, which develops biotech spaces, and Novartis. Pixar soon followed, designed as a closed-off campus which doesn't fully engage with the rest of the City. The City of Emeryville now requires a Planned Unit Development for any site over five acres. One of the major attributes the City requires for new development is a connection to and integration with the surrounding area. In South San Francisco, Genentech was instrumental in establishing the City as a biotechnology hub. South San Francisco city staff stated the Genentech Master Plan played an important role in articulating and illustrating the desired type of development.

In Fremont's Warm Springs Innovation District, a master plan is required on all sites of five or more acres. This requirement is in recognition that it will take time for land use targets of the Warm Springs Community Plan to be met. The master plan process allows land owners and developers to commence development, with the development standards and floor areas consistent with the master plan, while the City is assured overall achievement of Community Plan targets, including pedestrian infrastructure to connect to BART among other on- and off-site improvements.

In 2015, the City of Hayward took this key site master development approach with the approval of a Planned Development District for the Shea Industrial Park development at the southwestern edge of the Industrial and Innovation Corridor. The Development Plan assumed up to 274,998 square feet on 14.63 acres (0.43 FAR). The PD District resulted in the development of four Class "A" light industrial buildings with a detailed and specific set of land uses such as manufacturing, warehousing, assembling, office, and/or sales, intended to create an employee-rich node for advanced industries. The format of flexible uses required development of

smaller footprint buildings compared with traditional large industrial use buildings, accommodating both at grade loading docks (i.e. roll-up doors) and limited truck wells. While the Planned Development District included robust frontage and site landscaping requirements, the City could have used this as an opportunity to require employee amenities and stronger connections to the nearby commercial areas.

1.3 Opportunities and Recommendations

Recommendation 1-A: Add New Subdistricts to Reflect Differences in Character

To implement the goals and policies of the General Plan, the City should consider adopting industrial subdistricts into its existing zoning framework. The new subdistricts would further refine the Industrial Technology and Innovation Corridor and the Mixed Industrial General Plan Land Use Designations and reflect differences in character, development patterns, and overall context. Care should be taken, however, to preserve the integrity of each area and continue the City's historic approach of protecting sensitive uses, such as residential, day care, schools, community assembly, and medical facilities, from hazards and other impacts from heavy industry such as noise, large vehicle traffic, noxious odors, and hazardous materials.

Hayward's industrial area encompasses a large area with a diverse range of settings—from large lot heavy industrial to industrial parks with mature landscape and uniform streetscapes to small lot industrial adjacent to residential; from new and state-of-the art facilities to older industrial uses with few site improvements. The location and general character of a variety of areas are illustrated in Figure D: Industrial District Character Areas.

The primary factors that contribute to the difference in context of the areas are: the size of the parcels, residential adjacency, mix of uses, timing of development, and whether the area was developed on a lot-by-lot basis or as part of a coordinated development. While there is a wide range and mix of uses throughout the entire industrial area, there are some areas where certain uses are more prominent, such as research and development and biotech node near State Route 92 and retail, service commercial, and lighter industrial uses in areas with a closer proximity to residential areas. Building design, site development features, street improvements, and landscaping are all a reflection of the time of development. Subjecting all of these areas to a single set of rules and regulations would not recognize differences such as how the parcel configuration and context along Cabot Boulevard is distinctly different than that of Saklan Road.

In devising a subdistricting approach for the Industrial Districts, it is crucial to consider these differences in character and context and the needs of individual areas. It is also important to strike the right balance—too few subdistricts will not adequately address the needs of individual areas; too many subdistricts will complicate administration.

The City should consider implementing the General Plan Industrial Land Use Designations with three Industrial subdistricts:

- ***IG (General Industrial)***. This subdistrict would allow the widest variety of industrial uses including heavy industrial and warehousing/distribution uses. It would apply in areas with a variety of parcel sizes and where a wide range of general industrial uses already exist. Development standards would focus on well-designed frontages along key corridors with more flexibility in other areas.
- ***IP (Industrial Park)***. This subdistrict would be intended to create or maintain an industrial park or campus-like atmosphere. It would apply in areas with generally larger parcel sizes and uniform streetscapes, as well as areas with existing or potential industrial park development. A variety of industrial, manufacturing, and high technology uses would be allowed, but this subdistrict would be more restrictive for heavy industrial uses than the General Industrial subdistrict. Warehousing and distribution uses would still be allowed, provided buildings and site development were designed with an office appearance or with flexibility to transition to a manufacturing or research and development use. Retail and service uses that serve local employees and visitors would also be permitted either as part of a larger development or as stand-alone uses on smaller sites. Development standards would focus on creating and maintaining frontages that give the look and feel of integrated development, consistent with an industrial park or campus-like atmosphere.
- ***IL (Light Industrial)***. This subdistrict which would permit a variety of light industrial uses taking place primarily within enclosed buildings and producing minimal impacts on nearby properties. It would be the most restrictive of all the subdistricts on outdoor use, heavy industry, and warehousing and distribution and be the most permissive on non-industrial uses such as office, retail, and service commercial uses. Uses with combined manufacturing and retail components, such as breweries, furniture making, and food production uses, would be allowed. Other uses, such as institutional or hotel uses, may be allowed with a finding of compatibility. This subdistrict would be applied to areas that generally contain small parcels and are located in relatively close proximity to residential areas. In areas adjacent to residential districts, development standards would be tailored to address potential incompatibilities, incorporating items such as additional setbacks, height limitations, and screening requirements.
- ***AT Subdistricts***. The AT-I and AT-C subdistrict boundaries would remain in place. While minor modifications to the use regulations and development standards may be considered through this project, the existing development standards and use regulations set forth in the Hayward Municipal Code would largely remain.

This approach is represented in Figure E: Conceptual Industrial Subdistricts.

Recommendation 1-B: Provide Purpose Statements to Reflect the Character and Intent of Each Subdistrict

The City should supplement this new set of subdistricts with purpose statements to clarify the overall purpose of the Industrial Districts as well as the more specific intent of each subdistrict. Purpose statements clarify the distinctions among subdistricts and ensure that each subdistrict is clearly complementary to others. The purpose statement should explain in general language the objectives of the subdistrict and how it fits into the City's land use policy. These statements serve as a guide for specifying use regulations and development and design standards. They also provide a basis for the findings required for action on discretionary permits.

Recommendation 1-C: Require Master Plans for Development or Redevelopment of Key Sites

To ensure the development or redevelopment of key sites provide a catalyst for transformation of the industrial area consistent with the General Plan, the City should consider requiring a 'master plan' or similar planning program that provides for coordinated development and is subject to discretionary review. A new 'master plan' process that addresses physical layout, development, and site improvements could be implemented which would leave the applicable base industrial sub-district zoning and allowable uses in place while ensuring coherent on- and off-site development.

A 'master plan' or similar planning program could be required for new development or significant redevelopment of a site over a certain size. Figure F shows the parcels in the project area by size in 5 acre increments. There are 97 parcels in the project area between 5 and 10 acres in size. 30 parcels are between 10 and 15 acres in size. 22 parcels, including the Gillig site, are over 15 acres in size. As noted above, other jurisdictions (Emeryville, Fremont) require approval of a Master Plan for sites that are five acres or more. The City could require that all parcels over a certain size (i.e. 10 acres) requires Master Plan Review or further narrow down any of these categories by applying the master plan requirement only to parcels over a certain size in certain key locations, such as near State Route 92.

The 'master plan' or similar planning process can be useful for projects that build out in phases, such a single-user campus, allowing infrastructure, improvements, amenities, and necessities such as parking to be constructed in over time. This type of process can also allow for stream-lined CEQA review, by allowing individual projects to tier off of a CEQA document prepared for the master plan as a whole. Once the master plan is approved, individual buildings would undergo streamlined review for compliance with the master plan.

The plan would include a list of uses, range of floor areas and development standards, circulation plan, and landscape plan. Ranges would allow for some flexibility as the market and the owners' needs change over time, standards and guidelines provide certainty for the City about the types of improvements that are required, and the level of design expected. Through the master plan requirements, the City could also create a framework for transportation demand management requirements, including a shuttle to/from BART. The master plan process could allow for creative development projects that provide greater amenities, a wider mix of uses, and better design than would otherwise result.

Figure D | Industrial District Character Areas

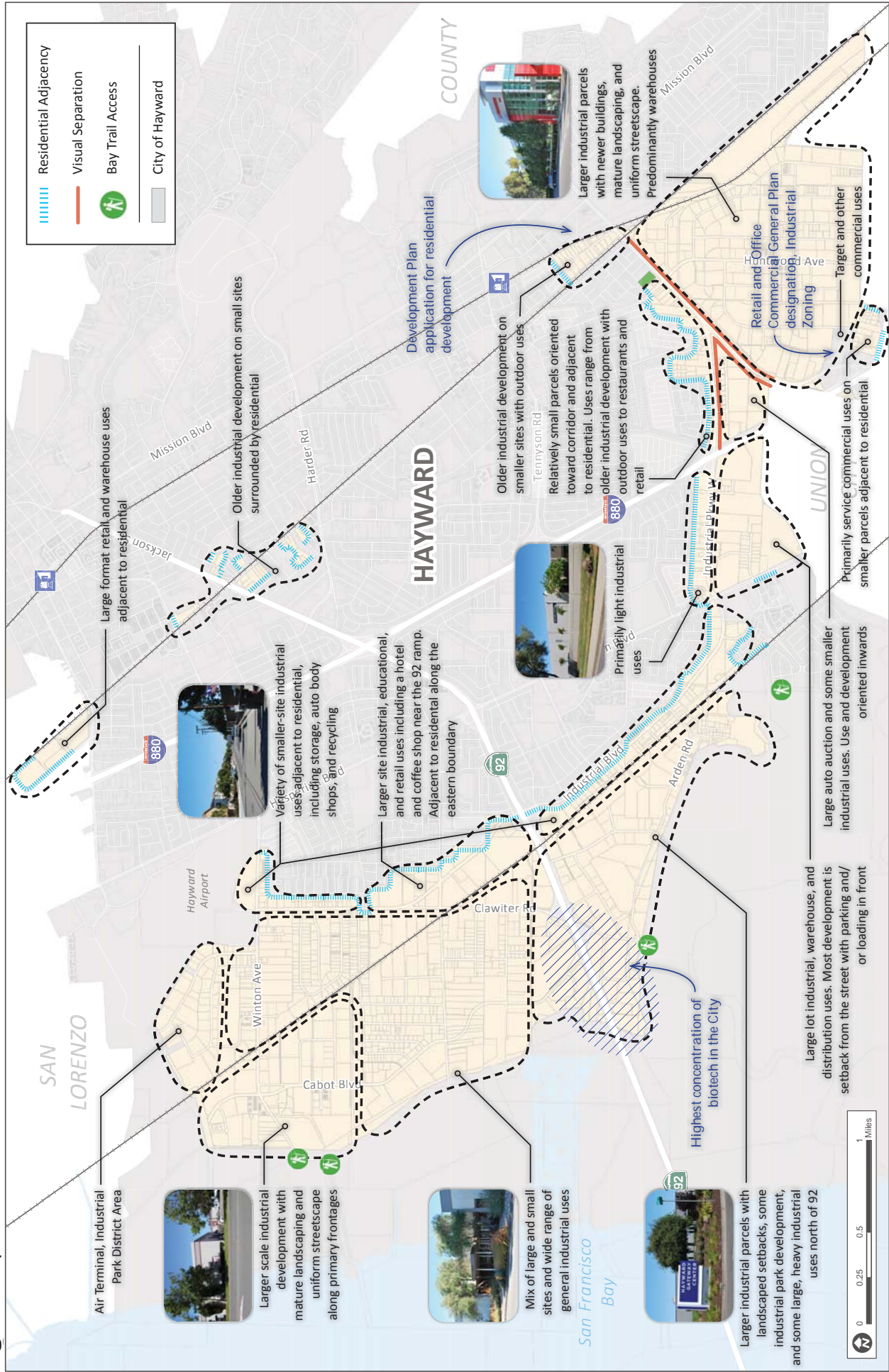
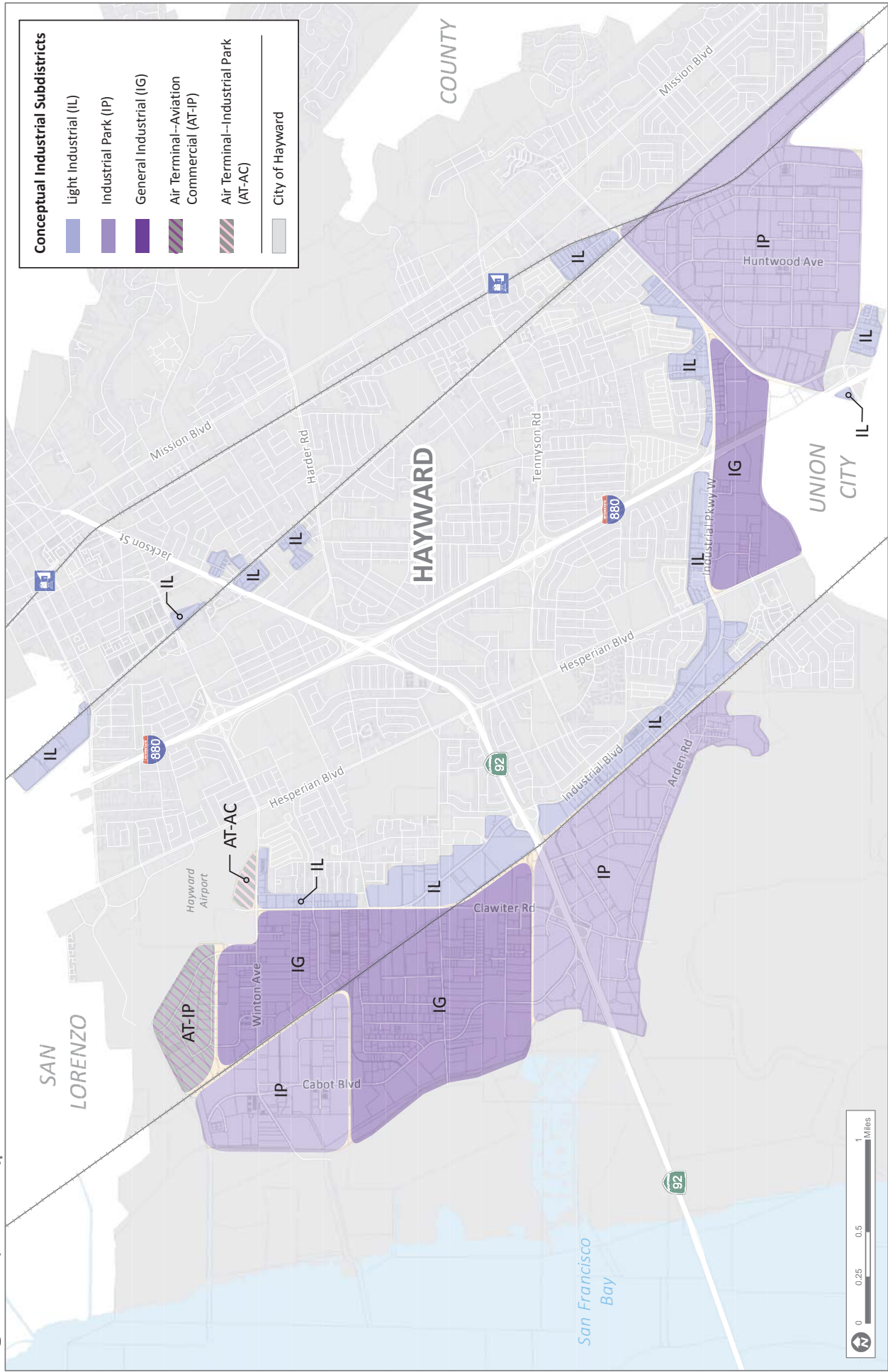


Figure E | Conceptual Industrial Subdistricts

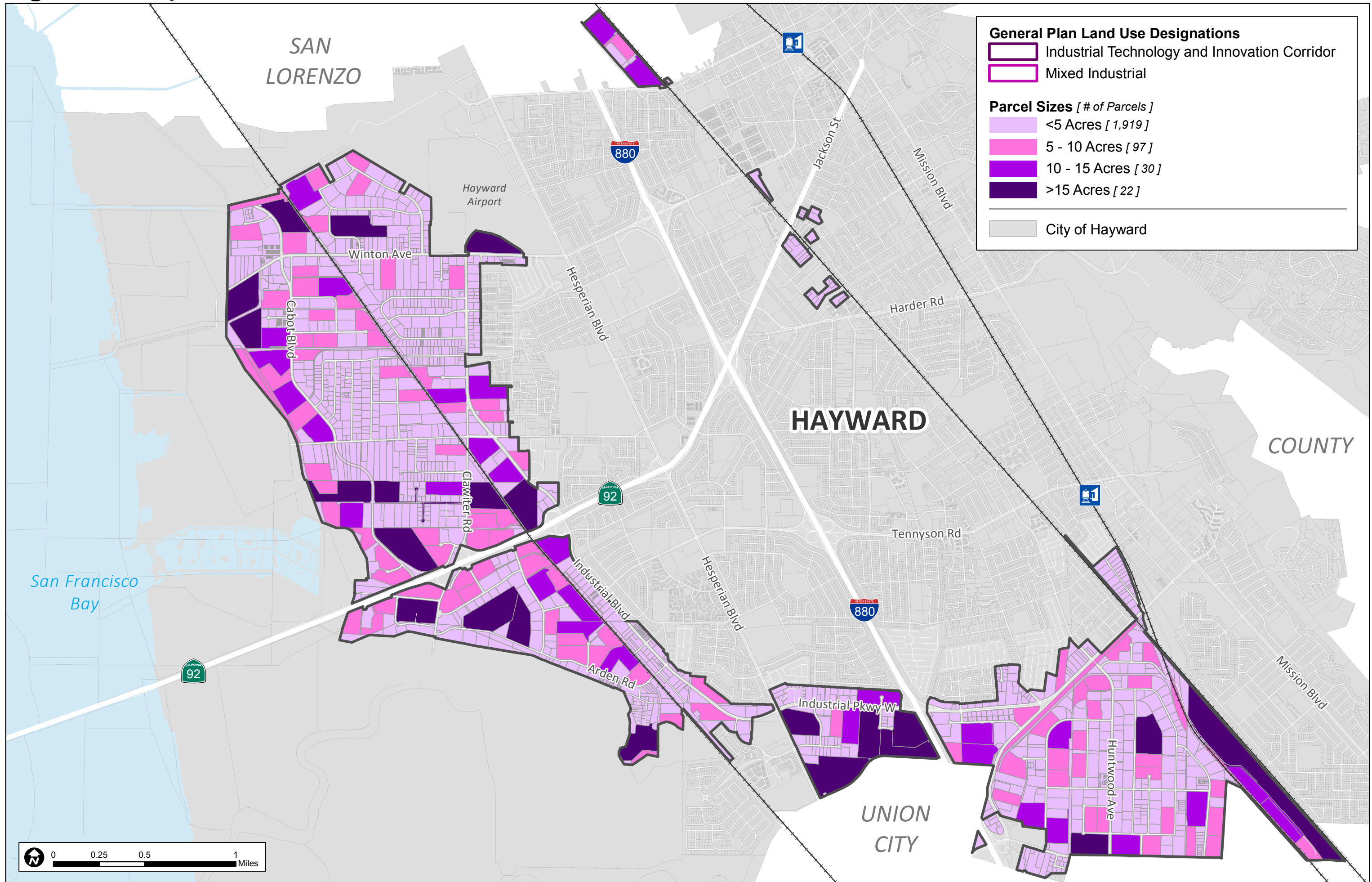


Conceptual Industrial Subdistricts

- Light Industrial (IL)
- Industrial Park (IP)
- General Industrial (IG)
- Air Terminal-Aviation Commercial (AT-IP)
- Air Terminal-Industrial Park (AT-AC)
- City of Hayward



Figure F | Project Area Parcel Sizes



This page intentionally left blank.

2 REGULATION OF LAND USES

Use regulations detail the type of uses that are allowed, the review process, and specific limitations that apply to a particular activity or use. Use regulations have traditionally been used to separate incompatible land uses, minimize nuisances, and limit adverse effects on neighboring properties. Traditionally, industrial districts were the most permissive zoning district, allowing a wider range of uses than other districts such as residential or commercial. In fact, many early zoning ordinances utilized a ‘pyramid zoning’ approach to use regulations where each zoning district allowed a certain group of uses in addition to all other uses allowed in a more restrictive zoning district. Industrial districts were the most permissive, therefore allowing all the uses allowed in any other zoning district, in addition to industrial district-specific uses. As cities have grown and infill development has become more common, attention has turned toward applying more limitations on uses in industrial areas either to accommodate or encourage a specific use pattern or to protect against the encroachment of uses which may impact the viability of industrial operations.

2.1 Existing Setting

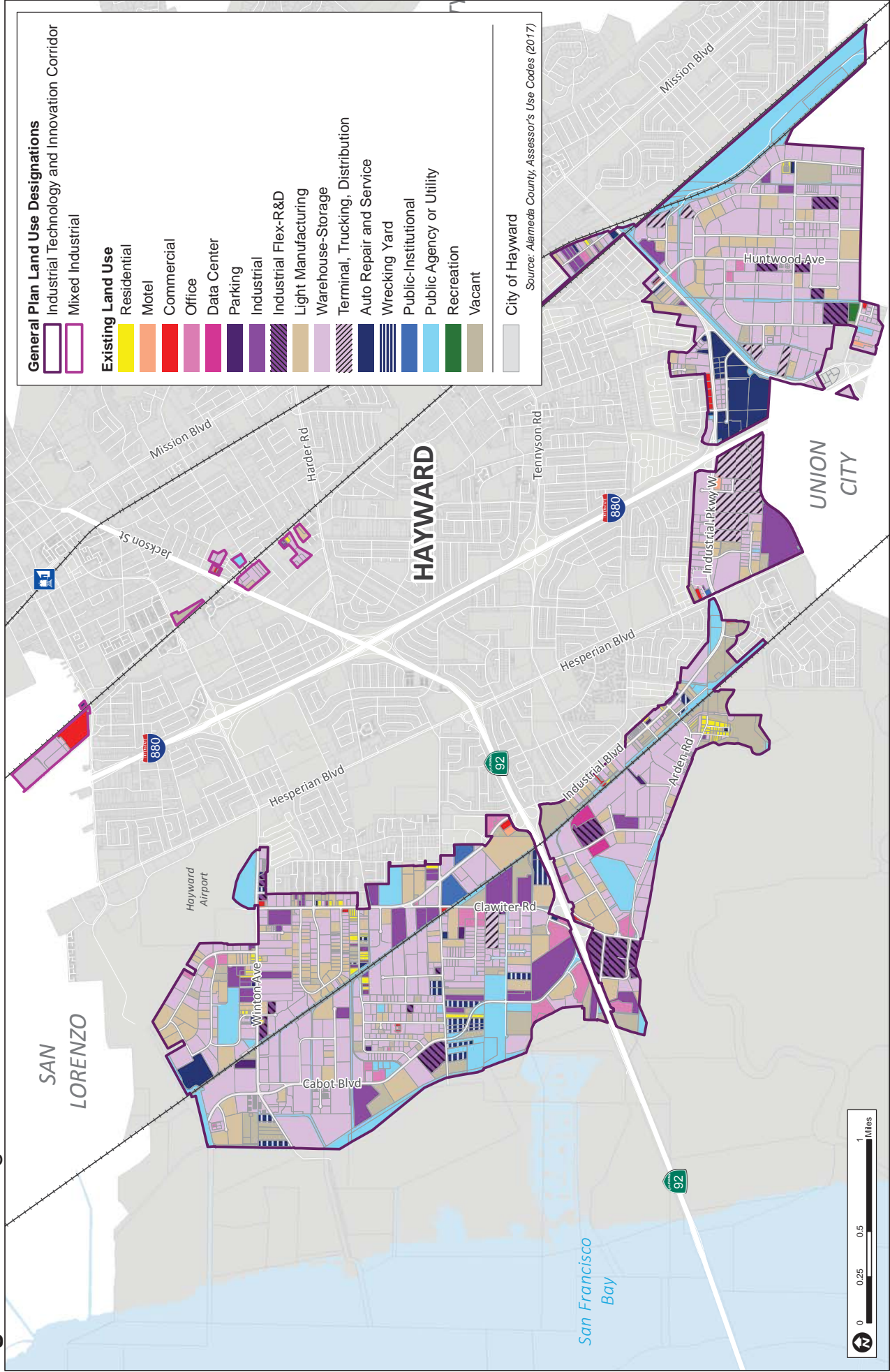
Due to its centralized Bay Area location, freeway access, and relatively low land costs, Hayward’s industrial area has attracted a wide variety of warehouse and distribution facilities, food manufacturing companies, bio-technology firms, and high technology businesses. These uses are located throughout the industrial area, on both large and small sites.

Figure G: Industrial Area Existing Land Use shows existing land use within the industrial area based on parcel data obtained from the County Assessor. Table 3 summarizes land uses and acreages.

TABLE 3: EXISTING LAND USE SUMMARY		
<i>Land Use</i>	<i>Acres</i>	<i>% of Project Area</i>
Residential	24.56	1
Motel	4.77	>1
Commercial	24.79	1
Office	66.07	2
Data Center	10.16	>1
Parking	7.83	>1
Industrial	206.36	6
Industrial Flex-R&D	94.72	3
Light Manufacturing	392.76	12
Warehouse/Storage	1,511.15	46
Terminal, Trucking, Distribution	102.48	3
Auto Repair and Service	88.15	3
Wrecking Yard	43.46	1
Public/Institutional	16.88	1
Public Agency	466.5	14
Recreation	3.34	>1
Vacant	243.36	7

Source: Alameda County Assessor's Office.

Figure G | Existing Land Use



Hayward Fire Department

The Hayward Fire Department provides a variety of prevention, preparedness and emergency services within the City of Hayward. The mission statement of the department is to “Protect lives and property by providing superior fire suppression and emergency medical services (EMS), supported by prevention through responsible regulatory and educational programs.”

The Fire Department has been working on preparedness, mass notification and the development of a Citywide emergency operation center. However, as the City considers changes to the zoning ordinance and creating multiple districts with potentially mixed, higher density uses that favor higher tech industries, consideration should be made as to the impacts and retooling needs of the Fire Department services. This would include the prevention, preparedness and emergency response efforts such as staffing, training, equipment and coordination within the project area.

Fire Prevention

The City of Hayward Fire Department through the Fire Marshal’s Office administers and enforces the California Fire Code as adopted by the City of Hayward. The Fire Department provides Plan Check Services to businesses including those in the industrial area. In recent years the trend for high-tech industries and large-scale storage and distribution warehouses along with alternative energy sources, such as solar arrays, fuel cells and batteries has increased the complexity of analysis related to requirements for appropriate fire protection apparatus, adequate water supply and access for the hazards that are proposed.

Hazardous Materials Use

The City is home to nearly 1,000 businesses that house various hazardous materials, the majority of which are located within the Project Area. These hazardous material facilities are diverse in size, nature of activities, and quantities of hazardous materials involved in their operation.

Many are automotive-related such as body shops, service stations, and general and specialty repair and maintenance garages, and corporation yards. Manufacturing companies produce buses, various specialty foods, packaging materials, medical devices, soap, detergents and other cleaning products, adhesives, sealants, paints and other chemical, pharmaceutical and cosmetic preparations, and products fabricated from wood, metal and plastic. Recycling facilities in the City include e-waste, medical waste, and concrete and building materials’ recycling (some of which are regulated by the State). Retailers and wholesalers include department stores, liquefied petroleum gas (LPG) terminals, storage batteries, and other specialty stores.

There are also service companies, government-owned or private, engaged in dry cleaning, printing, photofinishing, pest control, funeral and cremation, recycling, construction, warehousing and distribution, transportation and delivery, telecommunication, air transportation terminal, sanitation and sewage collection, water distribution, flood control, and fire, police and medical emergencies.

The Hazardous Materials Coordinator in the Fire Prevention Office oversees hazardous materials compliance and maintains information regarding the hazardous materials sites throughout the City. The City is a Certified Unified Program Agency and works to implement the City's Unified Hazardous Materials and Hazardous Waste Management Program.

Emergency/Disaster Preparedness

The City of Hayward has programs for emergency and disaster preparedness. Programs are available for City residences and businesses including in the Industrial Zoned areas. These programs include Community Emergency Response Team (CERT) training, earthquake preparedness, and preparedness/emergency notifications.

As high-tech businesses are targeted by the City for growth in conjunction with a potential of mixed uses in the industrial areas along the Hayward Bay margin, there may be situations where hazardous materials, natural disasters and/or other emergency incidents occur in combination, or independently of each other. The Fire Department has been working on preparedness, mass notification and the development of a Citywide emergency operation center. Code Red is a tool the Hayward Fire Department utilizes to do mass broadcasting via phone and email to notify citizens and businesses during emergencies. It can be used to alert people for evacuation routes, sheltering in place, or simply to provide helpful/essential information.

Fire Operations

Fire Operations provide emergency response to the City of Hayward and Fairview Fire Protection District. Within the City, industrial area there has been long term steady growth in the number of businesses, with relatively no growth in staffing. This has provided challenges to ensuring adequate personnel, training and response to the myriad of incidents that occur in the industrial area.

Historically the City Fire Department was a regional leader in Hazardous Materials response. It's fully trained personnel coordinated a regional Hazardous Materials Incident Team with a response rig between San Leandro, Union City and Hayward. However, due to budgetary concerns Hayward discontinued their team. Hayward now relies on Alameda County Fire to the north and Fremont Fire to the south to respond to complicated incidents involving hazardous materials, which may take longer to respond to incidents than a Hayward Fire staffed team. As part of changes to the industrial area the City may want to evaluate the risks posed by new zoning regulations and the needs to have an adequately trained and resourced Fire Department to address the complexities associated with more high-tech facilities and their hazardous materials.

Additionally, as the industrial area fills up with facilities that push the bay margin in flooding or liquefaction zones with potential high-rise buildings to service the high-tech industry, the City may want to look at fully funding Urban Search and Rescue (USAR) teams.

Fire Marshal & Hazardous Materials

The Hazardous Materials section is part of the Fire Marshal's Office. The office oversees over 1,000 hazardous materials facilities in the City of Hayward, with the majority located in the industrially zoned areas. The office provides plan check services, field inspection, emergency response technical assistance and enforcement, and assistance with environmental screening. As part of the Fire Department the Hazardous Materials Office reviews applicable portions of the California Fire Code for projects that include hazardous materials. Additionally, the Hazardous Materials Office assists the Planning Division in the review of projects for potential use permits, hazardous materials threshold levels, and site clearance due to prior hazardous materials use. The Fire Department also assists the Building Department for projects for which such uses would trigger special hazardous occupancies.

In 1997 the City of Hayward Fire Department became one of a few city Fire Departments in the State to be authorized to be a Certified Unified Program Agency (CUPA), which administers State regulations related to hazardous materials and hazardous waste, including those that address aboveground/underground storage tanks, as well as those designated facilities that have materials that could have off site consequences. Whereas most CUPAs are counties, the relatively unique designation of a City Fire Department as a CUPA, has allowed Hayward to streamline processes and review by requiring business that wish to locate or modify their hazardous materials/waste facility in Hayward to deal with only one agency, rather than both the City and the County, as in the case of most CUPAs. Additionally, it has also allowed a closer working relationship among reviewing departments, such as Building, Planning and Fire Prevention and Fire emergency responders.

Recently the City Economic Development at Council direction, has embarked on outreach to attract high-tech businesses, including biotechnology and energy firms. This is slowly changing the make-up of the industrial area from containing simpler types of facilities (such as passive warehousing and distribution facilities) to more complex (such as light manufacturing and assembly, R&D and biotechnology uses). This change will impact the hazardous materials office as well as first responders in that they must all be prepared to address emergencies involving a wider of variety of storage and hazardous materials related industries. Emerging and expanding businesses include:

- Alternative energy – Facilities that research and manufacture energy producing/saving product (i.e., biofuels, solar, natural gas) and power storage products (i.e. battery technology).
- Biotechnology – Facilities that research and make products that are often medical in nature, such as pharmaceutical, genetics, etc.
- General Technology – Facilities that conduct research and production of technology such as vehicles, robotics, computers, data storage, etc.
- Food Production – Facilities that research and conduct general food productions for local food distribution facilities.

With many of these types of businesses, the department is seeing a reduction in the number of larger storage and manufacturing facilities in favor of smaller more targeted high-tech facilities located in business park settings. This will mean the Hazardous Materials section will need to be more versed in the variety of high-tech facilities and chemicals, and will have more facilities to inspect on a regular basis. Provisions should be made to accommodate the staffing and training needs of this section.

General Plan

The General Plan contains policies aimed at helping Hayward transition from a manufacturing-based economy to an information- and technology-based economy. Policies encourage:

- Employee-intensive uses, such as professional office, corporate campuses, research and development, and traditional and specialized manufacturing (General Plan Policy LU-6.1);
- The conversion of obsolete industrial and warehouse distributions space to productive uses such as advance manufacturing, professional office centers, corporate campuses, research and development parks, and flex space (General Plan Policy LU-6.2);
- Incidental commercial uses that support employees and businesses, such as restaurants, business services, business hotels, gas stations, and similar uses (General Plan Policy LU-6.4); and
- Expansion of advanced and specialized manufacturing businesses to counter declining employment trends in traditional industrial manufacturing (General Plan Policy ED-1.5).

As described in Section 1.1, Hayward’s General Plan Land Use Diagram identifies two Industrial Land Use Designations; Industrial Technology and Innovation Corridor and Mixed Industrial. Allowed uses in the *Industrial Technology and Innovation Corridor* land use designation include professional offices, corporate campuses, research and development, warehousing and logistics, manufacturing (traditional, advanced, specialized, and food manufacturing), and bio-technology and high-technology uses. Supporting uses include retail, dining, and service uses; automobile service and repair stations; and lodging. Allowed uses in the *Mixed Industrial Technology and Innovation Corridor* land use designation include warehousing and logistics and automobile service and repair stations. Supporting uses include manufacturing (traditional, advanced, specialized, and food manufacturing) and wholesale and service uses.

Economic Development Strategic Plan

In 2013, the City adopted an Economic Development Strategic Plan in order to create a purposeful and concentrated effort to further establish Hayward as a desirable place to conduct business and to grow the City’s economic base. Goals of the strategic plan include revising the zoning ordinance to encourage the establishment and expansion of knowledge and innovation-based industry clusters, advances and specialized manufacturing businesses, and promote a desirable and attractive amenity-rich industrial environment with minimum detrimental impacts to surrounding community and properties.

Baseline Corridor Report

The Industrial Technology and Innovation Corridor Baseline Study published in March 2015 provided detailed information on the type, location, and employment levels of industrial businesses, identified the economic development benefits of targeting “Advanced Industries,” and identified key issues that needed to be addressed to attract and support this sector’s growth.

The Baseline Corridor Report found that the City has six primary industrial business types:

1. Advance Materials
2. Biomedical, Biotechnical, and Life Sciences
3. Business and Financial Services
4. Food and Beverage Manufacturing
5. Information Technology and Telecommunications
6. Transportation and Logistics

These business types are located throughout the industrial area; while there is no clear geographic cluster of similar businesses except for the cluster of biotech businesses in the southwestern portion of the industrial corridor (Figure D).

Advanced Industries

The most significant staff finding of the baseline data was that the ‘Advanced Industries’ business sector is an overarching business category that connects Hayward’s industrial businesses. Advanced Industry is comprised of over 50 different industries that involve heavy investment in technology innovation and employ skilled

“Advanced industries are the nation’s crown jewel industries because they prime the economy with income, knowledge and technology. In doing so they generate employment, value and progress across the entire economy.”

The Brookings Institution

THE 50 INDUSTRIES THAT CONSTITUTE THE ADVANCED INDUSTRIES SECTOR		
Manufacturing		Energy
Aerospace Products and Parts	Navigation, Measurement, And Control Instruments	Electric Power Generation, Trans., And Distribution
Agr., Construction, And Mining Machinery	Other Chemical Products	Metal Ore Mining
Aluminum Production and Processing	Other Electrical Equipment and Components	Oil and Gas Extraction
Audio and Video Equipment	Other General-Purpose Machinery	
Basic Chemicals	Other Miscellaneous Manufacturing	Services
Clay Products	Other Nonmetallic Mineral Products	Architecture and Engineering
Commercial and Service Industry Machinery	Other Transportation Equipment	Cable and Other Subscription Programming
Communications Equipment	Pesticides, Fertilizers and Other Agr. Chemicals	Computer Systems Design
Computers and Peripheral Equipment	Petroleum and Coal Products	Data Processing and Hosting
Electric Lighting Equipment	Pharmaceuticals and Medicine	Medical and Diagnostic Laboratories
Electrical Equipment	Railroad Rolling Stock	Mgmt., Scientific, And Technical Consulting
Engines, Turbines, And Power Trans. Equipment	Resins and Synthetic Rubbers, Fibers, And Filaments	Other Information Services
Foundries	Semiconductors and Other Electronic Components	Other Telecommunications
Household Appliances	Ship and Boat Building	Satellite Telecommunications
Industrial Machinery	Medical Equipment and Supplies	Scientific Research and Development
Iron, Steel, And Ferroalloys	Reproducing Magnetic and Optical Media	Software Publishers
Motor Vehicle Bodies and Trailers		Wireless Telecommunications Carriers
Motor Vehicle Parts		
Motor Vehicles		

Source: Brookings Institution, 2015

technical workers that develop and apply new technologies to enhance productivity. As a result of key findings related to the benefits of Advanced Industries, the Corridor Baseline Study included a recommendation to explore land use and zoning policies to attract advanced industries.

Zoning

Allowed Uses and Permit Process

In Hayward's Zoning Ordinance, each zoning district includes an exhaustive list of every use allowed by right or by review and approval of a use permit. There are two types of use permits: Administrative Use Permits, which are subject to public notice and review and approval by the Planning Director; and Conditional Use Permits, which are subject to public notice and hearing by the Planning Commission. The Municipal Code also contains an Exclusionary Zoning Ordinance provision that when a use is not specifically listed, it shall be assumed that the use is prohibited.

District Use Regulations

As described in Section 1.1, The City contains three Industrial Zoning Districts: Industrial (I), Business Park (BP), and Light Manufacturing, Planning/Research and Development District (LM). The Planned Development (PD) District, Air Terminal—Aviation Commercial (AT-AC) District, and Air Terminal—Industrial Park (AT-IP) District also apply to lands in the Industrial General Plan Land Use Designations.

The *I District* is the most prominent district, applying to over 80% of the Project Area. Permitted uses in this District include manufacturing, research and development, warehouse, office, laboratory, automobile repair, ancillary retail limited to 10% of first floor area, and minor outdoor storage limited to 10% of the open yard area.

An Administrative Use Permit is required for certain industrial-type uses such as auto towing, storage, and dismantling; contractor's storage yards; breweries; and recycling collection. Certain non-industrial uses, such as restaurants, retail, hotel and motel, commercial recreation, and trade schools, are also allowed with an Administrative Use Permit. Conditional Use Permit approval is required for large format retail establishments, bars, and outdoor, public, and recreational vehicle storage. All of the uses that are permitted in the Industrial District are defined in Section 10-1.3500 of the Zoning Ordinance. However, few of the uses allowed pursuant to Administrative Use or Conditional Use permit approval are defined.

Hazardous materials use and storage is allowed with permit requirements based on the type and volume of materials. Utilization of any amount of Group A hazardous materials requires Conditional Use Permit approval.

Mobile food vendors are allowed in the I District, subject to approval of a Food Vendor Permit.

The *LM District* applies to small parcels along Saklan Road adjacent to residential development. In this District, light manufacturing and assembly uses and ancillary offices less than 2,000

square feet are permitted. Research and development and certain manufacturing and laboratory uses are allowed subject to an Administrative Use Permit. Open storage (beyond 10% of the yard area) and recreational vehicle storage require Conditional Use Permit approval.

The **BP District** is the most restrictive district regarding uses, allowing only offices, public agency facilities, and restaurants. This District is only applicable to one small area that consists of right-of-way and outdoor storage because most of the sites with this zoning designation were rezoned to PD District as part of the recent Shea and Steelwave redevelopment projects.

The **AT-IP District** permits manufacturing, research and development, warehousing, office, and ancillary retail limited to 10% of first floor area. Restaurants and truck rental are allowed with Administrative Use Permit approval, while bars require Conditional Use Permit approval. Hazardous materials use and storage is allowed with permit requirements based on the type and volume of materials. Utilization of any amount of Group A hazardous materials requires Conditional Use Permit approval.

The **AT-AC District** primarily permits aviation-related commercial uses. Restaurants and automobile rental are allowed with Administrative Use Permit approval and non-aviation retail and major outdoor storage are allowed with Conditional Use Permit approval.

2.2 Issues and Strategies

As described in the Introduction, the City of Hayward is competing with a number of other surrounding jurisdictions to attract high-amenity and high employment intensity industrial uses such as high-tech, bio-tech, research and development, and advanced manufacturing industries. Additionally, Hayward has a history of, and is well suited for, warehouse and distribution uses. When devising an approach to industrial district use regulations to implement the City's goal of transitioning from a manufacturing-based economy to an information- and technology-based economy, it is important to keep in mind its relative strengths and weaknesses. Strengths include proximity to the Oakland Airport, I-880, State Route 92, and the port; fiber optic; existing bio-tech, high-tech, and advanced manufacturing uses; and a proactive City. Weaknesses include an outdated building stock, lack of transit accessibility, and lack of services and amenities.

Use Allowances Don't Reflect Neighborhood Context or Workplace Trends

Since the majority of Haywards' industrial area is within the I District, the uses allowed are consistent throughout the area, with no regard for change in context or character of a specific area. Large, multiple acre parcels in the heart of the industrial area have the same use allowances and limitations as small parcels adjacent to residential areas on the edge.

Additionally, the I District regulations have not been comprehensively updated since 1993. As such, they have not been updated to recognize and allow targeted/desired employee-intensive

uses and supportive uses such as restaurants, cafes, exercise facilities, and other employment center ‘amenity’ uses as these were not characteristic of industrial areas at that time.

Many jurisdictions have been updating the use allowances in industrial areas to reflect the changing nature and needs of industrial development in general, to react to encroachment or possible encroachment of incompatible or less-desirable uses, and to reflect a difference in character or context (See Section 1 for a discussion on subdistricting to reflect differences in character and context).

In some cases, jurisdictions have expanded the types of uses allowed in the industrial districts to better reflect emerging industries or to allow additional supportive, non-‘industrial’ uses. These typically involve an expansion of allowance for retail, fitness and recreation, and eating and drinking establishments. Some jurisdictions, including Los Angeles, Santa Barbara, and San Francisco, have expanded allowances for residential uses in specific industrial areas to respond to housing demand and/or to respond to a desire to live and work in close proximity.

In other instances, jurisdictions have further limited industrial uses considered to be potentially detrimental to adjacent commercial or residential uses in the area or to the city in general due to off-site impacts to air quality, pollutant control, noise, and general aesthetics. Uses that typically have additional limitations include hazardous waste management facilities, recycling facilities, and junk and salvage yards.

Sample Stakeholder Comments

Keep flexibility in uses.

Allow tap rooms and other similar types of ancillary uses associated with certain kinds of manufacturing.

Hayward is one of the best markets in terms of warehouse and distribution.

Impacts of Warehousing and Distribution Uses

A number of jurisdictions have also taken steps to limit warehousing and distribution uses which tend to have a low employment rate and high impacts to local roads and air quality. The City of Newark recently amended their zoning ordinance to require all distribution, warehouse, and freight terminal uses to be evaluated through the Conditional Use Permit process. In San Leandro, parcel processing and shipping centers greater than 30,000 square feet and new warehouses or expansion of existing warehouses by more than 10,000 square feet require use permit approval. San Carlos prohibits wholesaling and distribution in the Industrial Professional District. Union City limits warehouse, wholesale and distribution activities to a maximum of 75 percent of the gross floor area of the building for new industrial development. The other 25 percent of the facility can be used for assembly, manufacturing, research and development, sales, showrooms or office uses. Conversely, the City of Fremont allows warehousing uses by right in all industrial districts and in certain subdistricts of the Warm Springs Innovation District.

Because of the Hayward Industrial areas’ I-880 location and proximity to the Oakland Airport and port, warehouse and distribution uses remain regionally important, and are important contributors to Hayward’s economic base and to industry in general. Additionally, with the chang-

ing nature of retail and growth of e-commerce, demand for distribution facilities in close proximity to urban centers is expected to grow. The challenge is to support and encourage employee-intensive, high amenity, productive uses, and achieve a balanced mix with warehouse and distribution uses. 'Average' warehousing operations are generally characterized as those with 50,000 to 150,000 square feet. This size of facility is fairly common in Hayward. Facilities over 150,000 square feet are considered large and, while some do exist in Hayward, are more generally associated with more remote locations.

Waste Handling/Recycling Operations Impacts

With the existence of legal requirements for proper waste disposal, increasing waste diversion, and the increasing value of waste materials, the City of Hayward has seen a growth in waste handling facilities including:

- Medical Waste Transfer and Treatment Facilities
- Hazardous Waste Transfer Facilities
- E-waste/Universal Waste Transfer Facilities
- Non-Hazardous Waste Handling/Recycling Facilities

Some of these facilities can become overwhelmed by the waste if not properly managed; if the site is inadequately sized; or if the product becomes susceptible to dips in the value of commodities, stalling processing, and causing the collection of waste to exceed the capacity of the facilities. Further, the Municipal Code does not have clear standards and requirements for such facilities such as a requirement to operate within an enclosed building which results in noise, air quality, and other impacts on neighboring uses. In recent years, the Hayward Fire Department and Code Enforcement Division have had increasing numbers of cases associated with violations from these types of facilities that have created additional work loads for relatively little benefit to the City.

Streamline Review for Priority Uses

Zoning provisions governing development review and other administrative matters create the procedural environment through which the City can achieve the goals and policies for priority uses in the industrial area. Development review provisions can promote the type of development a community desires by providing a clear, predictable path to project approval.

The intended nature of a zoning district is largely defined by its hierarchy of uses and the associated level of review. Levels of review typically range from a relatively informal counter staff review of proposed uses for compliance prior to the issuance of a building permit or business license to more formal and complex procedures requiring public notice and a hearing before the Planning Commission prior to issuance of a Use Permit or other discretionary land use approval.

The primary factor influencing a project's place in the hierarchy of uses is whether the proposed use is permitted "by right" or allowed subject to certain conditions, allowed subject to Administrative Use Permit approval, or whether a Conditional Use Permit with review by the Planning Commission is required. This determination is a reflection of community issues, concerns, and aspirations.

The City of Berkeley's manufacturing districts provide different permit thresholds based on the square footage of the use, such that smaller uses may only require a Zoning Certificate, while larger uses might require a use permit with a public hearing. (The former is similar to Hayward's Zoning Conformance Permit.) This provides an incentive for smaller uses over users with a larger footprint requirement. Similarly, incidental uses, such as small retail component, do not trigger an additional use permit.

The industrial district update provides an opportunity to adjust review thresholds based on the types of issues and projects that typically generate the most interest and concern. It also supports implementation of General Plan policies encouraging employee-intensive uses and incidental commercial uses that support employees and businesses and protecting the Industrial Technology and Innovation Corridor from the encroachment of uses that would impart industrial operations or create future land use conflicts.

2.3 Opportunities and Recommendations

Recommendation 2-A: Tailor Use Regulations to Reflect Subdistrict Purpose

Recommendation 1-A suggests the creation of Industrial District subdistricts to reflect differences in character and context throughout Hayward's industrial areas. Each subdistrict would have a purpose statement which explains in general language the objectives of the subdistrict and how it fits into the City's land use policy. Using these purpose statements as a guide, use regulations should be tailored for each subdistrict to encourage and prioritize advanced industry, manufacturing, high tech, biotech, and supportive uses.

Recommendation 2-B: Allow Advanced Industry Use Types

Advanced Industry is comprised of over 50 different industries that involve heavy investment in technology innovation and employ skilled technical workers that develop and apply new technologies to enhance productivity. Some of these uses may be appropriate for light industrial areas, while more impactful manufacturing uses may be appropriate for heavier industrial areas. The use allowances in each industrial subdistrict should be evaluated carefully to ensure these industries are compatible and allowed, consistent with the specific purpose of the subdistrict.

Recommendation 2-C: Limit Heavy Industry and Outdoor Uses

The City should protect the viability of the Industrial Technology and Innovation Corridor as its main employment base by discouraging the intrusion of uses that could erode the integrity of the corridor and maintaining zoning for manufacturing; professional, scientific, and technical services; research and development; and supporting uses. Use allowances should be evaluated for uses that are potentially detrimental to other uses in the area or to the City in general due

to off-site impacts to air quality, pollutant control, noise, and general aesthetics, such as hazardous waste management facilities, recycling facilities, and junk and salvage yards. Limits and restrictions may vary by subdistrict, with the General Industrial area being the most permissive and the Light Industrial area being the most restrictive.

In areas near residential or other sensitive uses, activities should occur within enclosed buildings. Where outdoor use or storage is allowed, additional buffering and screening should be required to address compatibility concerns.

Recommendation 2-D: Require a Conditional Use Permit for Large Warehousing and Distribution Uses

Where warehousing and distribution uses are allowed, the City should consider requiring a Conditional Use Permit for large facilities, such as those over 150,000 square feet. These facilities require large areas of land and are significant development projects. Through the Conditional Use Permit process, the City can evaluate the specific project features for consistency with applicable planning policies such as inclusion of appropriate employee amenities as well as on and off-site improvements, and to evaluate impacts related to roadway deterioration or air quality impacts. Additionally, a finding that the tax revenue generated by the development will exceed the City's cost of the service demand as a result of the development or a compelling community benefit will be provided could be required in order to approve or conditionally approve the application.

Recommendation 2-E: Allow Supportive Uses

Use regulations in each subdistrict should allow non-industrial uses that are conducive to and supportive of vibrant employment areas; such as office, retail, lodging, and service commercial uses. Allowances for these uses should be made in all subdistricts with most flexibility in areas with a high employment concentration and those near residential areas. Such uses may be allowed as part of a larger development or as stand-alone uses.

Recommendation 2-F: Revise Use Definitions and Provide Association with NAICS Group Uses, Where Applicable

Because this effort is an update to a specific section of the Zoning Ordinance, the Industrial District regulations, and not a comprehensive Zoning Ordinance update, the basic structure of use regulation will remain intact. Refinement to ensure desired and priority uses are allowed and undesirable uses are discouraged, as suggested in Recommendations 2-A through 2-E above, but it is not recommended to devise a new approach to use regulation solely for the Industrial Districts.

Each of the uses allowed in the Industrial District should be defined and the existing definitions of allowed uses should be revised to provide clarity and further distinction of the type of uses included in each use definition. This will provide an opportunity to add definitions for current industries, including for Advanced Industry uses. Where the use is elaborated in the North American Industry Classification System (NAICS) Manual, the NAICS number should be referenced. The reference to the NAICS number may be done as a Depart-

-ment handout rather than codified in the Zoning Ordinance itself to allow for updating of the classification without having to process a Zoning Ordinance amendment.

Recommendation 2-G: Incorporate Measurable Performance Standards

Include measurable standards for determining if a use or activity creates a nuisance on adjoining property. Standards could address dust, fumes, electromagnetic interference, hazardous materials, glare, waste disposal, and vibration. The standards can refer to the noise regulations of Chapter 4, Article 1, Public Nuisances, of the Municipal Code, for regulations regarding noise control. Measurable standards can improve enforcement by providing clear performance criteria and standardized methods for evaluating compliance.

This page intentionally left blank.

3 DEVELOPMENT STANDARDS AND DESIGN GUIDELINES

Development standards and design guidelines play an important role in regulating the built environment because they help shape the physical form of development. Specifically, development standards and design guidelines address a wide range of three-dimensional aspects from the height and bulk of structures to site layout, landscaping, and architectural detailing. They help establish a cohesive environment that is compatible with a community vision.

Development standards provide the quantitative framework for informing property owners of the allowable size, location, height, and other physical and location specific characteristics of development within designed land use areas. In the context of the City's Industrial Districts, the development standards are tailored to promote large-scale industrial development.

Design guidelines, on the other hand, identify individual elements of good design that are intended to enhance the overall appearance of projects proposed within the City. Design guidelines are qualitative in nature and as such, are more flexible in their interpretation to allow individual projects to respond to the unique nature of each site and development type while also balancing the varying elements of design.

Recent trends in industrial development have been focused on the creation of well-designed, flexible, and amenity rich environments that work in conjunction with the industrial workplace. On larger parcels, these developments are often designed as a campus, where the building design, exterior spaces, and amenities offered are reflective of a company's values and are part of larger marketing efforts by the company to attract and retain top employee talent.

By properly tailoring development standards and providing clearly articulated design guidelines, property owners, developers, business owners, and others will have clear direction and assurance on City expectations for new development and building remodels.

3.1 Existing Setting

Existing development within the Industrial Technology and Innovation Corridor exhibit a wide variety of site planning and architectural design. While building typologies range from warehouses and office buildings to research and development facilities, manufacturing plants, business parks, and corporate campus buildings, the building stock within the Industrial Districts as a whole are generally older in nature. These older developments typically exhibit a lack of landscaping, recessed or less articulated entries, loading docks in the front or near the street, and minimal employee amenities. In contrast, recent developments within the Industrial Districts reflect current design trend characteristics related to industrial development; such as coordinated landscaping along frontages, prominent entries with articulation and detailing, loading docks at the side or in the rear, and employee amenities, among others.



Older industrial development typically exhibit a lack of landscaping, recessed or less articulated entries, loading docks in the front or near the street, and minimal employee amenities



Recent industrial developments reflect current design trend characteristics; such as coordinated landscaping along frontages, prominent entries with articulation and detailing, loading docks at the side or in the rear, and employee amenities, among others

Parcels within the Industrial Technology and Innovation Corridor also exhibit a range in sizes, ranging from 11,000 square feet to hundreds of acres. Smaller parcels are more limiting for property owners in terms of options for building placement, vehicular parking and loading, storage, and landscaping. Larger parcels provide more flexibility for building placement, vehicular parking and loading, storage, and landscaping.

General Plan

General Plan Policy LU-6.7 provides direction on design strategies for industrial development:

LU-6.7 Design Strategies: The City shall encourage developments within the Industrial Technology and Innovation Corridor to incorporate the following design strategies:

- *Provide attractive on-site landscaping and shade trees along street frontages and within employee and visitor parking lots.*
- *Screen areas used for outdoor storage, processing, shipping and receiving, and other industrial operations with a combination of landscaping and decorative fences or walls.*
- *Encourage consistent architectural façade treatments on all sides of buildings.*
- *Screen roof-top equipment with roof parapets.*
- *Design shipping and receiving areas and driveways to accommodate the turning movements of large trucks.*
- *Develop coordinated and well-designed signage for tenant identification and wayfinding.*
- *Incorporate attractive building and site lighting to prevent dark pockets on the site.*
- *Provide pedestrian walkways to connect building entrances to sidewalks.*
- *Use landscaped buffers with trees and attractive sound walls to screen adjacent residential areas and other sensitive uses.*

Employee amenities are referenced in General Plan Policy LU-6.8 as being an important component of well-designed developments within the Industrial Technology and Innovation Corridor area. On-site, employee serving amenities associated with well-design projects include but are not limited to courtyards and plazas, outdoor seating, fitness facilities, bicycle storage, passenger loading and transit waiting facilities, and shower facilities.

Zoning

Development Standards

Development standards for each industrial district address basic elements of site development such as lot requirements, yard requirements, and height limit. Key development standards are presented in Table 4 below.

TABLE 4: DEVELOPMENT STANDARDS BY ZONING DISTRICT

<i>District</i>	<i>I</i>	<i>LM</i>	<i>BP</i>	<i>AT-IP</i>	<i>AT-AC</i>
Min. Lot Size (sq ft unless indicated)	10,000	10,000	1.5 acres	10,000	50,000; 200,000 where fueling activity occurs
Min. Lot Frontage (ft)	35	35	250	35	35
Min. Avg. Lot Width (ft)	70	70	250	70	70
Min. Lot Depth (ft)	n/a	250	300	None	n/a
Max. Lot Coverage (% of lot)	Industrial: n/a Office: 40% Commercial: 90%	40%	35%	60%	30%; 5% minimum
Max. Floor Area Ratio (FAR)	n/a	n/a	60%	n/a	n/a
Max. Height (ft)	Industrial: n/a Office: 40 Commercial: 40	40	None	40, except as provided in Airport Approach regulations	
Min Yards (ft)					
<i>Front</i>	10; 20 when adjacent to A, OS, R, MH, C zones and parcels fronting Industrial Blvd, Industrial Pkwy SW, Clawiter, and W. Winton,	20	50	25	20
<i>Street Side</i>	10	10	50	10	10
<i>Interior Side</i>	0; 20 when adjacent to A, OS, R, MH, C or residential PD zones		25	5 min, total of 30; none abutting railroad spur.	
<i>Rear Yard</i>	0; 20 when adjacent to A, OS, R, MH, C or residential PD zones		25	0, 20 adjacent to A, OS, R, MH, C or residential PD zones	

Five percent of the Project Area is designated as Planned Development District (PD). The PD District is applied on a case-by-case basis through a zoning amendment. While rezoning a parcel to a PD designation allows for flexibility in allowable uses, development standards applicable to uses most similar in nature and function to the uses in the applicable PD District apply.

Minimum Design and Performance Standards

Minimum design and performance standards set forth in the Municipal Code also apply within the Industrial District. These include standards for accessory buildings, decks and ramps, fences, grading, landscaping, lighting, outdoor storage, parking, loading, signs, roof equipment, trash and recycling facilities, and window coverage and for specific uses including adult entertainment activity, alcoholic beverage outlets, antennas and telecommunications devices, and food vendors.

These regulations apply to “the construction of industrial and commercial buildings and uses in the I District.” These regulations do not differentiate between new construction or renovation, so the applicability appears to be a matter of interpretation. Only the water efficient irrigation requirements stipulate that such a system should be installed “upon initial construction or substantial alteration; However, “substantial alteration” is not defined in the Code. Additionally, any project with a landscape area of at least 2,500 square feet requires a building or landscape permit, and either plan check or site plan review.

Descriptions below are taken from the Hayward Municipal Code Chapter 10, Section 10-1600 related to minimum performance standards for industrial developments and Chapter 10, Article 2 related to off-street parking regulations.

Outdoor Storage

All uses are required to be conducted within enclosed buildings unless major outdoor storage is authorized through Conditional Use Permit approval. Minor open storage as a secondary use is permitted provided the items stored are necessary to the operation of the on-site use and it doesn’t exceed 10% of the yard area. Storage shall not be located within required yards or parking areas, and storage must be compatible with adjoining uses. For example, it shall be screened, set back or not too high, and not visually unpleasant.

Landscaping

All required setback areas and all other areas not utilized for structures or paving shall be landscaped. A minimum 10-foot-wide landscaped area shall be provided between all parking areas and a street right-of-way and along property lines abutting or in view of the BART right-of-way. Trees are required to be planted within parking lots, along street frontages, and in landscape areas adjacent to street and BART rights-of-way and abutting an A, C, MH, OS, R, or residential PD District.

Parking and Loading

Parking requirements vary based on use. However, all industrial uses are subject to the same parking requirements, which vary based on gross floor area of leasable bays. For all industrial uses, the minimum amount of parking required is 1 space/500 square feet, except as follows:

- Leasable bays of 2,500 up to 10,000 square feet of gross floor area: 1 space/1,000 square feet
- Leasable bays of 10,000 to 20,000 square feet of gross floor area: 1 space/1,500 square feet
- Leasable bays of 20,000 square feet or greater: 1 space/2,000 square feet

Additional parking is required for other uses in the I District. The parking requirements of common uses follow:

- Offices, General: 1 space/250 square feet of gross floor area
- Offices, Medical and Dental Offices, Clinics and Laboratories: 1 space/200 square feet of gross floor area
- Research and Development Facilities: 1 space/350 square feet of gross floor area
- Hotels and Motels: 1 space/room plus 1 space/2 employees; minimum 15% of required parking shall accommodate tractor/trailer combinations
- Restaurants: 1 space/3 seats plus 1 space/200 square feet of other area; truck parking may be required
- Retail: Varies between 1 space/175 square feet and 1 space/250 square feet of gross floor area depending on nature of merchandise
- Vehicle Repair and Service: 1 space/500 square feet of gross floor area
- Mini-Storage: 2 near residential unit and 5 near office
- Salvage, Wrecking, and Dump Yards: 5 spaces plus 1 space/20,000 square feet of outdoor use area

Parking credits of up to 20% are available for transportation management programs where a development is required to provide greater than 50 off-street parking spaces.

Parking may not be located within any required yard area or within 10 feet of a front or street side property line if required yards are less than 10 feet.

Truck loading is required to take place on-site and loading areas may not dominate the street frontage or directly face a major street unless no practical alternative exists. On streets with curb-to-curb width of 72 feet or more, truck maneuvering is prohibited on the street, requiring an unobstructed on-site minimum depth of 95 feet in front of a loading area. On industrial service roads with narrower widths, truck maneuvering may take place within the street area and the driveway may be lined up with the loading dock, requiring a minimum depth of 65 feet in front of a loading area.

Architectural Design Principles

Architectural design principles require harmonious and proportional design elements, attractive mix of color and materials, articulated entrances and windows along street frontages, setbacks and articulation for long building facades, screening of mechanical equipment, and loading areas to not face the street. These principles complement and refer to the City of Hayward Design Guidelines discussed below.

Site Plan Review

Section 10-1.1640 of the Municipal Code requires Site Plan Review approval for all projects unless it is waived by the Planning Director based on the determination that the proposed improvements are minor; will not materially alter the appearance or character of the property or area; and is not incompatible with City policies, standards and guidelines. Site Plan Review is processed administratively unless the Planning Director refers the application to the Planning Commission. As a result, the district regulations are not necessarily being evaluated or applied to renovation projects or tenant improvements, which represent much of the development and transactions taking place in the district.

Design Guidelines

The 1993 Hayward Citywide Design Guidelines contain two primary components, those guidelines that apply to all development within the City and those that apply only to specific land uses. Design guidelines that apply to all development within the City include the overarching categories of Site Planning, Circulation, Architectural Design, and Landscape Design. Each of these categories contains individual sub-categories that address differing elements of design but since they apply to all development citywide, design direction remains broad. While the guidelines are limited, they are still salient and supportive of the General Plan design strategies. However, the guidelines do not include criteria specifying their applicability to new construction versus renovation or additions.

Design guidelines that apply specifically to industrial land uses are separated into two categories; Industrial Corridor and Light Industry. Industrial Corridor guidelines are aimed at industrial parks and provide direction for separation of incompatible elements, coordinated site access, and creation of legible entries. Light Industry guidelines focus on reducing impacts to nearby residential development, including landscaping, screening, noise reduction, and access. The guidelines are not well illustrated, providing only one site plan illustration.

Compliance with the Design Guidelines is reviewed by staff as part of the Building Permit Application for tenant improvements or, where applicable, through Site Plan review or the Administrative Use Permit process. Where a Conditional Use Permit is required, the Planning Commission is the review authority.

3.2 Issues and Strategies

Well-designed industrial development has a strong street presence with a prominent sense of arrival at the entry. It is authentic in nature, meaning the form supports its function. The focus is on curb appeal, with flexibility in less visible areas of the site in order to accommodate industry operations. Ample landscaping softens the appearance of buildings and structures while simultaneously anchoring them to the ground. Where loading docks have been incorporated, they are located to the side or rear, out of view from the street. Flexibility of the interior building space is key as it provides users with the ability to adapt the space to fit their needs as the needs of their businesses also change.

Sample Stakeholder Comments

Guidelines can help provide uniformity which will improve the appearance of the area.

If you want to improve aesthetics but not impact a business's ability to function, focus on the frontage – entrance, landscaping, etc.

Functionality is #1. Focus on curb appeal and freshen up landscaping but leave the rest flexible.

Research and development, high-tech, and innovation companies, in particular, value well-designed buildings with highly flexible spaces. Well-designed buildings allow a company to place their mark on a neighborhood or district, while acting as an extension of itself by reflecting company culture and values. For example, robust employee amenities convey a company's investment in their employees; open, flexible workspace conveys an ability to be nimble, innovative, and able to adapt to new technology.

Quality of Design

Much of Hayward's industrial building stock is older, exhibiting an outdated design that doesn't reflect current design trends in industrial development. Recently constructed industrial projects have exhibited a variety of contemporary design qualities such as ample landscaping, prominent entries with significant amounts of glass and other articulation and detailing, indoor storage, equipment screening, and loading areas in the rear or to the side of buildings. These focal characteristics have enhanced the character and visibility of new industrial projects when viewed from the street, while continuing to provide flexibility for non-street facing side and rear portions of buildings.



Recent industrial developments reflect current design trend characteristics; such as ample landscaping, prominent entries with significant amounts of glass and other articulation and detailing, creative use of color, loading docks at the side or in the rear of buildings.

Industrial District Development Standards

As described in Section 1.3, and shown in Figure D: Industrial District Character Areas, there are a variety of contexts within the Industrial Technology and Innovation Corridor area. Currently, these differences in character are not reflected in the development standards.

As described in Section 1.2, many jurisdictions reflect differences in character and context through the use of subdistricts. The development standards for each subdistrict are tailored to reflect the character and context of that subdistrict. Tailoring of development standards for the desired development type and pattern, in support of subdistrict character, can provide the environment for creation of distinct and individually recognizable areas. Table 5 compares key development standards of Hayward’s Industrial and Light Manufacturing district standards with industrial district development standards of a sample of Bay Area cities.

The City of Hayward's development regulations address the typical elements of industrial development regulations: lot dimensions, lot coverage, height, setbacks, outdoor storage, landscaping, and parking and loading. Many of these are supportive of contemporary industrial design described in the beginning of this Section.

Setbacks, Landscaping and Screening. Hayward's setback and landscaping standards are typical for industrial development, providing for landscaping in key areas of a site, including the front of the property and adjacent to any street, BART right-of-way, open space, and residential and other non-industrial districts. The Bay Trail is technically considered open space, and as such, landscaping is required along the Bay Trail. However, this is not clear in the code and this requirement is not consistently applied.

Trees are required along street frontage and within parking lot areas of a site, and as a buffer to specific adjacent uses. Outdoor use areas, roof-mounted equipment, and trash and recycling facilities are required to be screened, however the regulations could be refined to provide more detail on how this is to be accomplished.



Landscaping and trees along the street frontage.



The requirement for landscaping adjacent to the Bay Trail, is vague and not been consistently implemented.

Lot Coverage. Hayward's lot coverage allowances vary by use. Industrial uses are not subject to a lot coverage limit. Office and commercial uses are limited to 40% and 90% lot coverage, respectively. Other jurisdictions typically establish a lot coverage standard by district, ranging from about 40 to 75 percent. If the City continues to utilize a use-based lot coverage standard, consideration should be given to providing flexibility for desired uses or amenities.

Floor Area Ratio. The industrial districts do not specify a floor area ratio (FAR) standard although the General Plan sets forth a maximum FAR of 0.8. FAR standards can be helpful in regulating the overall amount and intensity of development on a site, particularly in areas adjacent to residential or on small sites. Generally, it is good practice to apply either an FAR standard or a lot coverage standard, rather than both, to control the amount of development on a site while still allowing flexibility.

Height. The City's existing maximum height allowances limit office and commercial uses to 40-feet, while there is no height limit for Industrial uses. Most buildings in the industrial area are low profile and generally do not exceed 40 feet. Several stakeholders acknowledged the importance of 32-foot clear heights to accommodate contemporary industrial uses.

Rather than establishing a height limit based on use, most jurisdictions establish height limits based on district. Generally, height is more limited in smaller scale industrial districts or near residential areas than in general industrial areas. For example, in Fremont, the Service Industrial District has a maximum height of 40 feet while the Tech Industrial and General Industrial districts have a maximum height of 75 feet. Other jurisdictions, such as San Carlos, and Union City, establish a certain height that is allowable by right with additional height allowed through use permit approval. On the other hand, to provide maximum flexibility, the City of Fremont did not establish a maximum height for any area within the Warm Springs Innovation District.

Architectural Design Principles. Architectural design principles (HMC Section 10-1.1645(f)) are supportive of contemporary industrial design practices, requiring harmonious and proportional design elements, attractive mix of color and materials, articulated entrances and windows along street frontages, setbacks and articulation for long building facades, screening of mechanical equipment, and loading areas to not face the street. While overarching design features of contemporary industrial design are addressed, the 'principles' are not written as quantifiable standards by which projects could be reviewed for compliance. The 'principles' instead are written as non-quantifiable directions for development. While they are written as mandatory and included in the municipal code, they express desired outcomes rather than the specific, quantitative means for achieving them. For example, principle 3 states "articulate entries and windows along all street frontages." There is no metric by which to measure compliance. Overall, the architectural design principles are not adequate to ensure the desired result is achieved.

Parking. The City of Hayward applies fixed parking requirements for all industrial and commercial uses based on the size of leasable bays. Smaller leasable bays require more parking than larger leasable bays. Additional parking is required for offices and other uses. While this approach of establishing a fixed parking requirement for a wide variety of uses provides flexibility with regard to re-use of buildings and changes of occupancy or operation, having a lower parking requirement for larger leasable bays can encourage larger buildings with lower employment intensity.

While there is wide variation across jurisdictions, common parking requirement ratios are approximately 1 space/100 square feet of restaurant, 1 space/200 square feet of retail, 1 space/300 square feet for office, 1 space/500 square feet for research and development, and 1 space/1,000 square feet for warehousing. As applied, the City's parking requirements are generally in keeping with these common ratios. The City should consider revising its parking requirements to apply a fixed parking requirement, such as 1 space/500 square feet, regardless of leasable bay size. This approach would eliminate the incentive for large buildings with low employment intensity, provide flexibility to allow an existing large building to be divided into smaller areas, allow for re-use and changes in occupancy, and ease administration. Standalone non-industrial development would be subject to the citywide parking requirements.

Through a discretionary review process, the City may require areas for employee drop-off/pick-off, for use by ride share providers (e.g., Uber, Lyft) or shared shuttles; particularly if funding is obtained for a shuttle service to BART.

Employee Amenities and Open Space. Some jurisdictions require a certain amount or square footage of open space or employee amenities. In its Employment Districts, the City of South San Francisco requires on-site outdoor eating areas of at least 150 square feet in size for all new development and additions that expand existing floor area by 25 percent or more, resulting in at least 10 employees or 10,000 square feet of floor area. Outdoor eating areas are required to be designed to include seating and covering to provide protection from sun and weather conditions. San Carlos requires open space areas equal to 10% of the site area to provide gathering space or opportunities for active or passive recreation for business, technology, and office parks containing 80,000 square feet or more of floor area. In Fremont's Warm Springs Innovation District, new industrial, R&D, and office development is required to provide a minimum of 2.5% of gross floor area as outdoor usable, common, contiguous, improved and well maintained, private open space for exclusive use by the building's occupants and workers. In other cases, rather than requiring amenities, jurisdictions incentivize them. For example, in Fremont's Service Industrial District, on-site childcare does not count toward the floor area maximum.

Disorderly Organization and Duplication

The organization of the Industrial District Minimum Design and Performance Standards (Sec. 10-1.1640) is not intuitive, and sections that should be grouped together are separated. Provisions vacillate between those related to buildings and site design and those related to uses. The section begins with standards for accessory buildings, which is a specific type of structure; followed by provisions for adult entertainment activity, alcoholic beverage outlets, and telecommunication devices, which are uses. A series of regulations related to building and site development, including architectural design principles, projections, decks and ramps, and fences then come before three pages of provisions related to food vendors. The rest of the section is then dedicated again to standards related to building and site development including grading, landscaping, parking, equipment, and signs. Dispersed development standards can result in missing a regulation or requirement, which may affect the viability of a project. Uncertainty regarding development possibilities can be a significant barrier when attempting to attract new industry.

There are also instances of unnecessary redundancy. Fairly extensive parking lot, landscaping, and truck loading standards are listed in the Industrial District regulations and in Chapter 10, Article 2, related to citywide parking standards. When the Ordinance repeats information in nearly or exactly the same language, it is not always clear whether nuances in wording or positioning are intended to accomplish different goals, or if they override each other entirely. Duplication such as this not only lengthens the text, but also introduces an element of doubt that differently worded regulations might affect a person's ability to develop and use property. It can also complicate zoning administration.

Additionally, there are instances of direct conflict. For example, Section 10-1.1645(l)(1)(b) states that parking is *prohibited* within *front and street side yards*. Section 10-1.1645(o)(3)

states that parking spaces *shall not be located* within any required *front, side, side street, or rear yard* setback area. Section 10-1.1645(v) states that off-street parking spaces *may be* placed within *rear or side yards*, except when abutting any A, MH, O, R or residential PD District. Section 10-2.505 states that in industrial zones, parking *may be* located in required *interior side yards*. Section 10-1.1645(u)(3) states that loading areas *should not* face a major street while Section 10-1.1645(f)(8) states that loading areas *shall not* face the street.

Outdated Design Guidelines

The existing industrial design guidelines address overarching design features that are important in contemporary industrial design including coordinated site access; creation of legible entries; transit, bicycle, and pedestrian improvements; runoff reduction; screening; employee amenities, and potential nuisance aspects such as noise, vibration, and truck traffic. However, the guidelines are dated and do not provide clear direction on how to design and integrate these features in a way that supports the City’s objectives for well-designed, high-amenity industrial development reflective of an “Industrial Technology and Innovation Corridor”. For example, the guidelines call for the creation of “legible entries for trucks, cars, and pedestrians”. No examples or strategies of how to accomplish this are given. The guidelines also suggest provision of recreational facilities and shaded outdoor eating areas but do not provide direction on how they should be designed or integrated into a project.

Unclear Design Review Process and Applicability

Cities adopt design review programs for a variety of reasons. In addition to improving the quality of design, the most common include:

- Ensuring development that is compatible with and enhances the desirable characteristics of existing neighborhoods and districts;
- Creating, maintaining, and enhancing building design to convey the community’s distinctive character;
- Achieving community planning objectives such as encouraging pedestrian activity, protecting views of particular value, and enhancing natural resources; and
- Improving and protecting property values.

This range of objectives often leads cities to go beyond quantitative performance metrics such as height, floor area, and setback, to identify other features that determine how the design of individual buildings and sites fits into and contributes to the city fabric. As a result, the explicit review of design has become a common and crucial factor in the development review process. Municipalities of all sizes now commonly require design review as a standard element of their development process.

In Hayward, there is no consistently applied design review process; compliance with the Design Guidelines is reviewed as part of the overall project review or, where applicable, through Site Plan, Administrative Use Permit, or Conditional Use Permit review. While design guidelines are referred to in the district regulations, there is no stated requirement for compliance. This approach leads to ambiguity in how design and the design guidelines are considered in the project

review process and inconsistency in application of standards. Other jurisdictions identify the types of projects for which design or site plan review is required. Some, such as Fremont, San Carlos, and Emeryville require design or site plan review for all development, alteration, expansion, or other improvements to the exterior of a structure, site, or parking area. Others establish a square footage threshold to allow small additions or modifications without triggering site plan re-view. For example, San Leandro requires site plan review for new construction, additions, and site modifications greater than 5,000 square feet.

Lack of Illustrations and Imagery

Hayward's Industrial District regulations are a text-heavy document with no illustrations. The industrial design guidelines include one site plan illustration which simply identifies development elements; it does not provide design direction.

Graphic illustrations and imagery help articulate development requirements and design direction. In many instances, graphics can convey the intent of development regulations and design direction more clearly and in less space than written standards and guidelines. Graphic illustrations and imagery not only help planners interpret specific provisions for development, but also help architects and site planners to understand the specific requirements. Business owners and others that do not use the Zoning Ordinance on a daily basis also benefit from effective graphics as they visualize basic requirements. Finally, planners also gain by using clear, readable graphics to facilitate presentations before decisionmakers.

3.3 Opportunities and Recommendations

Recommendation 3-A: Update and Refine Development Standards

The City should consider updating and refining the development standards related to key elements of industrial design in order to achieve quality design and to foster the type of character desired within various areas of the industrial area, such as:

- **Tailor Standards.** Individually tailored requirements for each subdistrict (see Recommendation 1-A regarding subdistricts).
- **Landscape.** Refine landscape requirements to enhance screening and buffering adjacent uses along residential-nonresidential boundaries. Include clear requirements for special and consistent landscaping, and site planning connections, adjacent to the Bay Trail or other known open spaces.
- **Floor Area Ratio and Lot Coverage.** Rather than having a standard for lot coverage, establish a maximum FAR of 0.8, consistent with the General Plan designation. This will allow more flexibility in site planning, especially on smaller sites. By virtue of the FAR limitation, lot coverage will also be limited as all sites, are subject to landscaping, stormwater management, and circulation requirements that will effectively limit lot coverage.

- **Height.** Establish a maximum height limit based on subdistrict rather than use. Height limits should be lower in the Light Industrial subdistrict and tailored to ensure sensitive transition from more intense development to surrounding neighborhoods. Additional height may be allowed with discretionary approval.
- **Architectural Design Principles.** Restructure the architectural design principles to provide clear development standards that focus on site and building frontage. The standards should include quantifiable requirements for the orientation of buildings and entrances, amount of transparency at entrances, building articulation, screening of equipment and utilities, and location of loading docks so as not to be visible from the street. Non-quantifiable direction for design, such as ‘harmonious colors’ should be addressed in design guidelines (see Recommendation 3-C regarding design guidelines below).
- **Parking Requirements.** The City should consider adjusting parking requirements to eliminate the incentive for large leasable bays. A fixed parking requirement for all industrial uses should continue to apply, however this requirement should not decrease as the leasable bay square footage increases. As discussed in Section 3.2, Issues and Strategies, the City could consider requiring 1 space/500 square feet for all industrial uses. This approach would eliminate the incentive for large buildings with low employment intensity, provide flexibility to allow an existing large building to be divided into smaller areas, allow for re-use and changes in occupancy, and ease administration. Conversely, this approach will result in large areas of unused parking for the period of time in which a large building is occupied with low employment intensity development. For example, a 100,000 square foot space would require 200 parking spaces, well beyond the parking demand of a warehousing and distribution use.
- **Employee Amenities.** Require outdoor employee eating areas, passive or active recreation space or other amenities for development that meets a certain threshold based on either the number of employees, such as 10, or square footage of development, such as 10,000 square feet. The design of outdoor employee amenities would be addressed in design guidelines (see Recommendation 3-C regarding design guidelines).
- **Open Space.** Require open space with large developments. The open space requirement could be based on the size of the site, such as greater than 5 acres, or square footage of development, such as greater than 80,000 square feet of floor area. The design of open space would be addressed in design guidelines (see Recommendation 3-C regarding design guidelines).

The standards should also allow opportunities for relief from the standards in cases where modifications are consistent with General Plan objectives and warranted by certain circumstances.

Recommendation 3-B: Clarify Applicability of Development Standards

Coupled with updating and refining the development standards as described in Recommendation 3-A, the City should include clear thresholds for their applicability. Currently, it is clear that

standards apply to new construction. However, the applicability of the standards when the project consists of an addition to or renovation of existing development is vague and open to interpretation. The development standards should set a clear threshold for when current requirements must be met, such as for any increase in floor area of 10 percent or more or where 25 percent or more of the site is affected by the addition or renovation.

Alternatively, the City could require the entire site development to be brought into compliance with the current requirements with any intensification or change of occupancy or use. However, this may contradict the City's policy objectives related to the intensification of industrial uses and employment densities. Tying this requirement to a change in building intensity could have the unintended consequence of dissuading investment. This also applies to requiring compliance with current requirements for tenant improvements and renovations (i.e., interior improvements only).

Recommendation 3-C: Reorganize, Consolidate, and Simplify Development Standards

The organization of the development standards can be improved by reorganizing sections to flow more logically. In general, the most frequently consulted provisions should come before less frequently consulted provisions. For example, standards related to building design can be grouped and listed first, followed by provisions related to site layout. Standards specific to individual uses can follow as these provisions are only applicable to certain developments. The development standards should also be consolidated and refined to ensure that they function as efficiently and with the fewest number of provisions necessary to achieve their goals. To this end, unnecessary and conflicting standards should be removed or refined in other sections of the municipal code, if needed. Where development standards are addressed within the industrial district standards and as citywide provisions, the relationship and applicability of each should be clarified.

Recommendation 3-D: Update Design Guidelines

The design guidelines should be updated to reflect contemporary industrial design types and provide clear design direction. Guidelines should complement the development standards and provide non-quantifiable direction for development, expressing desired outcomes rather than prescriptive means for achieving them. The guidelines should be visual and incorporate examples of approaches that support design principles but at the same time do not prescribe styles or solutions. This allows applicants and designers the ability to work within a framework of multiple design choices. The design guidelines should be concise and provide design direction for:

- Site layout, including general location and design of major site elements such as buildings, landscaping, circulation (including connections to off-site areas), visitor and employee parking, loading, storage, and equipment.
- Site frontage, including pedestrian and other access, entrances, landscaping, and signage.

- Building design, including orientation, entrances, articulation, colors, and materials.
- Mechanical equipment and utilities screening.
- “Good neighbor’ elements, including fencing and security, screening, buffering, and transition.
- Open space, outdoor employee eating areas, and other outdoor areas and employee amenities.

Recommendation 3-E: Explicitly Require Compliance with Design Guidelines

To ensure the design guidelines are not overlooked and are considered for every project, the development standards should specifically state that compliance with the design guidelines is required.

Recommendation 3-F: Require Site Plan Review for All New Development and Façade Improvement Projects

Rather than requiring Site Plan Review for all projects the Director determines are incompatible with City policies, standards, and guidelines, the City should require Site Plan Review for all development, alteration, expansion, or other improvements to the exterior of a structure, site, or parking area that exceed a certain threshold. This threshold could be consistent with the threshold established for applicability of development standards recommended in 3-B. Projects below this threshold would still be evaluated for compliance with development standards and other requirements through Zoning Conformance review.

Recommendation 3-G: Provide Illustrations and Images within the Development Standards and Design Guidelines

In order to clearly communicate the development standards and design guidelines related to industrial projects, the City should provide clear, simple to understand illustrations and graphics. Graphic illustrations and imagery are an important component of contemporary development standards and design guideline documents. They aid in reinforcing specific guideline text that a City may want to highlight, while also providing an opportunity to further elaborate on the intended design direction desired. Illustrations and imagery can also provide Staff with easy to reference graphics that can provide applicants with visual clarity.

Hayward’s existing development standards and design guidelines are very text-heavy with few illustrations. At the other extreme, design guidelines in some jurisdictions include dozens of photographs of completed projects (both in the subject jurisdiction and elsewhere) to illustrate everything from exacting standards to idealized (but non-required) design directions. Hayward can strike the right balance by providing concise text that offers a clear sense of design intentions and including graphic imagery and illustrations to provide examples of how the intentions are achieved.

4 THRESHOLDS FOR SITE IMPROVEMENTS

How a building or series of buildings relate to a site, sidewalk and street affects land values, circulation, water and energy resource management, aesthetics, and how people experience a place. A tree-lined sidewalk provides shade, pedestrian routes between destinations, and an attractive comfortable place to walk or wait for the bus. Stormwater management systems, such as bioretention basins, treat and manage stormwater runoff to improve water quality and prevent flooding. The integration of utilities and infrastructure into a building and site design can provide site planning efficiencies, thereby reducing development costs, and prevent visual and safety impacts from bollards and stand-alone screens.

Site improvements are typically required through development standards and other improvement specifications in city codes and ordinances. The extent of improvements are typically tied to development thresholds. It is fairly straightforward to identify and obtain site improvements for new construction. However, obtaining these same site improvements when existing buildings are proposed for rehabilitation, tenant improvements, or additions is more challenging.

4.1 Existing Setting

As described in Chapter 1, Districts and Subdistricts, the quality of site improvements and conditions of the public realm are mixed, based on the size and location of the parcels, mix of uses, and timing and coordination of development. Parking areas often contain trees and small landscaped islands. Infrastructure, such as utility boxes, mechanical equipment, and trash enclosures, are often screened with landscaping, walls, or screens, but are physically and architecturally separate from the buildings that they serve. In the southeastern portion of the district, off of Huntwood Avenue, deep landscape setbacks and berms, mature trees, and sidewalks, are inviting to workers walking during lunchtime, present an attractive streetscape to passersby, and potentially raise property values. In other locations, such as sections of Depot Road, sidewalks are inconsistent and curb cuts and truck traffic are constant, making walking unappealing and potentially unsafe. Bus stops are often marked with a sign, but do not provide a shelter, seating, or other amenities. Bike routes are likewise mixed. New streets, such as Whitesell Street, provide stenciled Class II bike lanes next to a landscape strip, while bike routes on arterials such as W. Winton Avenue provide signage only, but no stencils or other demarcations that alert drivers to share the lane. Although the Industrial Corridor has several access points to the regional Bay Trail, there are rarely sidewalks, paths, or signs directing people to the trail.

General Plan

The *Land Use Element* seeks to encourage property owners in the Industrial Technology and Innovation Corridor to upgrade existing buildings, site facilities, and landscaped areas to improve the economic viability of properties and to enhance the visual character of the corridor (LU Goal 6, Policy LU-6.6 and ED-5.5). It also identifies specific design strategies (Policy PU-6.7) and amenities (Policy LU-6.8), which are included on page 45 of this document.

The ***Mobility Element*** supports the development of facilities and services (e.g., secure bicycle parking, street lights, street furniture and trees, transit stop benches and shelters, and street sweeping of bike lanes) that enable bicycling, walking, and transit use to become more widely used modes of transportation and recreation (Policy M-1.6). The Element also supports the creation of a more comprehensive multimodal transportation system by eliminating “gaps” in roadways, bikeways, and pedestrian networks, increasing transit access in underserved areas, and removing natural and man-made barriers to accessibility and connectivity (Policy M-1.7)

Additionally, the General Plan calls for creation of an assessment district or other funding mechanisms to implement streetscape improvements and enhanced transit or shuttle service within the Industrial Technology and Innovation Corridor (Policy LU-6.9 and ED-5.7).

During project review, Policy M-3.11 states that all major reconstruction projects provide for the development of an adequate street tree canopy and that new commercial development projects provide frequent and direct connections to the nearest bikeways, pedestrian ways, and transit facilities (Policy M-3.8).

At the same time, the General Plan calls for a timely, fair, and predictable permit process (Policy ED-6.4) and enhanced land use certainty for businesses by identifying and removing unnecessary regulatory barriers that may discourage private-sector investment (Policy ED-6.2).

Zoning

Section 10-1.1645 of the Zoning Ordinance identifies ***site design and performance standards*** for specific uses within the Industrial (I) District, as well as ***Architectural Design Principles*** for building design. These standards are described in Section 3. These standards do not address the interface between the private development and the public street.

Landscape thresholds for the district are not entirely consistent with the more robust ***Bay-Friendly Water Efficient Landscape Ordinance*** (Chapter 10, Article 12), which applies to new construction and landscape rehabilitation projects of over 2,500 square feet. The Ordinance requires analysis of the selected plantings’ water use, irrigation method, irrigation efficiency, and area associated with each hydrozone, and preparation of a water budget in order to reduce water use in landscape design and maintenance. (Additionally, there is some internal inconsistency with Chapter 10, Article 20 of the Municipal Code, which is an older set of regulations related to water efficiency in landscaping but has been replaced by Article 12). Additionally, C3 regulations described on the next page address requirements for stormwater management.

Design Guidelines

As previously described on page 49, the current Design Guidelines address site improvements in industrial areas, including landscaping; screening of equipment, parking and loading; pedestrian and bicycle improvements; and provision of recreation amenities for employees. They do not specify their applicability to new construction versus renovation or additions.

Building Code

Provisions in the Building Code address accessibility requirements, water conservation, and energy efficiency for both new construction and rehabilitation.

In terms of *accessibility* triggers, the Building Code requires that at least one accessible route be provided to the renovated area. Alterations to any building must comply with the requirements of the Code for new construction and be undertaken such that the existing building is no less compliant with the provisions of the Code than the existing building or structure was prior to the alteration. In other words, an existing building may not be required to be upgraded to meet current Code, but cannot present a worse condition with the modification or addition.

CalGreen/Title 24 is a broad set of requirements related to *energy efficiency, water conservation, resource efficiency and environmental quality* that apply to the structural, mechanical, electrical, and plumbing systems in a building. Energy efficiency improvements are triggered based on the level of renovation or improvement proposed. For tenant improvement projects, if there is an increase in the number of occupants or if the use of the building is changing, additional plumbing fixtures may be required. In terms of exterior improvements, Title 24 could trigger upgrades for outdoor lights and HVAC systems to more energy efficient products and systems.

Other Municipal Code Regulations

Under Section 7-1.00 of the Municipal Code pertaining to Public Works, *frontage improvements, including sidewalks, curbs, gutters, lighting, and roadway improvements* may be required of any development project that requires discretionary review, whether new construction and substantial rehabilitation. However, the requirement and extent of frontage improvements must be tied to the proposed development and must be roughly proportional to the developing being proposed. Case law stipulates that the City must demonstrate that there is a nexus between the proposed improvement or requirement and the purpose of the government regulation being enforced, and that the improvement is roughly proportional to the impact of the proposed development. In this case, the Code section stipulates that the purpose of the street improvement requirement is to provide minimum standards for safe and convenient vehicular and pedestrian access and travel.

HMC Section 11-5.38 requires *stormwater treatment capture and treatment measures* for “C.3 Regulated” development and redevelopment projects. Based on the County’s guidance, capture and treatment measures are required if the total impervious surface created or replaced exceeds 10,000 square feet, or 5,000 square feet for special projects such as gas stations or parking lots. Site design measures include installation of bioretention areas, low impact design measures and permeable paving to manage and treat stormwater. Projects are further required to incorporate Green Infrastructure whenever possible to meet the City’s mandate to reduce mercury and PCBs as well as to abide by the Council approved Green Infrastructure (GI) Framework, which states a process will be created to review all public and private development for GI implementation.

Recycled Water

The City’s Recycled Water Use Ordinance (Chapter 11, Article 6) encourages and supports the use of recycled water in lieu of drinking water for nonpotable uses in areas where the City can or may provide recycled water service in the future. The Ordinance requires existing water users and new developments to use recycled water where the City has determined that recycled water may be available, feasible, and appropriate for the intended use.

The City currently anticipates providing recycled water service within the Industrial District. Upon application by a developer, owner or water customer, staff shall make a preliminary determination on whether the new construction or proposed alterations to industrial facilities should be designed in accordance with the City’s Recycled Water Use Guidelines to accommodate the use of recycled water, and whether a permit to use recycled water should be required as a condition of approval.

4.2 Issues and Strategies

The majority of investment and tenant transactions in the City are turnkey, where a tenant leases a building as is, or with tenant improvements that only trigger a building permit or limited property upgrades (i.e., landscaping, accessibility, fencing, energy efficiency). New development opportunities are limited to infill development or demolition of an existing building. As a result, City staff and decisionmakers often do not have the opportunity to request or require significant site or frontage improvements. Moreover, the regulations that they have to point to in order to support a nexus between a project and requested site improvements are limited, as described in Section 4.1. As a result, the quality of site improvements is inconsistent across properties and the corridor generally lacks of a clear identity or sense of place. On the other hand, brokers and property owners view the costs of locating in Hayward as low compared to other East Bay communities, which limit permitted uses or place more requirements on building and site improvements. Perhaps as a result, and to the City’s advantage, vacancy rates are low and business are thriving throughout much of the Industrial Corridor.

Stakeholders provided mixed responses about the City hypothetically requiring site improvements that had a nexus to a property or tenant improvement upgrade; some stakeholders believe that requiring curb, sidewalks, and gutters was a reasonable request when a more significant building or site upgrades were being made, while others suggested this would be a burden and reason to locate in another nearby community. However, based on consultant research, most communities (particularly those in higher cost areas) would require similar or more extensive site and frontage improvements when substantial rehabilitation or new construction is proposed (see Table 5).

Sample Stakeholder Comments

There is no 'there there' citywide

Pride of ownership has always been a problem in Hayward. Some owners don't take care of their properties.

Cities get too greedy on setbacks and landscaping. Requiring a large setback, berm, mature trees, sidewalks, curbs, etc. are expensive and can impact how a site is used.

It is a fair trade off to ask for frontage improvements in response to substantial tenant improvements or redevelopment, even though sellers and tenants will balk.

Employees don't care about site improvements. They're only interested in wages, not being contractors, and having affordable housing.

Need to improve transit to/from BART

This Section explores different ways that cities are obtaining desired site improvements, from codified to negotiated, and from project-sized based thresholds to blanket thresholds that apply to all projects. Each approach is evaluated for its pros and cons, including how to find a balance between obtaining improvements that contribute to placemaking and recognizing what is reasonable and appropriate to require of applicants. Notably, most jurisdictions find this balance to be a challenge, but aim for a proportional requirement.

Purposes and Findings

As described in Chapter 1, having clear **purpose statements** for each zoning district or subdistrict clarifies what is intended within a district and what is expected of an applicant. Required **findings for approval** of development in a district provide a basis for staff or decisionmakers to review a project. Taken together, the linking of purpose statements and findings for approval can set expectations for a city and for applicants about how development projects fit into the greater city context, and for how city policy gets implemented through new projects.

In the City of Berkeley's Mixed Manufacturing district, district purpose statements are based on the City's priorities, including preventing incompatible uses, providing high quality employment for people at all educational levels, and maintaining and improving the quality of the neighborhood and environment. Findings of approval for development within the district require that staff and/or decisionmakers consider how a proposed use or structure does or does not comply with the district purposes. In this way, a jurisdiction can link a project proposal with adopted policies and make a determination about whether or not the project and its site improvements are acceptable. Purposes and findings can also address compliance with adopted plans and policies.

In contrast to ministerial approvals where a development is approved provided that it meets set requirements, discretionary approvals require that an approving authority make certain findings of approval. Property owner and tenants, who value certainty in the process and development potential, may be resistant to a blanket requirement of discretionary review for all projects. In general, stakeholders expressed desire for flexible standards and a straightforward review process.

Blanket Standards and Bright Line Thresholds

Identifying an improvement as a standard in the Zoning Ordinance and applying it to all projects provides the most clarity for the applicant about a jurisdiction's expectations. For example, the City of San Francisco requires any development project to plant and maintain street trees; this standard is specified in the Zoning Ordinance. This type of bright line threshold may be used for desired improvements where there is agreement that requirement should apply to all development or a certain defined type of development. They are typically improvements that are relatively easy to implement, add value to a project, and are relatively inexpensive for the property owner (i.e., the low hanging fruit). Requiring onerous or expensive improvements that do not have a clear nexus could slow development or prevent owners from obtaining permits when doing work.

In general, stakeholders were supportive of requirements to provide street trees and landscaping along the frontage, screen existing utilities and trash areas, painting, and have a nice entrance to the building. Tying such improvements to specific thresholds represent the type of low hanging fruit improvements that the City could reasonably require of any development project.

Negotiated Improvements

Many jurisdictions negotiate improvements with developers during the project review process, relying on design review criteria, design guidelines, adopted policies, and/or standard conditions of approval to obtain desired improvements.

In the City of Emeryville, where industrial and office/technology areas are occasionally missing sidewalks, the City requires basic frontage improvements—sidewalks, curbs, gutters—and potentially additional improvements (e.g., street trees, undergrounding utilities, loading) whenever possible when a property turns over. The City relies on General Plan policies for this nexus. For example, the Plan encourages a fine street grid, which the City uses as a basis for requesting a mid-block public street or path within a superblock.

Within its Zoning Ordinance, the City of San Francisco identifies negotiable improvements for “large” projects (greater than ½ acre or contains 250 feet of frontage or encompassing an entire block face; and includes new construction or an addition of 20% floor area). During

the project review process, such projects must provide a streetscape plan showing existing and proposed streetscape elements in the public right-of-way adjacent to property, including street trees, sidewalk landscaping, street lighting, site furnishings, utilities, driveways, and curb lines. The City then considers (but does not necessarily require) benches, bicycle racks, curb ramps, corner curb extensions, stormwater facilities, lighting, sidewalk landscaping, special sidewalk paving, and other site furnishings, excepting crosswalks and pedestrian signals. The exact requirements are determined at the staff or decisionmaker level as part of the discretionary project review. The City uses various pedestrian, bicycle, and urban design policy plans as a basis for these improvements.

This method tends to be successful in the most desirable industrial/technology areas where there is limited space (e.g., San Francisco, Emeryville, Palo Alto). In these locations, higher value companies have high expectations for the appearance of a place. Such requirements and negotiations may be challenging for Hayward while it is trying to grow a burgeoning technology sector. While sidewalks and street trees may be achievable for Hayward, additional improvements may not be in the short- and medium-term.

Moreover, stakeholders appreciate the City's modest design standards, site requirements, and allowances for warehousing uses. These limited regulations make the City competitive with surrounding cities, but also provide some room for the City to negotiate for incremental improvements. If the City is going to continue to accommodate and allow for the growth of warehousing and distribution uses, the expectations for design and site improvement may also be raised incrementally. Identifying this balance is essential. Several stakeholders acknowledged that there needs to be a rational basis for requiring an improvement. For example, if a property owner is already making changes to the site plan and digging up a portion of parking lot, additional site landscaping or asphalt/concrete work are less costly and therefore more negotiable. Likewise, if an owner is already triggering C.3 or Bay Friendly Landscaping requirements, then requirements for street trees and landscaping in the frontage may be rationally required and reasonably implemented.

Area and Master Plans/Planned Unit Developments/Design Guidelines

Several cities require a master plan, prepared by a developer/property owner in coordination with the jurisdiction, to be prepared for larger sites or else require a planned unit development (PUD). These plans are subject to adoption by decisionmakers and modify zoning (and are therefore subject to CEQA). They specify the vision, uses, development standards, and design guidelines for a site or planning area. As described earlier in this document, Hayward utilized the Planned Development process for the Shea Industrial Park Development (14.6 acres) and more recently the nearby Steelwave Industrial development (5.8 acres) in order to curate the uses within the industrial parks.

In Foster City, a Planned Development District is a combining district only and must be accompanied by a General Development Plan (akin to a master plan). This plan identifies uses, building locations, FARs, heights, circulation, open spaces, landscaping, parking, and phasing. In the

case of the Gilead Campus Master Plan, the plan is primarily a graphic based document, accompanied by a set of design guidelines. While the guidelines took a considerable amount of time to prepare on the part of the staff and applicant, it built trust and clarified the City's expectations and desires. As a result, the discretionary review of the individual buildings proposed under the plan went more smoothly and quickly than other comparable buildings off-campus, according to City staff.

The City of Fremont requires that industrial/R&D sites of five or more acres in size develop a master plan, subject to review and approval by the Planning Commission and City Council. The master plan must demonstrate how the project complies with the public realm and transportation improvements identified in the planning document (i.e., bicycle and pedestrian networks, open spaces, public art, etc.)

Before Emeryville's extensive redevelopment 15 to 20 years ago, the City relied on design guidelines in its City-initiated area plans to clarify expectations for frontage improvements and site design. This allowed staff to work with developers on a case-by-case basis to negotiate the City's most desired improvements. This was effective for the City, particularly with larger developers and larger sites. Currently, the City requires any site above five acres to do a PUD. Although use, height, and density are codified in the General Plan, other standards such as landscaping, parking, and streetscape design are identified in the PUD. Staff finds that the PUD provides more flexibility and certainty for the developer and staff.

As described in Chapter 1, master plans allow for opportunities for both the developer and the city to identify their priorities, provide clarity for both parties about types of uses, development standards, improvements, and phasing, while also potentially allowing for flexibility as needs change over timing. Such plans are only likely to be feasible (considering the costs of application processing and environmental review) to require for larger sites where the extra step is worth the time and expense. Stakeholders were generally supportive of this idea.

Valuation Thresholds

Tying site improvements to a certain valuation on a building permit application can create a balance between a project's private expenditure and the amount of on- or off-site improvement required.

The City of Palo Alto uses a valuation threshold for residential projects to link development project proposals with required site improvements during the discretionary review process. However, staff have found implementation to be challenging since the implementation process is not clearly defined in the City's Code. Moreover, the applicant often does not know the project valuation since they typically have not yet retained a contractor during the zoning approval phase.

Emeryville has considered requiring certain improvements on the basis of valuation triggers, but ended up applying development impact fees instead (e.g., transportation, parks, and affordable housing) since it was easier to implement.

Notably, valuation thresholds would disproportionately affect higher-value R&D and biotech tenants that have more expensive tenant improvement buildouts (for labs, clean rooms, prototyping facilities, etc.)—exactly the uses that the City is seeking to attract. These higher value uses tend to desire more amenities and therefore may opt to construct them on their own, without being subject to detailed requirements. The turnkey transactions more typical of the warehouse and distribution uses would not be triggered unless the valuation threshold was set low. These users tend not to volunteer these amenities and improvements. As a result, it may not make sense for the City to utilize valuation as a threshold for the provision of amenities. Moreover, few cities appear to be successfully utilizing valuation thresholds.

4.3 Opportunities and Recommendations

Chapter 3, Development Standards and Design Guidelines, of this document contains recommendations for development standards and design guidelines to support the objectives for site improvements described in this chapter. Additionally, site improvements could be addressed through the master plan process identified Recommendation 1-C and incentives for uses based on the streamlining of permits is addressed in Recommendation 2-E.

Additional recommendations related to thresholds and standards for specific improvements to provide certainty related to City expectations are as follows.

Recommendation 4-A: Strengthen Required Findings

The City should update required findings for industrial projects that comply with the City’s land use, transportation, and environmental policies and that support the purposes of each industrial subdistrict. Together, subdistrict purposes and required findings can clarify the nexus between the Complete Streets, Bike Master Plan, and General Plan policies that support tree canopies, pedestrian paths, and bike/transit improvements and requirements applied to individual projects during project review. Findings would require that staff and/or decisionmakers consider the ways in which a project complies or does not comply the City’s policies for land use and transportation (e.g., Bike Master Plan, Complete Streets).

(Also see Recommendation 1-B regarding purpose statements that reflect the character of each subdistrict. For example, a purpose could be providing high quality employment for people at all educational levels.)

Recommendation 4-B: Require Certain Site Improvements as Standards

As part of revisions to Section 10-1.1645 (Minimum Design and Performance Standards) discussed in Recommendation 3-A, the City should incorporate desired site improvements such as the provision of sidewalks and other complete streets elements where none exist, pedestrian connections to the Bay Trail for properties within proximity of a Bay Trail access point or other open spaces, and placement of new utilities underground or screen architecturally or

with landscaping. To the extent possible screening of utilities and mechanical equipment should be part of the building design and not an afterthought.

Recommendation 4-C: Create a Blanket Landscaping Standard that Applies to All Development Projects

The City should create a blanket landscaping standard that requires all development requiring a building permit, in all zoning districts, to provide street trees and/or landscaping in the front setback, where missing. Landscaping improvements are relatively low cost investments that have high visibility benefits to improve the appearance of a site, the relationship between the private and public realm, and the environment. As a result, this investment provides benefits to the property owner, tenants, and community at-large. This type of bright line threshold provides clarity for both City staff and the applicant about what is expected. Stakeholders were generally amenable to this type of basic requirement.

While all projects would be subject to this minimum requirement, larger development and redevelopment projects would trigger existing C.3 stormwater and/or Bay-Friendly Landscaping requirement, and therefore would incorporate this blanket requirement as part of their landscaping and stormwater plans, while also providing other levels of benefit.

Recommendation 4-D: Clarify Bay-Friendly Landscaping Requirements and Green Infrastructure Mandates

The City should clarify the relationship between the Bay-Friendly Water Efficient Landscape Ordinance (Chapter 10, Article 12) and the landscape provisions in the Industrial District, which require water-conserving plantings (Section 10-1.1645.l.c), but do not cross-reference or require compliance with the ordinance. Consider updating the Bay-Friendly Water Efficient Landscape Ordinance to apply to projects, beyond those that are just specifically rehabilitating their landscaping areas. For example, include projects that are proposing an addition or else increasing their floor area by 10 percent or more.

In addition, the City should clarify the applicability of Green Infrastructure mandates beyond the C.3 development and redevelopment requirements to reduce mercury and PCBs from entering the San Francisco Bay. This could take the form of requiring Green Infrastructure implementation unless a specific finding, supported by documentation, is made that implementation is infeasible.

5 INCENTIVES/BENEFITS AND DISINCENTIVES

As described in the Executive Summary, zoning regulations invariably create incentives and disincentives for certain uses through allowed densities and uses and levels of permitting. This section explores different approaches to encouraging desirable uses and discouraging undesirable uses.

5.1 Existing Setting

The City's General Plan policies support and encourage high amenity development and advanced manufacturing uses in the Industrial Corridor. However, the policies do not identify how to implement these objectives. Currently, the City does not have an incentive program per se, but the Zoning Ordinance does create incentives and disincentives through the permit process, by either allowing uses by right or requiring administrative or conditional use permits.

General Plan

The General Plan's Economic Development and Land Use Elements generally support a transition of land uses in the Industrial Corridor and on- and off-site amenities to support this shift.

Land Use Element Policy LU-6.2 supports the conversion of obsolete industrial and warehouse distribution space to a productive use, such as advanced manufacturing, professional office centers, corporate campuses, research and development parks, and flex space. Policy LU-6.4 seeks to encourage incidental commercial uses that support employees and businesses within the Corridor, such as restaurants, business services, business hotels, and gas stations. Policy LU-6.6 further encourages property owners to upgrade existing buildings, site facilities, and landscaped areas to improve the economic viability of properties and to enhance the visual character of the Corridor. Lastly, Policy LU-6.8 aims to encourage the provision of employee-serving amenities for major employment uses, such as courtyards and plazas, outdoor seating areas, fitness facilities, bicycle storage areas, and showers.

Goal 2 of the **Economic Development Element** and its implementing policies address general policy support for local entrepreneurship including community-operated workspaces (e.g., makerspaces), small business loans (ostensibly for tenant improvements), and coordination organizations such as East Bay Score for advice about real estate and leases. Policy ED-3.1 identifies a new Business Expansion and Retention (BEAR) program to help high growth potential businesses stay, grow, and become more committed to the Hayward community.

Zoning

Although the Industrial District was not written to support advanced manufacturing, R&D, biotech, and other high-tech uses per se, the district's allowed uses and permissive development standards have allowed these uses to proliferate.

One way that the Zoning Ordinance currently provides incentives and disincentives is through the *use permit process*. An applicant may have an incentive to locate in the Industrial district if their use is permitted by right or subject to an administrative use permit. On the other hand, an applicant may choose to avoid locating in a district where a conditional use permit is required, due to the time or conditions added to the permit process. The table below summarizes selected industrial and commercial uses in the Industrial District, by permit type.

TABLE 6: SELECTED INDUSTRIAL DISTRICT USES, BY PERMIT TYPE		
<i>Permitted</i>	<i>Administrative Use Permit</i>	<i>Conditional Use Permit</i>
Industrial Uses		
<ul style="list-style-type: none"> • Manufacturing • Newspaper printing facility • Publishing facility • Research and development facility • Research laboratory • Warehouse • Wholesale establishment • Hazardous materials use and storage subject (selected) 	<ul style="list-style-type: none"> • Brewery or liquor distillery • Contractors storage yard • Industrial equipment sales or rental • Perfume or vinegar manufacture • Railroad yard • Recycling collection area • Sandblasting activities • Truck terminal • Truck rental • Truck storage yard • Vehicle dismantling facility • Wind energy conversion system • Hazardous materials use and storage subject (selected) 	<ul style="list-style-type: none"> • Hazardous materials use and storage subject (selected) • Major outdoor storage • Recreational vehicle storage yard • Public storage facilities
Retail or Service Commercial, and Personal Services		
<ul style="list-style-type: none"> • Barber or beauty shop (limited) • Building materials • Industrial equipment and vehicles • Office supplies/equipment sales • Retail sales within a hotel • Retail sales* (of goods produced on-site) • Copying or reproduction facility • Food vendor 	<ul style="list-style-type: none"> • Barber or beauty shop • Tailor/seamstress shop • Retail Commercial Uses • Carpet store/showroom • Convenience market • Drapery store/showroom • Furniture store/showroom • Restaurant/delicatessen • Hotel or motel 	<ul style="list-style-type: none"> • Bar, cocktail lounge • Sale of retail goods with a regional or sub-regional marketing base on a minimum 4-acre parcel visible from Interstate 880 or State Highway 92 • Nursery (plants), on a minimum 2-acre parcel located on an arterial street

As shown in the table above, the City accommodates warehouses as *allowed uses*. As described in Chapter 1, at a time when neighboring communities are placing restrictions on such uses in favor of more high-tech uses, this by-right allowance may create an incentive for warehouse and distribution uses to stay and grow in Hayward. Additionally, the Zoning Ordinance may be providing an incentive for businesses to locate in Hayward due to relatively *permissive design and development standards*, as described in detail in previous chapters. The Industrial District does not specify maximums for building height or lot coverage (for industrial uses), has minimal setback requirements, and does not specify a cap for development intensity on a site. These

generous standards provide both flexibility for property owners as well as opportunities to buildout more floor area.

5.2 Issues and Strategies

The City can align incentives to encourage at least two types of outcomes: desired uses and desired appearance and amenities.

Zoning regulations can make it easier to do “good” projects by streamlining the permit process and providing flexibility in development standards for desired uses.

A conditional use permit requirement may provide a disincentive for an undesirable use if conditions of approval and/or a public hearing will add time, cost, or conditions to a project. By right development can provide an incentive for such uses. In the case of warehouse uses—which are being limited by other nearby cities—allowing the use by right can also provide the City with leverage to negotiate reasonable amenities. On the other hand, it is a disincentive to provide amenities for employees if it requires an additional permit or takes away from allowable industrial development area. Lastly, variation in standards by use or relief from certain standards can create an incentive for uses to locate in a specific district.

Sample Stakeholder Comments

Consider reducing fees or streamlining approvals to encourage owners to demolish and re-build old infill sites.

If landlord is spending a lot on a tenant improvement, tie an incentive to lease renewal 5 years later if frontage improvements are needed.

During renovation/redevelopment, considering requiring some other site improvements to make the site look better, but don't require more parking where it does not meet Code.

Leasing warehouse space is low-hanging fruit. To get high-technology companies, you need clear definitions, staff to get them through the permit process quickly and reliably, and understanding of the specific needs of bio-tech/advanced manufacturing users (e.g., hazardous materials and air quality impacts).

This Section also explores one of the more common incentives that cities offer: bonus programs that allow for additional development area in exchange for certain amenities or improvements.

Use Permits and “Streamlined” Review

Specific use types and subdistricts can carry different permit requirements as a way to encourage certain use types or sizes of uses. Many stakeholders mentioned the need for streamlined review in order to get companies up and running quickly. Specifically, this mean having zoning permit and building permit processes in place that can anticipate the needs of advanced manufacturing companies and can accommodate their specific needs (e.g., generators, dust collection systems, clean rooms, wet labs, etc.).

As shown in Table 5 above, Hayward currently accommodates warehouse uses as permitted uses, which may drive their growth in Hayward, while other cities are choosing to limit these uses through the use permit process. This dynamic offers Hayward some leverage. If the City continues to support warehouse and distribution uses as permitted uses, it may be in a better position to negotiate additional basic site improvements that improve the appearance and amenities associated with a development project, as discussed in Chapter 4. However, it will continue to encourage the establishment of these low employment, high space uses.

Revisiting the level of permits required for specific industrial and commercial use types, particularly in light of potential subdistricting in Chapter 1, can help to align General Plan policies for the corridor with the individual project review process.

Varying Development Standards

Use types and zoning subdistricts can also carry different development standards as another way to encourage certain uses and development intensities. For example, for an outdoor storage use, materials, screening, and drainage requirements may make the use infeasible. An owner would need to have a high value use to make the cost of site improvements worth the investment. Regulations that require enclosed building or soundproof construction near residential uses, will make more noise intensive uses want to locate away from residential.

To the City's advantage, brokers and property owners have found Hayward's minimal requirements and regulations welcoming compared to some other nearby cities. On the other hand, community members and stakeholders representing high-tech uses and users believe that the City is not going far enough to require new users to provide community benefits and other amenities that will continue to attract high-tech users.

The City of Fremont adopted the South Fremont/Warm Springs Community Plan in 2014 in response to the closing of the NUMMI plant (prior to its purchase by Tesla) and the arrival of a new BART station. The Plan uses distance from the BART station and use type as the organizing principles for how to set density/intensity levels. For example, the Plan identifies higher minimum intensity (FAR) standards for sites within ½-mile of transit to enable higher intensity development in transit-rich areas. The tallest building height allowances are located closest to the BART station, and then step down as the distance from the station increases. Additionally, the Plan requires minimum FAR thresholds for various types of uses—with hotel and office uses carrying higher FAR requirements than industrial and R&D uses. This staggering of standards also acknowledges the typical higher land values in transit-oriented parcels and for high-density uses, potentially providing an incentive for property owners to redevelop a site.

Varying the intensity of development by use or zoning district can affect land values and therefore provide incentives for redevelopment at higher intensities for higher value uses. Hayward's relatively permissive development standards may provide the City with a competitive advantage over other jurisdictions, especially as owners seek to intensify their properties. At this time, the City is not receiving applications with tall building heights or high FAR values, since the market for offices uses that might seek more intense development is limited. Though unlikely, if current market trends continue, the City could see some properties test the limits

of the development standards. However, if a change in market conditions occurs, and land prices decrease while construction costs continue to rise, higher densities and redevelopment may not be financially feasible for property owners.

Density Bonus in Exchange for Amenities

Cities can provide density bonuses, such as increased FAR or lot coverage, in exchange for and to encourage installation of on- or off-site amenities based on a variety of methods as shown in the examples below.

- **Points System:** The City of Emeryville provides bonus floor area and height in exchange for certain amenities, including public open space, frontage improvements over and above standard requirements, and utility undergrounding. The City’s General Plan defines base and bonus FAR and heights for each zoning district which is eligible for a bonus.
- **Specific Thresholds:** The City of Los Angeles has codified a new zoning district, the Hybrid Industrial Live/Work District to guide development that is sensitive to the context of transitional areas and that furthers goals for industrial jobs and for livability. The regulations require compliance with specific thresholds (e.g., 50% ground-floor transparency, minimum 2,500-sq. ft. public plaza, 300-sq. ft. minimum public art mural).
- **Valuation:** The City of Tampa, Florida defines a valuation method for awarding bonus floor area in exchange for providing amenities such as transit stops, pedestrian and streetscape improvements, or public facilities/services. The calculation method is based on construction costs.

Since the Industrial District currently does not constrain industrial buildings in terms of building height or lot coverage, there are few restrictions on building envelope and total floor area. In order for the City to set up such a program, it would need to place limits on floor area and/or the building envelope in order to create incentives to pursue a bonus. These limits are likely to be viewed unfavorably by property owners who want to maximize their flexibility—even if they are not currently taking advantage of the generous development standards. (Notably, most density bonus examples are used in residential and office/technology areas which generate taller heights and more dense developments.) Moreover, it is critical to identify the right base density level. If it’s too high developers will not be motivated to provide additional amenities. If it’s too low, developers may be turned off from developing altogether.

5.3 Opportunities and Recommendations

The City should employ a “light touch” with respect to applying specific incentives to encourage desired uses. Much of the City’s success in attracting and retaining desired uses has stemmed from the City’s location, relatively low land values, efforts by City staff, and other site- or industry-specific characteristics rather than specific incentives outlined in the Zoning Ordinance or other regulations. Until the City achieves a higher, more intense level of development, akin

to cities like Mountain View, Emeryville, or South San Francisco, it does not have the ability to offer floor area incentives. Instead the City should continue to utilize use regulations, districting, and permissive development standards as incentives for desired use.

Incentives/Disincentives for Use

Recommendations in the preceding chapters, related to subdistricts, uses, and development standards will help to provide incentives and disincentives for promoting or restricting uses. Revisiting the use tables and required permits, and dividing the industrial area into distinct districts that allow and prohibit certain types of uses, will both help to attract and dissuade use types, while modest development standards will continue to offer flexibility for developers. In order to continue to support desired uses, the City may not want to make drastic changes to the current incentive structures.

Incentives for Amenities/Site Improvements

Recommendations in the preceding chapters related to uses, districting and master plans will help to provide incentives for adding site improvements and amenities. Allowing warehouse uses by right, while other nearby cities do not, in effect provides both an incentive for such uses to continue to locate in Hayward, while also providing the City with the opportunity to negotiate for reasonably related amenities, if they are clearly defined in the regulations and required through either a ministerial or discretionary development review process. A district focused on R&D, advanced manufacturing, and biotech uses—given that these uses already exist in these locations—will naturally both attract similar uses and more uses that voluntarily upgrade properties in order to satisfy the needs and desires of its workers. Lastly, requiring a planned development, master plan, or other coordinated planning effort for larger sites will clarify expectations for developers of larger projects in terms of site planning, circulation, landscaping, and design, while also providing the City with an opportunity to ensure that plans are consistent with adopted policies for land use and transportation.

While this section explored opportunities for a bonus density program, given the existing market conditions and generous development standards, such a program may not make sense in the short- or medium-term. If the City wanted to pursue such as program, the district(s) would need to set a limit on lot coverage for industrial buildings (and exclude desired uses or amenities such as bike parking, employee amenity areas, etc.).

CITY OF HAYWARD

INDUSTRIAL DISTRICT REGULATIONS UPDATE

Appendix A Stakeholder Interview Summary

This page intentionally left blank.

Table of Contents

A.1 Introduction	A-1
Background	A-1
Purpose of the Stakeholder Interviews	A-1
A.2 Major Themes	A-2
Best Assets: Location, Lease Rates, Warehousing, District Flexibility	A-2
Weaknesses: Processes, Traffic, Sense of Place	A-3
Desire to Maintain Flexibility in Development Standards	A-3
Mixed Reactions to Site Improvement Requirements	A-3
Next Era of Development: Infill Redevelopment	A-4
Perspectives on Uses and Specific Areas	A-4
Permit Process	A-4
Co-location and Adjacency Concerns	A-5
Weak Retail and Restaurant Market	A-5
Infrastructure and Utilities	A-5
A.3 Comments	A-7
General Comments	A-7
The Hayward Context	A-9
Area Specific Comments	A-10
Uses	A-11
Ancillary and Other Non-Industrial Uses	A-12
Bio-tech, High-tech, and Research and Development	A-13
Manufacturing	A-14
Outdoor Storage and Activities	A-15
Residential	A-15
Warehousing and Distribution	A-16

Problematic Uses.....	A-17
Design	A-18
Building Design	A-20
Flexibility.....	A-20
Improvements	A-21
Development Standards	A-22
Lot Coverage.....	A-23
Employee Amenities.....	A-23
Landscaping	A-24
Parking	A-24
Loading	A-26
Access	A-26
Administration	A-27
Infrastructure and Fees.....	A-29
Perspectives from Planners in Other Cities.....	A-29
Project Review Criteria: Standards and Findings	A-30
Site Improvements and Amenities	A-30
Fees.....	A-31
Political Factors	A-31
Co-location/Adjacencies.....	A-32
Design Review and Design Guidelines.....	A-32
Parking/Traffic.....	A-33
Master Plan/ “General Development Plan” Process	A-33
A.4 List of Interviewees.....	A-34

A.1 Introduction

Background

The City of Hayward is currently engaged in an update of its Industrial District Regulations. Based on the vision set by the recent General Plan update, the purpose of the Industrial District Regulations Update is to comprehensively revise the regulations that will shape future growth within the Industrial Technology and Innovation Corridor. In turn, this update will help realize the community's vision of an expanded economic and employment base with a healthy balance between a manufacturing-based economy and an information- and technology-based economy. The Industrial District regulations aim to translate General Plan goals and policies into rules for what can be built, and the application review process required. The update will produce a user-friendly set of regulations that provide clear direction about Hayward's expectations for development in its industrial areas.

Purpose of the Stakeholder Interviews

To learn about the issues associated with the Industrial District Regulations, interviews were conducted with a cross-section of people who have used or are familiar with the Industrial District Regulations in Hayward, have a specific interest in regulations related to industrial development, or have been involved with industrial development in other jurisdictions. The stakeholders interviewed included land owners, business owners, real estate professionals, industrial and manufacturing groups, community members, and city planners from other jurisdictions. Notably, the majority of interviewees had real estate financial interests in the Industrial district. Perspectives from business owners, employers, and employees were solicited through an online survey; these results are reported in Appendix B.

The City's consultants conducted interview sessions from July 6, 2017 to August 10, 2017, both in-person and over the phone. A total of 34 stakeholders were interviewed, of which eight were from other jurisdictions. The interviews were conducted by Martha Miller of RRM Design Group and Jean Eisberg of Lexington Planning, the City's consultants working on the project. The interviewees were asked a series of questions regarding overarching concerns as well as specific topics. People interviewed were also given the opportunity to discuss issues of significance to them that were not otherwise discussed in response to specific questions.

A.2 Major Themes

A number of similar opinions emerged among stakeholders about what the major issues are as they relate to industrial development and the Industrial District regulations. Generally, stakeholders thought the City’s industrial regulations should be realistic and flexible for new development, redevelopment, and tenant improvements. While the stakeholders differed on the exact recommended changes, many stakeholders agreed that the Industrial District Regulations should be revised to enhance the image of the industrial area, and allow for complementary uses that would enhance the sense of place—elements that support the General Plan vision and policies.

The following is a list of the major themes and recommendations heard during the stakeholder interviews. The subsequent subsections identify key findings from the stakeholder interviews, including issues where there was general agreement and areas of mixed reaction.

1. Hayward is a prime location for warehouse and distribution uses; retain and do not restrict these uses.
2. Hayward is lacking in location, transit accessibility, reputation, and other amenities which make it difficult to attract significant amounts of other uses such as technology, life sciences, research and development, and manufacturing.
3. Retain flexibility in allowed uses, site layout, and building design.
4. Focus design improvements at the project frontage, while allowing flexibility on the rest of the site. Apply these requirements consistently
5. Exercise caution when adding requirements so as to not render a project infeasible.
6. Limit uses that negatively impact neighboring businesses such as heavy industry, outdoor activities, and cannabis cultivation.
7. Allow new, supporting non-industrial uses as retail, restaurants, breweries, hotel/motel, and recreation uses.
8. Streamline the review process and make it less onerous.

Best Assets: Location, Lease Rates, Warehousing, and District Flexibility

Stakeholders generally agreed that Hayward’s best assets include its location, relatively low costs, and the flexibility of its district regulations. They described Hayward as a prime location for warehouse, distribution, and food manufacturing uses, given the building stock and the proximity to the Port of Oakland, Oakland Airport, San Mateo Bridge, and freeways, and the skills and education of the local workforce. Stakeholders generally agreed that the lower lease rates and location advantages of Hayward (compared to higher costs and low vacancies in Silicon Valley) has led to a spillover over of bio-tech and high-tech companies locating in Hayward.

However, stakeholders generally believed that such companies would retreat from Hayward once the market softened.

Stakeholders appreciated that warehouse uses are permitted by right, outdoor storage is generally permitted, and development requirements are reasonable in the Industrial District. As other nearby communities tighten up regulations, stakeholders generally believed that Hayward can continue to attract industrial users—especially warehouse, distribution, and manufacturing users that represent the bulk of the market.

Weaknesses: Processes, Traffic, Sense of Place

In terms of weaknesses, stakeholders' perspectives were more varied. Some interviewees expressed concerns about the discretionary permit process—the time involved, lack of clarity, and regulations not being applied consistently across all properties. Some stakeholders expressed concerns about the quality of schools, cost of utilities, increases in crime and vandalism, and the disrepair of streets. Stakeholders generally agreed that traffic is bad and expressed a need for access to BART and other transit. Several stakeholders described the industrial area as lacking a sense of place: there are limited retail services, food options, amenities, and no sense of a coherent district. As a result, stakeholders with experience building and leasing industrial buildings think it will be difficult for the City to attract high-tech, life sciences, research and development (R&D), and office uses, whose employees demand these amenities and services.

Desire to Maintain Flexibility in Development Standards

Stakeholders, specifically developers, owners, and brokers, were generally supportive of the Industrial District's permissive development and design standards. They were concerned that if the City applied new restrictions, it would deter investment in Hayward—investors would simply go elsewhere. Stakeholders generally appreciated the range of uses permitted by right and the development standards that allow for flexibility in site planning and sufficient floor area allowances. Key design needs for warehouse and manufacturing users mentioned include 32-foot clear building heights and a sufficient number of loading docks. Stakeholders generally thought that parking and loading requirements were on par with other jurisdictions and reasonable. However, some stakeholders mentioned that parking provided on sites was not always sufficient to support changes in use (in particular higher employment density uses). A few stakeholders recommended that the City provide more flexibility for sites to meet parking requirements or build parking, such as on adjacent sites, inside, or through on-street parking.

Mixed Reactions to Site Improvement Requirements

Stakeholders provided mixed responses about the City requiring site improvements as part of development projects or tenant improvements. In general, property owners and brokers were supportive of requirements to provide street trees and landscaping along the frontage, screen existing utilities and trash areas, painting, and have a nice entrance to the building. Some stakeholders believed that requiring curb, sidewalks, and gutters was a reasonable request when more significant upgrades were being made, while others suggested this would be a burden

and reason for them to locate in another nearby community. In general, the improvements required by the City needed to be reasonably related to the development project or tenant improvements, and appropriate for the tenant occupying the site.

Stakeholders who did not have a financial stake in properties (i.e., business advocates and community members) were more supportive of raising the bar on site improvements required in order to make the district more attractive and to provide more amenities. Still, many stakeholders agreed that the City could use some upgrades to street conditions, retail and restaurant offerings, and overall appearance.

Several stakeholders from a range of backgrounds expressed a need for better access to BART and other transit to reduce traffic congestion and provide options for workers.

Next Era of Development: Infill Redevelopment

Stakeholders generally noted that Hayward is fairly built-out, such that the majority of development will continue to be infill redevelopment. Construction will primarily be in the form of renovation of existing buildings, or—if feasible based on market conditions (i.e., land values, construction costs, and space demands)—the demolition of older buildings to make way for new buildings. A few property owners and brokers indicated that the City could provide incentives to demolish and rebuild—for example, by reducing fees or streamlining project review. On the other hand, other stakeholders, did not seem to believe that regulations initiated by the City would affect owners' actions to renovate vs. redevelop.

Perspectives on Uses and Specific Areas

Stakeholders with a financial stake in the Hayward real estate market generally agreed that warehouse, distribution and food manufacturing uses should continue to be the primary uses in Hayward. Business advocates and community members tended to favor more advanced industries and higher tech uses that have a wider range of employment needs and would raise the bar for building design, site improvements, and amenities.

Most stakeholders also stated that the area surrounding Highway 92 and the San Mateo Bridge presented the key opportunity for biotech and high-tech uses given the proximity to the peninsula. (At the same time, stakeholders were concerned about the capacity of the current roadways and on-ramps to handle additional employment density in these locations.)

The Gillig site was seen as a prime opportunity for redevelopment, including industrial, biotech, manufacturing, hotel, retail/restaurant, and/or office uses. The site was also identified as a catalyst and an important chance for the City to articulate a vision for the next era of industrial building in Hayward. Several stakeholders were supportive of having a master plan that addresses development and improvements on the site.

Permit Process

Stakeholders generally believed that the conditional use permit (CUP) process is burdensome since it adds time, costs, and uncertainty to a project. Perspectives on the overall timeline and

staff's level of assistance through the permit process was mixed. Some stakeholders felt that City staff were responsive, clear in their direction, reasonable in their requirements and comments, and processed permits in a timely manner. Other stakeholders felt that process times were lengthy and feedback was inconsistent, such that they received mixed messages from different staff members. Some stakeholders made recommendations, such as a single point of contact, more clarity in direction and definitions, a process to meet with various department representatives early in the application process, and an expedited permit processing option. Lastly, a few stakeholders supported stronger code enforcement.

Co-location and Adjacency Concerns

Perhaps surprisingly, stakeholders generally accepted that residential uses could be located adjacent to industrial uses (especially clean manufacturing uses) and accepted that businesses would need to raise the bar on their facilities (i.e., in terms of noise and air quality mitigation) to allow for compatibility between uses. On the other hand, a few stakeholders recognized that the industrial uses may be compromised by the encroachment of housing.

Property owners and managers that had experience with “dirty” uses—such as recycling and auto dismantling uses—that create dirt, dust, toxins, and/or excessive noise were concerned about impacts on high-tech and R&D uses that require clean rooms for labs and research, and on the general effects on the attractiveness of the neighborhood. These stakeholders supported regulations, enclosures, sanctions, fines, code enforcement, and the conditional use permit process to make sure that these industries are not detrimental to more sensitive uses.

A few stakeholders mentioned uses that may make the district less attractive to industrial uses including self-storage, check cashing, massage establishments, religious uses, elementary and high schools, and other uses with children. Several brokers mentioned that they get frequent calls from groups who are interested in warehouse spaces to use for marijuana cultivation. Many stakeholders mentioned concerns about marijuana uses because of potential effects on rents, security issues and crime (due to cash on-hand), and mold and building deterioration due to lack of ventilation systems.

Weak Retail and Restaurant Market

Stakeholders in the real estate industry were mixed on the need for and potential success of retail and restaurant uses in the industrial area. While some stakeholders thought that offerings in the area and nearby in Downtown Hayward and Union City were fine and successful, others thought that there was nowhere to eat lunch or take out a client, and no nicer hotels for an overnight stay. Perspectives also varied based on location. Stakeholders with property holdings on the south side of the district tended to think that retail services were acceptable, while those with interests on the north side of the district wanted more and better retail options.

Infrastructure and Utilities

Several stakeholders who owned or leased properties mentioned the availability and cost of utilities as being essential components for industrial users. Power, sewer and water rates and

hook-up costs were identified as expensive by a few stakeholders, especially for high water users such as commercial laundry, food manufacturing, biotech, and other lab uses. Technology upgrades, namely fiber optic cable, were also seen as important.

A.3 Comments

A comprehensive list of the comments received, organized by topic, or in the case of input from city planners from other jurisdictions, organized by jurisdiction, follow.

General Comments

- There is a lot of potential in the industrial area. There is a limited amount of room to grow and not a lot of available area.
- Good logistics access from rail/Port of Oakland; now bringing in shorter containers. Also have Hayward Municipal Airport and Oakland Airport access.
- Capitalize on Port of Oakland proximity and connections with universities to attract manufacturing.
- Highway 92 great asset for the City. Maintaining access into the industrial area through Clawiter is key; those two exits are important.
- The City is at a huge crossroads. The sooner they can act and convince the real estate community that they are serious and have a vision, the sooner it will happen.
- Hayward typically is not the first choice with anyone. We need to recognize that we are currently the second choice - we need to step our game up.
- Hayward is showing its age; needs a shot in the arm.
- R&D and biotech uses don't want to locate in Hayward. If you can't lease to them in this market, you can't lease to them.
- It would help to have trail access, restaurants, retail, and other amenities nearby. Anything to make it somewhere you want to work.
- It's disappointing that Silicon Valley hasn't moved more to the north than it has.
- Tennyson has some retail, but not healthy grocery stores, healthy foods, local unique shopping options do not exist. No decent restaurants, coffee shops. No Target without crossing the city.
- But, a lot of the jobs are low wage (i.e. food manufacturing) – those workers need access to affordable housing, bike paths, lunch/coffee options. Those amenities can be a draw to attracting and retaining talent.
- Limited places to have a nice lunch, no nice hotel; there's no 'there there'.
- Planning 101: Neighborhood unit for industrial should include: playground, school, hotel, theater, more housing density, shopping district to create complete community and complete streets.
- Transitioning out of era of infill reuse of older buildings into scraping and rebuilding. City could provide incentives (i.e., reduction in fees, streamlining approval) to scrape and rebuild.

- Everyone wants to be the next Palo Alto, Mountain View, Sunnyvale, etc. This happens every time there is a peak in the market. Union City just asked the same questions.
- Every strong market, every city tries to do this. They update all their plans and then the market changes and they have to go back and change everything.
- There is always a propensity to want to create something that never really wants to be there. It doesn't work.
- Fremont is already doing what Hayward is trying to do.
- The market controls what people will do with a building. If the City tries to force something that is not supported by the market, they will make it less likely for anything to happen.
- Caution the City about adding more restrictions. This will deter investment.
- Cost of doing business in CA is high. Companies are leaving the Bay Area because it's too expensive. Need to be careful about what is demanded in terms of improvements.
- Less than 12% of properties are institutional owners; small owners are not going pay for improvements.
- Caution about getting too specific with regulations. Sometimes a broader answer can provide some elasticity.
- Schools: LPS expansion and Impact Schools expanding near industrial areas; Crosspoint Christian located in industrial area. Sometimes cheaper to demo, but sometimes will adaptively reuse. These areas usually have acreage that we need, but poor access to BART. Teachers want to live in SF and Oakland, and take BART.
- Fremont, Union City, and San Leandro are resisting warehousing now. Those cities want more office buildout and more manufacturing. Prefer to do business in Hayward because of this.
- San Leandro, Newark, Fremont...they are all doing the same thing. These cities are all better suited for high tech, R&D, and other type uses and they are having a hard time attracting those uses. It will be even harder for Hayward.
- With some companies, aesthetics of the area is a factor, but it's not necessarily a priority. Ease of access for employees, a facility that meets their needs, loading areas that meets their needs, competitive rent rate-these are what is important.
- Businesses consider whether it's a clean, crime-free area when looking at where to locate. If you are business owner, you think about it. 'Where can we recruit and maintain good employees?'
- Crime and homelessness are increasing; cops don't show up when you call them; told us to evict the homeless people on our properties
- Conversion of large distribution tilt up buildings into multi-tenant buildings is lucrative.
- Consider 'artisan zoning'. Indianapolis has an example of this.

- Recent growth in housing is stunning. This will be good for the City and for the industrial area.
- There is little turnover of tenants. As a landowner, if you have a good tenant, you want to keep them.
- Record low level for vacancies in industrial areas.
- 23 acres Salt Works site. 8 acres proposed for R&D tenants. Remainder goes to conservation. This would be a good project.
- SF Made, starting a 3-year Bay Area Urban Manufacturing Initiative—started with SF, SJ, Oakland, Fremont; now in its 3rd year and Bay Area-wide to support cities working and learning from each other.
- The Chamber considers jobs and tax provisions as well as the likelihood employees will live here in deciding whether to support a project or not.
- Business people always complain about City regulations, Fire and ADA requirements, but this is just part of the game.

The Hayward Context

- Hayward's roots are manufacturing but that industry is really going away.
- Hayward is not known as an office market; no spec office building. It's a market for warehousing, distribution, and manufacturing. The latter is the base industry; warehouse and distribution build on that.
- Hayward is an industrial city; nobody is going to spec high-tech, R&D which are the softest segments of the market.
- In market downturn, Hayward will lose, as companies shrink back to Silicon Valley and the City is stuck with high end buildings that cannot be rented.
- Hayward's industrial area has grown up in phases so different areas have different uses and a different look and feel.
- Little Class A (or zero) office buildings; until recently land values not high enough to build office in Hayward.
- Businesses like Google, Apple, Facebook are not moving here. That is a dream. It's not going to happen here.
- Hayward would struggle in getting a higher and better product. Everyone wants the same thing. You just aren't going to have enough growth in those markets to come to Hayward.
- Hayward competes with Union City, Fremont, and San Leandro.
- If City wants more employment density, need to consider where people live - BART shuttle, nicer hotel, places to eat, etc. Some demand for retail components and the City should take those opportunities when they come.
- Discouraging things about Hayward has been schools and lack of housing.

- Skilled labor jobs require places for these workers to live but many will likely not want to live in Hayward.
- Hayward is brilliant location, but challenged by poor schools.
- Downtown, Foothill Blvd. is disgusting; there's no 'there there' citywide.
- Higher end housing stock, golf courses, etc. could support higher end businesses.
- Hayward is a college town which has denied that it's a college town. City has seemed unwilling to embrace that fact. There could be a lot of synergy between the industrial area businesses and the colleges.
- The Chamber has organized conferences around local industry interests. Last month had a biomedical conference. 140 companies came, held in City Council chamber. Also have food manufacturing conferences.
- Not many sites left in Hayward – no longer building from the ground up
- With the cost of development, it doesn't make sense to tear down in most cases; mostly rehabbing existing spaces
- Warehouse users typically rent; manufacturers who want to be here for 7+ years will buy
- 92 area has always been different since it can attract companies that want proximity to the west bay; traffic is terrible though: no capacity to increase cars/employment density
- Blue collar town – food manufacturing uses are appropriate for the type of workers in Hayward

Area Specific Comments

- Along Depot Road, there are a number of outdoor storage, wrecking yards, and similar uses. Those are all nonconforming and shouldn't be operating how they are. There is not good code enforcement. Enforcing the code and cleaning up these areas would help.
- Opportunity for residential TOD below South Hayward station and North Hayward retail and office. Winton city/county area has opportunity for office.
- Winton city/county area has opportunity for office.
- W. Winton is fairly separated. Too far from everything to make it a mix. It's better suited to Logistics.
- Higher end R&D at end by Bay Trail. That pocket, because of access to 92 is best positioned for flex, R&D projects. Freshen up that area.
- The area south of 92 has more biotech. That is the focus area for biotech.
- There are opportunities for higher tech uses around the base of the bridge.
- There should not be a new warehouse being built at end of the San Mateo bridge. This area is the most suited for biotech.

- The Gillig site is gateway to City. The City should get ahead of that and make sure it's developed properly and sets an example of what the City is looking for.
- The Gillig site is the linchpin/catalyst; brilliant transition site for industrial; opportunity for office; create a vibe for what Hayward is, including residential. Do a fiscal impact analysis of the biz dev strategy for placemaking, upgrades.
- The Gillig site could be something that could support some tech and a mix of uses – something like Mount Eden.
- Gillig site will likely get scrapped. Don't preclude distribution - this is not Silicon Valley.
- Gillig redevelopment – mix of heights and uses to give it an industrial campus feel; master plan for that area would be appropriate as it's the first entry point into Hayward. Could see combo of retail, biotech, hotel, restaurant but not distribution.
- Minimal retail opportunities - but absolutely hotel, retail, restaurant in a campus setting on a Gillig-like, large master plan site.

Uses

- Employees of the manufacturing side of the business really enjoy working in Hayward and don't seem to have complaints about the way it is. It's more difficult in getting start-ups to go to locate in Hayward. They all live in San Francisco or want to be located there.
- Location is great, given freeways, bridge, proximity to Port of Oakland.
- Infill market with few land sites available for new development that would warrant new biotech
- The biggest hurdle for attracting other business sectors such as information and technology is the available product and inventory. It's mostly well suited to warehousing and distribution.
- This is the best market we've ever had for R&D, high tech, advanced manufacturing, etc. type businesses. Even in this market the demand is small.
- There is still enough available product for office and other uses in other areas which are more attractive.
- Hayward is pretty standard as far as comparison with other cities in the area. San Jose, Fremont, Newark. However, do not follow Fremont and Newark's lead on what they are doing now. These cities don't want warehousing and that is deterring investment.
- Fremont got very specific about uses and space requirements and now it's tough to meet.
- Opportunity for "Maker Tech" in Hayward. - 10 engineers in cubicles, 3D printing, welding, warehouse for customization and fabrication.
- Hayward successful because it does not have a lot of restrictions on uses.
- Opportunity for industrial mixed use: fancier storefront in showroom at front; assembly and warehouse in the rear. Example recent deal for a garage door company: showroom up

front, will customize, assemble and distribute out of the back. Provides a point of sale for the City (vs. Amazon, which is receiving only)

- It's ok to allow office in the industrial area. There is not a demand for it and it's hard to imagine someone moving in but if they wanted to, why not? It would not impact industrial uses.
- No office market in Hayward.
- Keep flexibility in uses.
- No issues in Hayward with use classifications.
- Outlier industrial sites off of rail line could have more flexibility to allow retail or mixed-use. Very old building stock and older owners looking to move.
- The City should consider trade shop zoning where you can have retail in a manufacturing facility. Maybe don't require parking for it.
- Regarding the charter school, California Crosspoint, it would have been better to have an industrial use, but taking everything into account, it makes sense.
- Other areas are ahead of Hayward on these types of uses. It's not because of land use policy, it's because of other factors. For instance, those areas are closer to Silicon Valley.
- In other areas, they have run into issues with how ecommerce is defined, or not defined-whether it is considered retail. Some outdated zoning ordinances, depending on how they define retail, have prohibited ecommerce.
- Okay with industrial use. Should have flex uses and hold developers accountable for jobs and amenities.
- There is demand for sites just for the storage of vehicles.
- Food processing is a high-end business for Hayward – should continue to encourage.

Ancillary and Other Non-Industrial Uses

- Swan's Market (Oakland), Public Market (Emeryville) or San Pedro Square (San Jose) type food market would be an asset.
- Add co-working spaces.
- Mostly motels; don't know where people stay when visiting. Decent slightly higher end hotel would be good.
- Get outpost of Ion Coffee from Chabot College. Starbucks drive-thru can take 40 mins in North Hayward
- Eden Shores will have Starbucks and Five Guys which is great, but tech workers like local business and food experiences.
- City needs to think small, local, temporary. Shipping container restaurants.

- Food industries can support low-educated workers. Neighbors don't shop for stuff, but they buy food.
- More breweries that have outdoor seating. Lots of families, dogs, walking.
- Breweries; if they want to serve food, County Health Dept. can be a burden.
- Nowhere to take a vendor to lunch, it is almost embarrassing.
- More retail amenities and lunch places good but I see a lot of turnover. Not sure how they'll survive.
- Existing retail and food services are fine; many have gone out of business—they can't survive
- Nowhere to go eat in industrial areas.
- The manufacturing employees typically bring lunch or go to food truck. Not looking for 'finer dining' options.
- Capitalize on food truck movement.
- Allow tap rooms and other similar types of ancillary uses associated with certain kinds of manufacturing.
- Would like to see more retail and places to eat in area.
- There are only a couple food establishments in the Industrial District. There is not enough places to get something to eat.
- Hayward business areas don't have anywhere to eat. It's hard though because there is not a big market to draw from. There isn't a big enough population density to make it work.
- Need to have more of a market to support eating and drinking establishments in the industrial area. Need to have 4 to 5 story class A office buildings in order to get enough people to support restaurants.
- Need to be a little flexible understanding that there is no market for retail—money loser
- Arcade or games that can support stuff to do for teens and young adults. Kids are into cars. Having more car shows (fast and furious, not classic.)
- Sugarbowl had a retail outlet that failed.
- Colocation of foot traffic retail and certain types of manufacturing would work.
- Nicer retail makes an area more attractive to hang out. That would help attract good companies.
- Allowing more supportive retail would help attract more uses.

Bio-tech, High-tech, and Research and Development

- Hayward has more of a manufacturing base, image, character, etc. than that of biotech and the 'start-up' side of life sciences.

- No one will build R&D buildings because it will just sit empty.
- Most of the R&D and biotech that has come in has happened by osmosis. It started when certain landlords that had money and were willing to put the necessary tenant improvements in. That is how Eden Landing became first 'biotech' development, the land owner was willing to put money into tenant improvements to support that use. There is another example on Clawiter. Again, the property owner had money to improve the building for biotech.
- Biotech needs water. Any food processing needs water.
- Tech uses really start with the employee. It's a new, more employee centric, thought process with industrial location, where the employee is driving the site selection process. Does a site have the right attributes for the land use, does the site work, and they are able to draw the right kind of employee.
- Most of the high tech, life sciences, and R&D type uses are located to the south of Hayward or across the Bay. A lot of those uses are just leaving the area all together because it's too expensive. Warehouse and distribution won't leave because it has to be here. The use is based on location.
- R&D type uses are the toughest deals to do, they are the last businesses to come.

Manufacturing

- There are some misinterpretations and misunderstandings about manufacturing. Having a Tesla manufacturing plant is rare and far between. Today's manufacturing in the Bay Area is not true manufacturing in the traditional sense, a lot of manufacturing is done by machines.
- The Bay Area manufacturing market is export driven. Much of it is directed toward exports.
- Fremont, North San Jose-they are closer to Silicon Valley. They had something start, they jumped on it, they have capacity for it. Advanced manufacturing is going to go to these locations.
- There are enough other areas that are attractive to biotech and advanced manufacturing that can accommodate the demand.
- Zoning regulations and how they impact a business's ability to function have a significant impact on the feasibility of manufacturing. The availability of industrially zoned space is also a large influence.
- Manufacturing has a thin profit margin. It's not a cash cow business.
- Tesla factory only assembles; requires just-in-time parts from suppliers within 4 hours.
- There is a demand for multi-tenant manufacturing space with units in the 2-7,000 square feet range. These units can share loading areas. Encourage these small space developments and allow some component of retail. You can expect an operation that goes into that type of space to employ 5-10 people.

- It's much harder to get advanced manufacturing. It's much more expensive to get things set up for them.
- Hayward is supporting manufacturers, not just warehousing
- Not a strong market for advanced manufacturing.
- We are losing manufacturing. Facilities are being used for other uses.
- There is not a lot of manufacturing in Hayward. Manufacturing has left.
- Medical Industrial; "Calibration" manufacturing (like stacking modular containers); autonomous vehicles' manufacturing.
- High tech manufacturing brings traffic.
- Limited demand for high tech manufacturing in Hayward.

Outdoor Storage and Activities

- Outdoor vehicle storage requires a Conditional Use Permit. That is difficult and makes that use less likely because of the time it takes to process a Conditional Use Permit and the cost of added requirements such as curb, gutter, sidewalk, screening, etc.
- Allowances for outdoor storage is tricky. It seems like overkill to require a Conditional Use Permit for outdoor storage over 10%, but if the City wants to discourage it, it makes sense.
- It's ok to require that outdoor storage is screened, but you need to allow it. If it's just making it look better from the street, that's ok.
- Maybe limit outdoor storage. A perfect world is to say no outdoor storage, but existing outdoor storage should be grandfathered in.
- City is tough on outdoor storage; somebody wanted to store high end and antique cars; not permitted. But, not a big deal.
- Can't ask users to cover everything; have the owners screen it instead. Outdoor storage okay if it's related to the use.
- Generally speaking, it's not a problem in industrial edge areas to move operations indoor and allow more restaurant and retail. That won't have a large detrimental impact on industrial.

Residential

- There are generally no impacts in having residential located near industrial.
- Generally speaking, even big manufactures have had to raise bar to such a degree that compatibility with residential is not so much an issue.
- Near residential areas, you can require operations to be located indoor except some operations to do some things outside or with roll up doors open to aid in ventilation.
- Residential can be okay next to clean manufacturing; possibility to create live/work with opportunities for walking and biking.

- Industrial uses in general are compromised by encroachment of housing.
- If you are combining housing with industrial, make sure it's the right kind of housing.
- The regulations should be something more customized for areas near residential. Allowing a higher percentage of retail type uses makes sense.

Warehousing and Distribution

- Amazon is trying to lease 50,000 to 100,000 square feet for distribution. That is generally an average size operation.
- Warehousing facilities 200,000 square feet and above are 'large'. They are very rare in this area. These types of facilities are usually located in the valley. Typically, you need 8 or 9 acres to accommodate a facility of this size.
- 'Small' warehousing facilities are 50,000 square feet and below. These are 'local'. Facilities between 50,000 square feet and 200,000 square feet in size are considered mid-range.
- Hayward is a pivotal part of the supply chain.
- Warehousing has changed. There are still 100,000 square foot warehouse operations that employ 5 people, but those are getting phased out. They can't compete with modern facilities. Modern warehousing can provide a good number of jobs. Employee counts are going up in newer facilities.
- Not quite sure of the economic benefits of logistics companies for the City overall.
- Big warehousing will eventually migrate to the Valley.
- Warehouses of 50,000-150,000 square feet has been the bread and butter for Hayward
- 300,000 square feet of distribution is a rarity. The more common sizes are between 50,000 and 100,000 square feet.
- Regional distribution companies are typical users despite uptick in manufacturing and light assembly in the last couple years.
- The pace of redevelopment will slow if you limit warehousing and distribution in Hayward.
- The City should look at distribution as big box retail rather than just looking at it as warehousing. Address it with taxes and get tax revenue.
- Retail warehousing needs are increasing because of just-in-time companies. Amazon could add another fulfillment center if there was space.
- Distribution capability is attractive in its own right. These uses should not be prohibited. Distribution is important to manufacturers.
- Warehouse distribution is the market place for industrial in Hayward.
- A certain amount of warehouse and distribution is necessary to support manufacturing.
- Hayward is one of the best markets in terms of warehouse and distribution.

- Hayward is considered an industrial market. Would not look at Hayward for anything but warehouse and distribution.
- Putting use restrictions on warehouse is the number one thing to NOT do.
- Fremont limited to how much warehousing they could have. Only 30% could be bulk warehouse, the rest had to be light industrial (15% office buildout and higher is considered to be light industrial, anything below is considered warehouse). They ended up only purchasing the warehousing portion.
- Distribution is the core of the market in Hayward. It's hard to transition past that.
- It will be difficult to reposition the city from warehouse and distribution to other uses.
- Hayward is a great warehouse and distribution area.
- Haywards best hope is to have better looking warehousing. That will elevate the image of Hayward.
- Hayward is getting too many warehouses. It generates limited jobs.
- Hayward has a fair amount of warehouse and distribution uses.
- Don't regulate against warehousing.

Problematic Uses

- Recycling and other 'heavy' or 'dirty' uses in general are problematic and don't contribute to other uses in the area (uses such as recycling, salvage, scrap). Anything that creates dirt, dust, excessive noise, or that attracts a lot of random people is problematic.
- Heavy industry (concrete plants, recycling facilities, etc.) is always impactful to other uses, even when the other uses are industrial. Particularly for any industry dealing with high precision, air quality is a huge consideration.
- Salvage and recycling yards can be problematic to other industrial users and make the area less attractive to investment.
- Uses such as auto wrecking yards, heavy recycling, metal recycling, and any operation that is 'unsightly' is a deterrent to new businesses. Also, any use that has people coming and going.
- Should be requirements to enclose auto wrecking, drainage for oil, etc. to make sure that industries are not detrimental to other industries. Western foot of Depot Rd. is where most of that activity takes place; not sure how compliant they are.
- Problem with property next door to Sonoco. City granted CUP to dump (transfer station) for construction demolition waste which impacts the Sonoco ventilation system. There are citations from code enforcements, but not sure about sanctions, fines, etc.
- Chemical plants, recyclers, and noise/dust/odor emitters) problematic, but we still need recyclers; just keep away from residential. Prologis maintains its own standards for allowed uses.

- Self-storage is not really a necessary use in the industrial area. It doesn't add to what the City is trying to accomplish.
- Uses that should be limited in the industrial area include auto dismantling, recycling, self-storage, cannabis, auto body work, and other similar uses. They are unsightly and negatively impact neighboring businesses and operations. Maybe limit these to specific areas.
- The types of uses that may make industrial areas less attractive to industrial uses including cannabis, check cashing, massage establishments, elementary and high schools, other uses with children.
- Churches moving in to industrial area can be a problem. There is no tax benefit to the City and assembly uses can cause problems for industrial uses.
- Self-storage is not a contributing use to industrial. Don't allow self-storage in prime manufacturing or job generating areas.

Cannabis

- Not allowing marijuana growth and distribution helps other manufacturing.
- Cannabis uses can be impactful to other industrial uses and industrial areas and may discourage business from locating in an area.
- There is concern about cannabis operations raising the rents.
- Cannabis can drive out other uses.
- Careful with marijuana as it clouds out legitimate uses, companies next door with federal grants can have problems, and cash business draws crime. Central Valley is better equipped to handle greenhouses.
- Marijuana growers increasingly interested in warehousing.
- Marijuana uses are not good neighbors; growers can create mold in walls
- There is a lot of demand from cannabis growers. Some cities want to attract these types of uses in order to get the tax revenue. Overall, not sure it's a good idea though.
- Cannabis is going to be huge. It is a crime ridden business and should be in a controlled environment.

Design

- Guidelines can help provide uniformity which will improve the appearance of the area.
- If you want to improve aesthetics but not impact a business's ability to function, focus on the frontage – entrance, landscaping, etc.
- Functionality is #1. Focus on curb appeal and freshen up landscaping but leave the rest flexible.
- Reasonable to ask for a little better design. Will need to find happy medium between developers and the City. Glass, setbacks, etc. okay. Will slow developers down by pushing prices up but that is just part of the times.

- The buildings dictate what types of uses will go in. You need to have the power and infrastructure to support the right type of use.
- Regulations that change the functionality of the site will get push back. Require better design. Having good design guidelines is relatively important.
- Recent developments have been well designed.
- Not happy with the design for Steel Wave LLC; nothing beneficial to residents; no public art
- For new construction, City has done a good job of making sure that the buildings are in good shape – more parking, more power.
- Historically, you have seen some very ‘dirty’ industrial projects with a lot of open yard and unattractive buildings. Newer industrial projects are held to higher standards. There are more regulations in general, not just from cities. By default, new industrial projects are higher end projects.
- With their recent project, five metal ‘eye sore’ buildings are being demolished and they are building a warehousing project that employs 150 union workers and that the City will be proud of. There was no upside to keeping the existing, outdated building.
- Prologis on Hayman St. completely rebuilt a warehouse. Replaced an old building and replaced in with a better one.
- New products are easier to make look better, existing buildings are harder. Just by default, newer buildings look better. I’m not sure you have to have any standards or requirements for that. Landscaping in the front makes a big difference though. Focus on that.
- It is no good to build a building if no one can use it. Businesses usually need truck access so you have to provide for it.
- Prologis experimenting with 3-story model for warehouse, mixed use.
- No one will build R&D space on spec.
- Best properties have high clear (32’ minimum) distribution and big loading courts with dock loading doors, minimal office. Typically have 10-15 tenants wanting to look at it. Especially with increase in e-commerce.
- In general, requirements for landscaping in the front, a nice entrance, indoor storage, and loading on the side and rear of the site are reasonable. Most new development will do this anyway. I would just make sure everyone does it.
- Land is so expensive, need to be efficient with site layout, parking, circulation, and other requirements.
- Hayward has a lot of small parcels that are challenging to deal with.
- Identity: In Pleasanton, you know when you’re in Hacienda Business Park. Work with the owners at key corners, to create some place. Owners like it too, since it attracts business.

- Pride of ownership has always been a problem in Hayward. Some people don't take care of their properties
- The property owner maintains their properties because they've found if landlords take care of it, tenants take better care of it.
- In triple net lease, tenant is responsible for all insurance, property tax, site. Landlord is responsible for roof and building sidewalls.

Building Design

- You have to start with the building itself. It needs to be designed for the appropriate type of use.
- Need to upgrade spaces as most of the area is generally old building stock.
- The amount of glass on the entrance makes a big difference; it can make a warehouse look more like an office.
- Modern clear height and modern fire suppression. Fire suppression and clear height are the most important considerations for warehousing operations. They don't need to have outdoor storage.
- Don't build buildings with less than 20 feet clear. 32 feet clear is more common.
- Less than 10% of the 880 corridor is 32-foot clear buildings. You don't need to require it, that is just what new construction is.
- Biotech does not need 32 feet clear ceilings.
- Advanced manufacturing buildings need 32-foot clear height rather than 24-foot clear height. More power requirements and more parking needs too. Has a higher employment density than distribution. Everyone is looking for 32' clear height.

Flexibility

- Buildings that can accommodate warehousing (32 feet clear clearings, ESFR sprinklers) but that are also parked for higher intensity uses may be an option to encourage R&D and other uses while still allowing for warehousing and distribution.
- Advanced manufacturing buildings are basically good-looking warehouse buildings with glass, lots of parking, and nice landscaping. All you have to do to transition from a warehouse use to other use would be to use excess loading area for parking. For example, in the back where there are 30 loading docks, use only 4, and use the rest for parking.
- Require more parking, reduce building size, provide 32-36 feet clear, have more landscaping. This provides the most flexible building and suits the needs of many operations. This provides the flexibility to provide advanced manufacturing, warehousing, or other uses in response to market demand. It doesn't preclude anything.

Improvements

- Much of the existing industrial building stock needs to be redeveloped. There are many outdated facilities that don't attract technology related businesses or manufacturers.
- Requirements for frontage improvements could be feasible.
- Land values not high enough to redevelop. Prologis did one deal where an older building warranted demolition and it worked out.
- Tilt-ups that are older than 30 years have seismic problems. Some buildings will be re-habbed, but the cost of retrofit could be more expensive than just rebuilding. Most of the property value is in the land.
- It's expensive to convert warehousing to manufacturing space.
- City could facilitate SBA loans to help businesses finance improvements. Also, could support EB-5 visas and enterprise zones.
- Most of the parcels in Hayward are small (anything under 6 acres is considered small). Changes and improvements to the frontage are set costs. When that cost is divided over a smaller square footage, it's a higher percentage of the cost. You can ask for more on a larger site (over 12 acres is considered large) since the cost is divided over a larger square footage. Balance the size of the project with the required improvements.
- Many people want to reuse existing buildings because by the time you build a new building, you aren't really getting a better return.
- It's hard when trying to update older buildings-both to try and get other uses and to have it look better or have greater amenities.
- Take Eden Landing as an example. It's a product that is more tech oriented than others, but it's dated. It doesn't have the building amenities that companies are looking for such as natural light and open spaces.
- Landlords put tenant improvements in and amortize it on rent. If they have the money to do it and it makes sense, they will do it.
- Requiring site improvements at the TI improvement stage would be onerous. Owners want to lease as is or owner/tenant will just build without the City's knowledge.
- Wet labs, clean rooms, prototyping facilities can be expensive TI projects.
- Developer tries to design buildings to be flexible in terms of uses, but most of the stock is existing buildings; Can modify with Tis, but then the landlords have a high amount of capital improvements that they have to rip out.
- If landlord is spending a lot on TIs, tie incentive to renewal 5 years later if curbside appeal is needed
- It's reasonable to require landscaping with tenant improvements.
- No need for street trees; lipstick on a pig; don't bother; tenants only care about parking

- Life science companies typically do invest a considerable amount of money into tenant improvements.
- Need to get site improvements out of developers when they're doing TIs and additions.
- Expected that sidewalks will be required when they're doing significant improvements, including building out a tenant space
- Fair trade off to ask for frontage improvements, etc. in response to substantial TI or redevelopment, even though sellers/tenants will balk.
- Every time they do TIs, install energy efficient lighting per Green Code/Title 24. That attracts high end users that desire that efficiency.

Development Standards

- Having requirements for nice looking buildings is not an issue. That should be done.
- The City's current requirements and what staff requires for design are pretty stringent. If you want staff support, they expect a lot. Probably more than what a developer would want to do on their own. We call what staff asks for 'gingerbread'; they want a lot of variations in the building, mature landscaping, things like that.
- Setting a higher bar for new development and for warehouse makes sense.
- Development standards should not limit the operation of a building. Building space needs to be flexible to accommodate various operations. It's ok to have requirements for the front (entrance, landscaping, etc.) but need to factor in the cost. Don't make it too expensive that it will kill the deal.
- Development standards okay – lot coverage and height. Concerned about over regulating or requiring too much. Let market decide what to build. Some part of the district where heights could be increased.
- District regulations are fine; don't mess with them.
- Appropriate for the City to ask for landscaping and parking upgrades when other improvements are taking place—most cities require this.
- It's ok if the city requires frontage improvements. That's reasonable.
- Important to maintain flexibility (i.e., uses, dev standards, requirements).
- Nice paint, signage, landscaping, parking, etc.-these are all reasonable to require.
- Fencing, privacy, noise, truck traffic - those things are easy to accommodate regardless of use.
- Fremont emphasized enhanced landscaping, common areas, pocket parks-things that contribute to an office park-like setting. That's fine. It's more expensive but in the grand scheme of things, it's reasonable.
- Better screening requirements would be helpful.

- Helpful to have height allowances that allow manufacturing downstairs and R&D or office upstairs.
- The more that the City requires of a tenant or property owner to do frontage improvements, the more they'll consider going somewhere else. Employees don't care about sites—only interested in wages, not being contractors, and having affordable housing.
- Consider regulations with respect to the fact that millennials will be decision makers soon and more willing and interested in the environmental and greater good.
- Make developers pay a public art fee. Lots of cities do it.
- City does not require public art like other communities. San Leandro bought a burning man statue; has food trucks and therefore has become a destination.

Lot Coverage

- Allowing more lot coverage may encourage people to scrape a site and rebuild.
- As a rule of thumb, want to have 40-60% coverage.
- The most important thing is coverage, make sure requirements do not take away from allowing 45% lot coverage.
- To channel market energy, allow more FAR to encourage rebuilding. Allow flexible of-
fice/retail/warehouse mixing to bring costs down.
- Lot coverage will increase because less parking demand with AVs.
- Warehouse requires twice as much land as building coverage; R&D a third of that—difficult to pencil since land prices have gone up so much.
- Incentives for more lot coverage. CA Green Code is dictating a lot of things already: energy efficiency, water efficiency, etc.

Employee Amenities

- The type and amount of employee amenity areas that are provided are a factor of employee intensity. Don't see a benefit of the City requiring a certain amount or type of employee amenity area.
- Land is expensive, requiring employee amenity areas takes away from the area that could be used for the business operation.
- Recreational facilities are good employee amenities.
- As standard, they usually do a patio off of main office area for employees.
- Employee areas are important.
- It's hard to program amenities on individual buildings. It makes more sense in multi-tenant developments. The amenities shouldn't take away from usable area though.

Landscaping

- Providing landscaping on the lot frontage is simple. Maintenance of the landscaping can be a problem.
- Requiring landscaping in front is reasonable.
- In order to improve aesthetics, require a reasonable setback with a landscaped mound.
- Requiring landscaping in the front is ok. It's nice to coordinate it with an outdoor employee area. Concerns with landscaping are who is responsible for ongoing maintenance, it may take up some of the space needed for the business, and it may impede ingress and egress.
- Careful with landscape setbacks; if they're too big, the truck turn radius won't work
- City's get too greedy on setbacks and landscaping. Requiring a large setback, berm, mature trees, etc. are expensive and can impact how a site is used.
- Encourage a different kind of landscape, drought-tolerant not turf, less landscaped area but more trees and hardscape.
- Hayward Industrial Center, Hayward Corporate Center properties saved 75% in irrigation costs by moving to drought tolerant plants
- City not realistic with expectations of trees and locations and landscaping during property improvements—did not meet common sense/nexus standards.
- Typically, no improvements to landscaping made; tenant is responsible for landscaping. Building painted periodically. Offers to share costs with tenants sometimes. Takes pride of ownership.

Parking

- Parking requirements need to be reduced and transit needs to be provided. Some businesses operate their own employee shuttle. Hayward may need to look at being its own transit service. AC transit is not providing us the right type of service.
- In the long term, requiring 1 parking space/500 sq. ft. could be problematic. Car ownership and travel patterns are changing – moving more toward shared rides, autonomous vehicles. This will change dramatically in the next 10 years. Currently building 400,000 square feet of advanced manufacturing in Newark. It is parked at 1 space/1,000 sq. ft.
- Traffic is so horrific that more and more people are figuring out a way of getting places without driving their own car. This will continue and so there is less of a need for on-site parking.
- Warehousing doesn't need much parking.
- Tenants always want enough employee and trailer parking.
- Never hear tenants having parking concerns. Developers think that the City's parking requirements are onerous, but that's a natural complaint.

- Parking supply less critical for distribution than for biotech and office uses which require more parking.
- Parking requirements are often an issue for manufacturing.
- Parking and access along Industrial is problematic.
- Generally, warehouses are parked at a ratio of 1 space/1,000 sq. ft. True R&D would require more parking. Requiring 1 space per 500 sq. ft. would provide more parking for other uses but would allow less building for warehousing.
- Parking requirements: 1 space/1,000 sq. ft. for warehouse, 2/1,000 sq. ft. for office, and 3/1,000 sq. ft. for R&D is pretty standard/acceptable. E-commerce has a huge parking ratio (3/1,000 sq. ft.) but that's for 1 mil sq. ft. No need to increase parking requirement.
- Most sites are already built as warehousing and parked at a ratio of 1 space/1000 sq. ft.. It's not designed or parked for anything else except warehousing.
- Not enough parking on sites; City does not require more with a change in use, but the demand is still there; City wants more employment density—how will they park it?
- Consider allowing on-street parking (if the streets are wide enough) and in alleys, or within front setback
- Parking Requirements – retail warehouse could be 2 spaces/1,000 sq. ft. Be more creative and use inside of the building for parking or buy parking next door.
- It may be an incentive not to required additional parking when an existing building is being reused for a more intensive use. Maybe require some other site improvements to make it look better, but don't require more parking. However, for new buildings, it may be problematic if the City doesn't require parking.
- Problematic if you need to increase parking supply when retrofitting a building; not cost effective.
- Can see the benefit of a standard parking rate across multiple uses. It's more user friendly to make it standard based on the lower rate rather than a higher rate (have a standard of 1 space/1,000 sq. ft. rather than 1/500 sq. ft.).
- Sometimes a site is limited to warehousing because of the amount of parking that is provided. Requiring 2 spaces/1,000 sq. ft. may be a good general standard to apply to multiple industrial uses, including warehousing. It's more than what is currently required for warehousing but at the higher parking rate you can feel confident other uses could be accommodated. It would provide flexibility.
- There is some truth to the ability of transitioning unused loading areas to parking when transitioning from warehousing to R&D, but sometimes R&D do need to use those loading areas. In Fremont, had to provide a 'what if' scenario – show how parking would be accommodated if the building was used for R&D instead of warehousing.

Loading

- It's hard to lease a building with no loading docks.
- Advanced manufacturing still needs some loading docks unless only R&D labs.
- Manufacturing uses need loading docks. There may be a few exceptions, but most manufacturing uses need some sort of loading.
- Every user needs some sort of loading docks. Straight warehouse users want a lot of loading docks. For non-warehouse users, the desire is typically one loading dock for every 15,000 or 20,000 sq. ft. If a higher ratio of docks is provided, that building is geared toward warehouse use.
- Some operations under 10,000 sq. ft. don't need loading. Maybe for operations less than 10,000 sq. ft., the City doesn't require loading. That doesn't mean there won't be one, it just means that you don't have to have it if you don't need it.
- The best design for a loading dock is to have an easy in and out for an 18-wheeler. If that can be accommodated on the side or in the rear of a building or site, that's fine. There should be some flexibility for the location of loading areas on certain lots due to size or configuration.
- Manufacturing business need to have easily accessible loading docks. Caution against prohibiting locating loading bays in the front. Maybe allow one or two to be located in the front.
- Limiting or prohibiting loading in the front is pretty much par for the course with other cities. However, Hayward has so many chopped up parcels, this can be difficult. Maybe allow for one loading area in front with screening.
- Union City has required rear loading. That's a reasonable requirement.
- It's hard to set a standard for front loading vs. back loading without knowing what is there on the specific site. Can't have rear loading facilities if you are backing up to rail spur.
- City tries to do loading of warehousing in the back. That's fine.
- It's hard to have a straight requirement for loading in to the side or behind buildings. What about when you are located on two streets? There needs to be some flexibility.
- Rear loading actually takes more space [due to circulation].
- New Allied facility on Hayman St. allows for breaking up the building space to accommodate different uses and users. Moved loading docks away from the front of the building; that's led by the market/tenants' desires.
- Can turn unused loading areas into parking areas when a use change warrants it.

Access

- The lack of sidewalks makes it difficult to work in industrial areas.
- Doesn't make sense to have sidewalks in these areas; people can just walk in the streets.

- Lots of people walk during the day for exercise; sidewalks are good, but not necessary
- Hayward lacks a transportation network that can compete with other areas. The industrial areas are not transit accessible. Buses, if they are there, do not operate with enough duration and frequency to be realistic.
- The biggest issues are providing shuttle service from Hayward BART to Clawiter and from South Hayward BART to the Huntwood area.
- Accessibility of public transit to manufacturing is important. Public transit should also be available for those working the swing shift.
- Office and retail want to be clustered and want to be next to transit. Unless you have transit infrastructure, you aren't going to get it in a significant way.
- Transit, transit, transit-That is the number one problem, that and housing. If Hayward wants to reposition themselves, focus on transit. Get transit and they will come.
- Transit needs to be focused on first. Without right mode of infrastructure, office, high tech, etc. are not going to happen. Even in other parts of the Bay, large companies don't want to be on the hook for providing transit for employees, they want the cities to provide it.
- Connectivity to the Bay is the most important thing. If you want biotech, advanced manufacturing, and other high employment industries, you must have transit.
- Need a shuttle from BART; traffic is getting bad.
- South Hayward neighbors do not necessarily have cars. People feel stuck. 880 is a barrier to get to downtown.
- Transportation – need to get to and from BART if workers want to efficiently use public transportation systems.
- Advocating for bike safety along Tennyson; daunting to cross over freeway; need bike stations, repair shops, more safety; mayor wants changing stations.
- If airport can handle corporate jets, that can be an incentive.
- Need off-ramp from 880 south of 92, otherwise only at Whipple.

Administration

- Okay to require a basic master plan for larger sites, with enhanced site improvements that are logical.
- Outdoor storage CUP's somewhat problematic, seen as a barrier to getting up and running.
- Requiring a CUP for tenancy is a burden.
- The City needs to have stronger code enforcement. We can have all the regulations in the world but without strong code enforcement, nothing will happen.
- Current fines for code violations are too low to actually make people do something.

- Staff is helpful, they are responsive and informative. That is what we ask of a city. Developers want to know what the expectations are and what can and cannot be done.
- Has been very happy with the City of Hayward - staff responsiveness, timely processing, not a lot of undue burden.
- Went through the process with the City for an 'advanced manufacturing' project. The City wasn't overbearing on aesthetics, the development standards weren't onerous. The PD process allowed for the customization of uses. The major concern was the amount of warehousing the City would tolerate on the site.
- In San Leandro, all industrial projects are reviewed by the Architectural Review Committee, but they don't require a public hearing. This works.
- Not aware of any issues in Hayward in terms of permitting or development standards,
- Hayward needs to have a flexible Planning Department and Planning Commission that allows case by case decisions in reasonable time frame.
- Business owners have frustration getting plans approved by City staff. Businesses should be able to pay a premium to get expedited services. If a CUP costs \$6,000 dollars, and takes 8-12 months to process, a business should be able to pay \$12,000 for a quicker turn around.
- Business should be able to come in, meet with everyone, and get comments. There should be a process where you can sit down with everyone from the City at once.
- The City needs to involve the broker community in a more engaging way. This will allow for a faster connection with businesses help make the deal happen.
- Manufacturers struggle to get businesses up and running. Generally, companies express concerns about traffic, labor, and length of permitting (having to hire consultants to expedite)
- Fremont has designated staff to help advanced manufacturing companies through the planning and building permitting processes.
- Disconnect between Economic Development and Planning. Developers get mixed messages and are not trusted; sometimes for good reason. Be clear with expectations.
- Companies need helpful staff to get them through the permit process. Fremont gets things done in a quarter of the time.
- Clear definitions, speed, reliability (same person or point person) would be helpful.
- The biggest criticism of Hayward is that it is the most business unfriendly City. A big part of it is staff turnover. Everyone has different opinions and requirements seem to constantly change. There needs to be accountability on the part of the City.
- Sunnyvale has done a number of great things as far as being business friendly. Sunnyvale partners with business in a streamlined way.

- Some businesses have been frustrated with the Permit Center and Code Enforcement. There is a lot of bureaucracy. Streamlining process would be helpful. City Hall has been improving customer service, which is good.
- San Leandro’s process seems more streamlined. Hayward has a tough image as far as getting approvals.
- City lacks consistency in enforcement; business owners (tenants) get treated better than commenter
- City changed mind and required water and sewer meters per suite in the middle of the process—killed the deal
- City staff don’t have the ability to make decisions; someone above them will change it; this doesn’t happen in Union City and Fremont where staff are empowered to make decisions

Infrastructure and Fees

- The cost of power is an important consideration for manufacturing.
- Enterprise zone was attractive for some manufacturers to obtain tax credits. Consider incentives.
- Fiber optic cable is another big issue.
- The cost of sewer and water hook ups are expensive. This can be a disincentive for businesses.
- Important to complete dark fiber/internet speed upgrades; as important as a freeway interchange.
- Huntwood and SE area have been neglected since Davis Wire and Scavenger left when price of electricity went up, problematic for manufacturing; liaison with PG&E needed to help with costs and upgrades.
- Water bills getting high
- Put in sewer lines, reclad building of former concrete company.
- Fees are always an issue. Impact fees, development fees, any fee that makes it harder to do new facilities is a discouragement.
- Manufacturing business cannot pay what other business, such as tech, can pay.

Perspectives from Planners in Other Cities

Note: References to the “City” and decisionmaker bodies refer to the commenter’s community and not to the City of Hayward.

- Effective to have multiple districts—light industrial buffers residential and heavy industrial. Some concerns about noise and traffic impacts from different types of industrial users (breweries with customers vs. manufacturing).

- Avoid cannabis cultivation at all costs (razor wire, safety, security, \$30k robbed from dispensary last week). Land is too valuable.
- Industrial definitions, including R&D, computer uses (non-office), virtual reality and film production, and other new types of industrial uses have been updated to meet current technologies. Now using NAICS codes (cross-referenced in the Zoning Ordinance) to better understand and categorize the uses that the City was considering.
- Commenter's City uses quota systems a lot, but they are hard to track. Square footage limit applied to R&D sunset in 2016; no idea whether limit was reached.
- A lot of land is given to surface parking. Parking areas are not protected so could be developed with a range of uses. Build a few parking structures and run shuttle service from structures and BART; structures could support sports games on weekends. Convince property owners to buy into the spaces and get more lot coverage in exchange.

Project Review Criteria: Standards and Findings

- Use permits require findings and consistency with district purposes. Required for most uses. Zoning certificate for certain small uses.
- Spend more time with definitions, how to deal with changes in technology, how biosciences are going and their opportunities and needs.
- One of the considerations is whether to remove minimum parking requirements and allow the market to respond. The focus is more on building design than parking.
- Mid-block paseos and cut-throughs are required to break up larger sites and control individual building length.
- By looking at existing development and understanding industry needs, 17 feet as a minimum ground floor height seemed reasonable to provide adequate ground floor space that can accommodate industrial uses.

Site Improvements and Amenities

- Public Works would require sidewalks, curbs, and gutter with a Use Permit. Commenter's City has a list of transportation infrastructure improvements; Public Works may require contribution towards those improvements.
- Commenter's City has developers do frontage improvements (underground the utilizes, sidewalk widths; always curb, gutter, sidewalk, street trees) whenever possible.
- It can be easier to work with big developers because they are able to do more, they have more backing. You want to make sure that the smaller folks get to stay. It's much harder for them to provide 'extras'.
- Commenter's City has gone back and forth on whether to require improvements for tenant improvements but they decided to use impact fees instead of valuation triggers. Valuation triggers are challenging for improvements.

- Amenities such as cafeterias and gyms are incidental to the main use. Director's adjustments allow for 100% parking credit for the amenities. Incidental uses are not counted toward floor area. Typically, the amenities are not open to the public, but it's not because the commenter's City requires them to be private.
- Smaller properties may be good for restaurants and other non-industrial uses as stand-alone uses.
- There are detailed performance measures in the Code that staff can cite. If it's just a building permit application then staff has no discretion to apply conditions; with discretionary application, staff or design review board can require improvements.
- The commenter's City focuses first on what they consider to be the most important improvements: covered trash enclosures, lighting (photometric studies), perimeter landscaping. They try to be proportional/reasonable. Don't want to overstep.
- The commenter's City uses a Valuation Threshold for site improvements on residential projects. This section is difficult because it's not clearly defined for how to implement, but it gets to valuation. It's difficult to ask about valuation at the planning stage, when they don't have a contractor yet.
- Anything above 5 acres has to do a PUD; it is easier to regulate large developments with the PUD. One of the things they pay attention to in new development is avoid closed off campus designs of the South Bay. Through the PUD, City can require certain design guidelines, but there is also some flexibility for the developer. The City relies on policies in the General Plan to get certain design elements such as a fine-grained street grid.
- Applicants are generally more willing to provide private amenities vs. public amenities. For example, they are much more open to providing employee areas than providing street improvements.

Fees

- The commenter's City has adopted impacts fees for parks and affordable housing (applicable to residential and non-residential development). The City has always had a transportation fee. These are a disincentive for small retail and small business. The City has been told impact fees are too high. There has been some discussions about exempting small businesses, but nothing has passed.
- Consider having a fee structure to pay for road improvements and maintenance.

Political Factors

- The commenter's City Council has been pretty stable in its interests and values, which has helped staff.
- There is a much higher threshold for what the commenter's City requires today because they know another developer is in line. In order to have that high bar, you need political support and regulations to rely on. The City's previous reputation as being developer friendly has helped the city attract tenants and sales tax revenue to support investment.

Co-location/Adjacencies

- Typically rely on Building and Safety Code to address adjacency issues with noxious uses, such as hazardous materials near residential.
- Non-conforming provisions allow legal non-conforming FAR to be replaced when there is a tear-down and rebuild; that has been helpful in getting site improvements complete for the commenter's City and getting the floor area for the landlord. There isn't a problem of people hanging on to old buildings in the City.
- Use caution with allowing child care as an 'amenity' use. Can be a problem having biotech and other industries that use hazardous materials near child care. A cautious approach should be taken when introducing any use with children. It must be in the right location.
- Recreational uses can be compatible with industrial uses. Hours of operation typically offset peak transportation demand.
- Planning is not that concerned with hazardous materials. There are enough regulations in the building code, health code, etc. that address it.

Design Review and Design Guidelines

- There is no Context Based Design Criteria for office/research. There is performance criteria, which affects things such as lighting and trash enclosures.
- Architectural review board trigger for "major" reviews (more than 5,000 sq. ft. or Director discretion). Staff discretionary review for "minor" review (less than 5,000 sq. ft.)
- Commenter's architectural review board has findings that they have to make for any new construction (Code Section 18.76.020(d)). There needs to be unified coherent design; internal sense of order; harmonious massing, character, and scale; functional for peds and bikes, complementary landscaping, resource efficient.
- Commenter's architectural review board focuses primarily on building architecture, but also bike and ped access, parking and loading, lighting effects on neighboring residential (3223 Hanover project required automatic shades or frosted glass)
- Commenter's City is getting good quality projects through Architectural Review. They are trained architects so they know good design and what can be done.
- Design guidelines took a lot of time to prepare, but reduced time for the use permit for specific process (one study session, one hearing). Flexible enough to provide unique designs, but required buildings to be complementary to one another. Used first building as a 'do and don't' for design guidelines. Focused on what employees need: proximity to parking and bicycle parking, and walking to where food was located. Really tall roof screens to screen mechanical equipment as part of building design; not an add-on.
- Design guidelines allow staff to evaluate projects case by case.
- The regulations do not contain a lot of design guidance. All projects require discretionary review and that is how the commenter's City ensures responsiveness to surrounding context.

- Regarding design, the commenter's City is more interested massing and proportions than articulation.

Parking/Traffic

- Currently the commenter's City does not require Transportation Demand Management (TDM) unless an applicant is trying to reduce parking. Going forward, the City may require TDM for all projects. The City is considering a Transportation Management Agency that would handle TDM programs.
- Lots of TDM – had to show 8% reduction – shuttle/bus plan, bike parking, showers; hard to measure ridesharing. After they meet a certain level of employees, would do drive counts; there's a trip cap and a penalty. If not met with a certain # of days, \$1000/day fine and must do xyz.
- There are great examples of biotech and industrial development that do not meet parking requirements.
- Most projects want to provide more parking than what is required.

Master Plan/ "General Development Plan" Process

- Master plan for single user allowed height and use ranges. More flexibility meant that they didn't need to amend the plan so much. Better approach, but decision-makers had to trust the process, trust the company, and Council had to trust Planning Commission. City also had to react to use changes (mix between lab and office). Need to keep flexible; if too restrictive, limits type of businesses that the city can get.
- Plan provided clarification of what the community and commenter's City wanted and the opportunity to tier-off of the Specific Plan EIR with an addendum. Should make the entitlement process go faster.
- Having a master plan was very helpful in articulating and illustrating the desired type of development.
- Didn't allow uses that allow children in these industrial area. Residential and recreation uses shouldn't be next to biotech that require generators. Consider prohibiting uses.
- Initial studies or slim addenda on specific development plans/use permits to ensure compliance with master plan EIR, no new impacts.

A.4 List of Interviewees

Alex Amoroso, City of Berkeley
Amanda Cashin, Illumina Accelerator
Angela Andrews, Resident/Community Stakeholder
Brian Schott, Planning Commissioner/Business Owner
Bryan Eck, City of Los Angeles
Chris Schofield, Lee & Associates
Craig Hagglund, Lee & Associates
Curtis Stahle, Newmark Cornish & Carey
Dominic Dutra, Dutra Cerro Graden
Edward Del Beccero, Transwestern
Elizabeth Kauchak, Prologis
Gerry Beaudin, City of Pleasanton, formerly City of South San Francisco
Gregory Theyel, Easy Bay Biomedical Manufacturing Network
Greig Lagomarsino, Colliers
Hui-Chang Li, City of Oakland
Jack W. Balch, Balch Enterprises
James Gardner, East Bay Advanced Manufacturing Partnership
Jeff Melrose, Shea Properties
Jesse Lucas, Lee & Associates
Jodie Gerhardt, City of Palo Alto
Joe Epstein, Property Owner
Karen Burns, East Bay Manufacturing Group
Kevin Pirozzoli, Invesco Real Estate/Hayward Gateway Center
Kim Huggett, Hayward Chamber of Commerce
Kohar Kojayan, City of San Mateo, formerly City of Foster City
Martine Neider, SF Made, Bay Area Urban Manufacturing Partnership
Michael Torres, Transwestern
Miroo Desai, City of Emeryville
Paul Mueller, Cornish and Carey
Robert Bisnett, Prologis

Robert Ferraro, CBRE

Steve Wertheim, City and County of San Francisco

Sven Tustin, Conor Commercial Real Estate

Tim Schaedler, Panattoni Development

CITY OF HAYWARD

INDUSTRIAL DISTRICT REGULATIONS UPDATE

Appendix B Business Survey Report

This page intentionally left blank.

Table of Contents

- B.1 Introduction B-1
- B.2 Key Findings B-1
- B.3 Individual Responses..... B-2
- B.4 Final Survey B-7
- B.5 Data Output of Individual Questions
and Open-Ended Responses B-13

This page intentionally left blank.

B.1 Introduction

The consultant team developed an online survey, in coordination with City staff, to seek input from employees and business owners who work in Hayward's Industrial District. The purpose of the survey was to gain insights into workers' likes, dislikes, and desires for improvements in the district, as they relate to the Industrial District Regulations Update project.

The survey was administered via Survey Monkey, an online survey tool. City staff sent the survey link to over 300 industrial businesses with a current business license and email address on file, and posted the link to the project website. Additionally, the Hayward Chamber of Commerce sent the survey link to over 1,000 contacts. The survey was available for approximately 3 weeks, running from September 5 through September 28, 2017. A total of 79 respondents completed the survey.

Although the survey does not produce statistically significant conclusions, it does provide information about a series of preferences. Along with one-on-one meetings with industrial district stakeholder meetings, discussions with City staff, community workshops, decision-makers meetings, and other outreach efforts, the online survey results will contribute to the draft regulations.

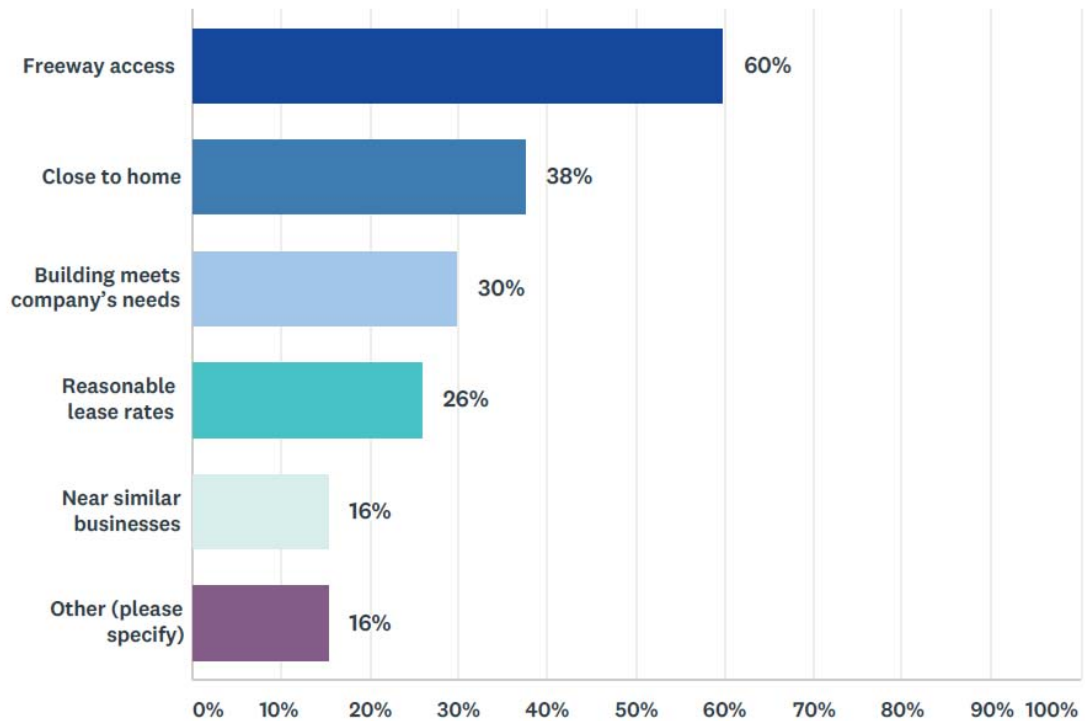
B.2 Key Findings

1. Respondents overwhelmingly enjoy Hayward's location, given its proximity to freeways, trails, and where people live.
2. Respondents overwhelmingly would like to see more commercial/retail opportunities (e.g., places for lunch, coffee shops, restaurants, shopping centers, gyms). There is a strong desire for restaurants and lunch places in particular.
3. Respondents support better access to BART, improved sidewalks, and bicycle facilities. Respondents said that access to these alternative modes was important, but that these facilities were generally not available.
4. Respondents expressed mixed views on the safety of streets and attractiveness of neighborhood, perhaps depending on their specific workplace location.
5. Parking is not generally seen as a problem/concern. Being close to other similar types of businesses was likewise identified as less important.

B.3 Individual Responses

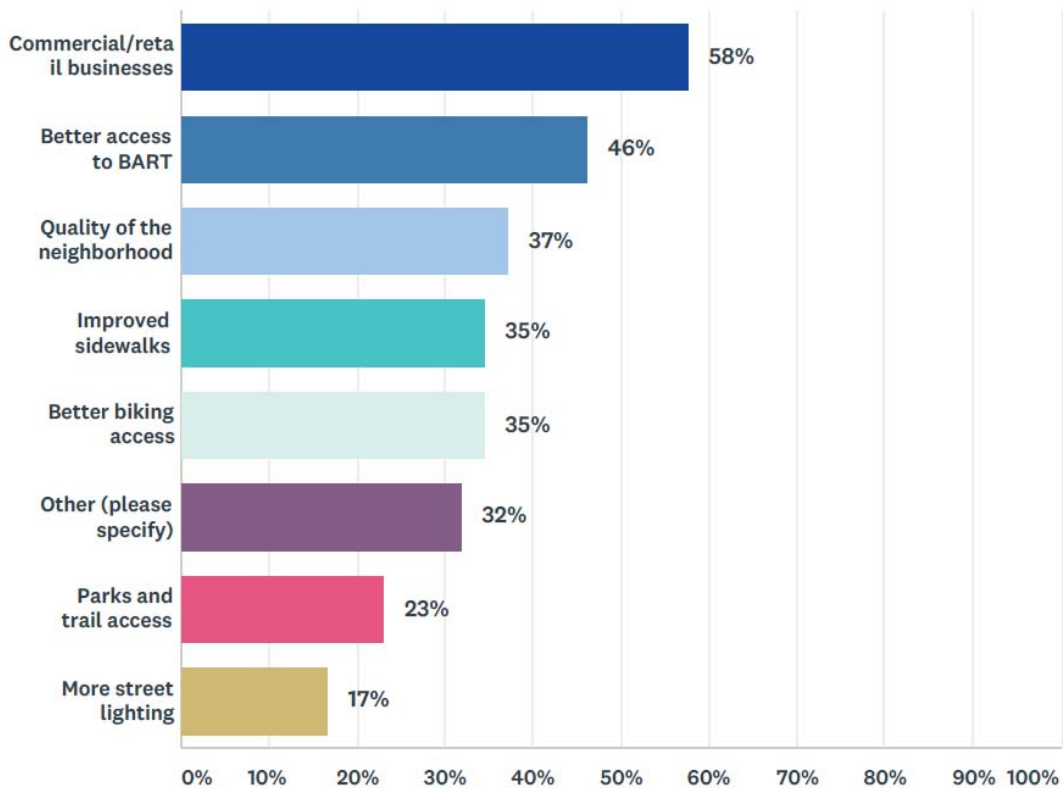
Question 1: What do you most enjoy about your workplace location in Hayward? (select all that apply)

Location is paramount. The majority of participants (60%) most enjoyed freeway access from their workplaces. Many respondents (38%) liked that their workplace was close to home. Of respondents who selected “other”, location, access to bike/pedestrian trails, and the reverse commute were the most typical responses.



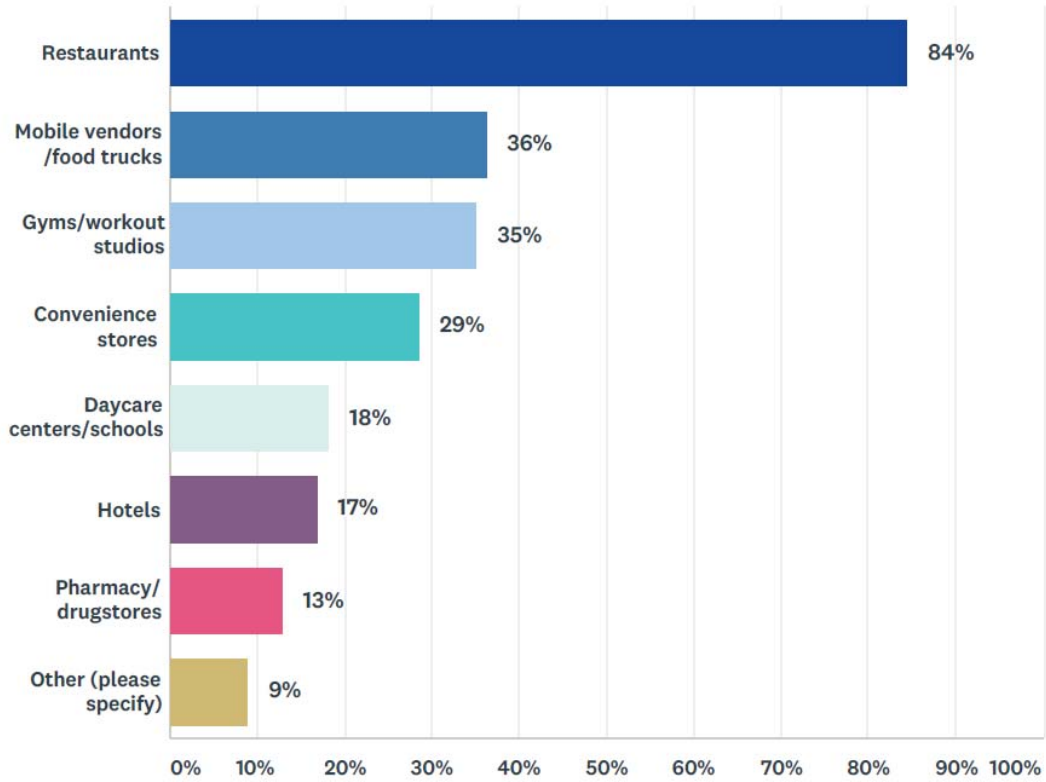
Question 2: What would you like to see improved in and around your workplace location? (select all that apply)

Desire for more commercial retail businesses and better access to BART. More than half of respondents (58%) would like to see more commercial/retail opportunities (e.g., coffee shops, restaurants, shopping centers). Nearly half of respondents (46%) want to see access to BART improved. More than one-third of respondents want the quality and appearance of the neighborhood improved, as well as improved sidewalks and biking access. Of the respondents who selected “other”, responses addressed issues of safety/crime prevention, access to food and other commercial services, and improvements to streets/traffic congestion, bicycle and pedestrian safety, and transit access.



Question 3: What types of goods and services would you like to see near your workplace location? (select all that apply)

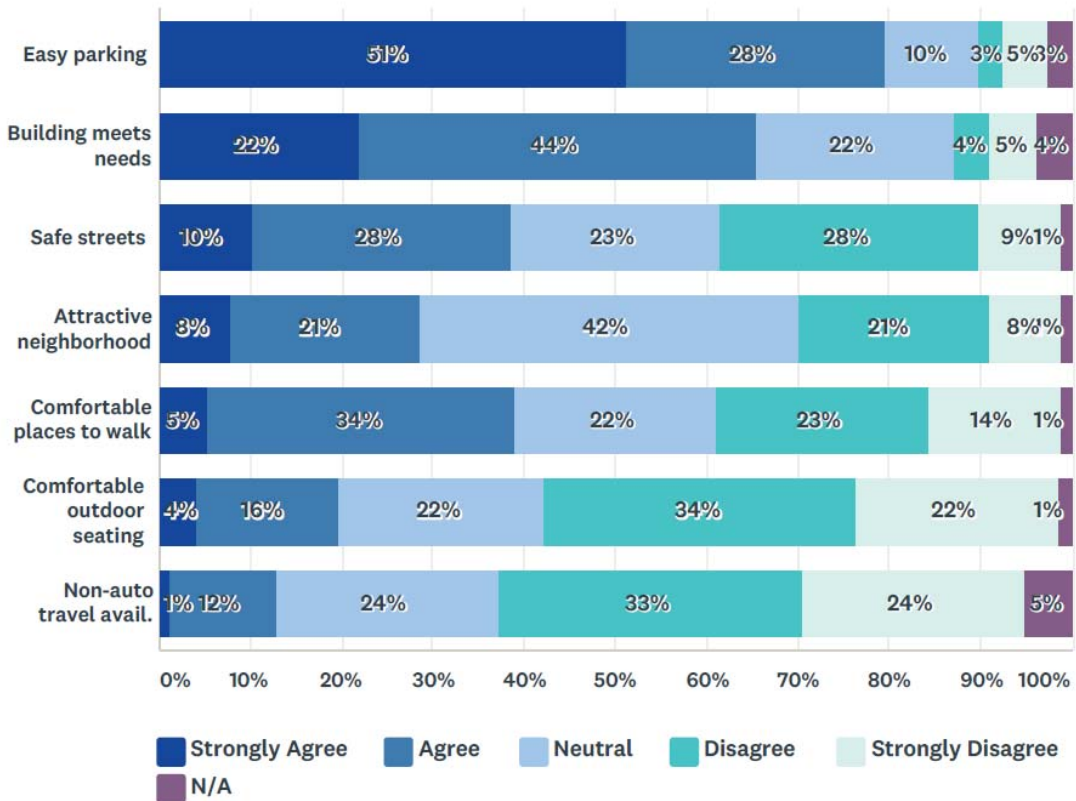
Desire for more food options. The vast majority of respondents (84%) would like to see more restaurants near their workplaces. About a third of respondents supported mobile vendors (i.e., food trucks), gyms, and convenience stores.



Question 4: Think about the characteristics of your specific workplace and whether you agree or disagree with the following statements.

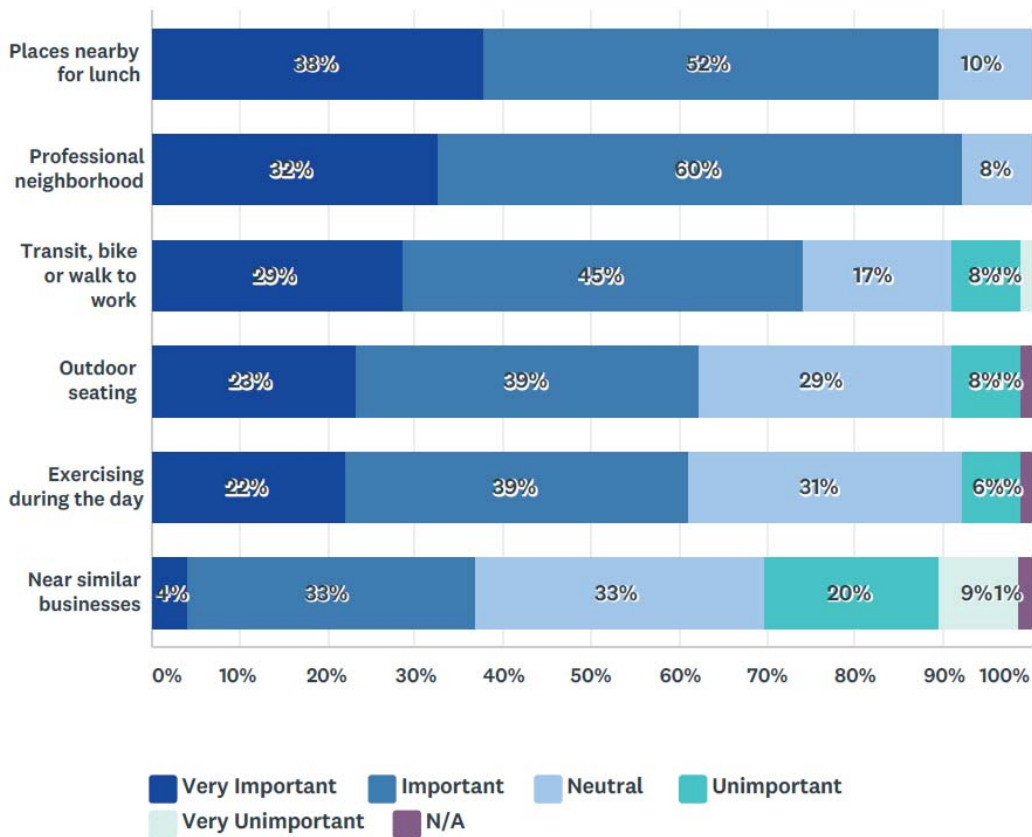
Key findings are as follows:

- Parking is easy: Participants overwhelmingly find that it's easy to find parking near their workplaces (79% agree or strongly agree)
- Building features generally meet company needs: Two-thirds of respondents find that their buildings' features meet their company's needs.
- Mixed findings on safety of streets and attractiveness of neighborhood, perhaps depending on specific locations: While 38% of respondents agree or strongly agree that streets are safe for employees, 37% disagree. Responses were similarly mixed about whether or not there were comfortable places to walk during the day. Similarly, 29% of respondents agree that their neighborhood is an attractive place to meet with clients and customers, but the same amount disagree.
- Non-auto travel modes not available: Only 13% of respondents agreed that there were opportunities for employees to use alternative transportation modes (i.e., bus, train, bicycling, walking) to get to work.



Question 5: Generally, which characteristics about location are important to you in a workplace?

Lunch places and an attractive professional neighborhood are of paramount importance; non-auto modes of travel are also important. Approximately 92% of respondents said that being in a neighborhood with an attractive professional environment was either important or very important, while 90% said that it was important to have places nearby to go out to eat for lunch. Being able to take transit, bike and/or walk to work was identified as important to nearly three-quarters of respondents (74%). Opportunities for outdoor seating and exercise were also identified as important by over 60% of respondents. Being located near other similar types of businesses was only important to 37% of respondents.



Question 6: Other Comments? Please add any additional comments regarding what you like or dislike about your workplace location in Hayward.

For this open-ended survey question, respondents tended to discuss the following issues. Please see the appendix for a full list of responses.

- A desire for transit, bike, and pedestrian improvements to improve safety, frequency (of bus service) and access to workplace locations.
- Complaints about traffic congestion, vehicles speeding, and the poor condition of streets.
- Concerns about crime (thefts, break-ins) and a need for more police presence.
- A need for more restaurants and services.

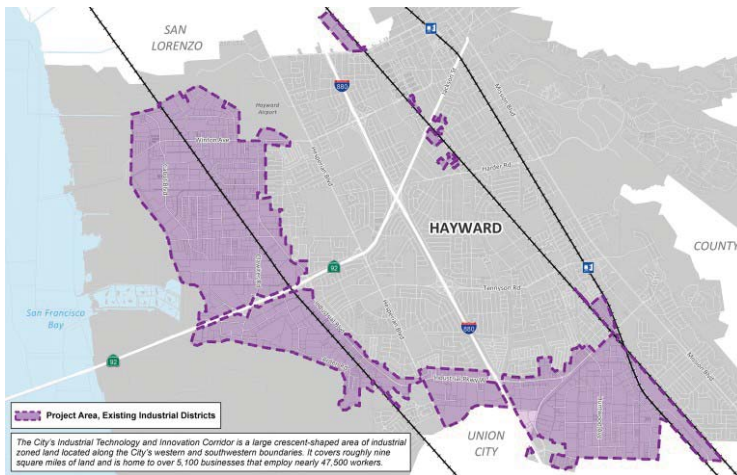
B.4 Final Survey

The final survey begins on the following page.

Hayward Industrial District Regulations Project - Business Survey

The City of Hayward is embarking on a collaborative planning and outreach process to update the City's existing Industrial District Regulations and implement the General Plan's vision for the City's Industrial Technology and Innovation Corridor, illustrated in the map below. Your input will help refine these regulations.

For further information and to sign up for e-notifications about the project, please visit the project website: <https://www.hayward-ca.gov/content/industrial-district-regulations-update>



Please think about your workplace location in Hayward as you answer the following questions.

① What do you most enjoy about your workplace location in Hayward? (select all that apply)

- Freeway access
- Reasonable lease rates
- Being located near other similar businesses
- Building features meet my company's needs
- Close to home
- Other (please specify)

② What would you like to see improved in and around your workplace location? (select all that apply)

- Improved sidewalks
- Better access to BART
- Better biking access
- Quality and appearance of the neighborhood (e.g. improved landscaping, signage, public art)
- Access to parks and trails (e.g., Bay Trail)
- More street lighting
- More commercial/retail opportunities (e.g., coffee shops, restaurants, shopping centers)
- Other (please specify)

③ What types of goods and services would you like to see near your workplace location? (select all that apply)

- Restaurants
- Mobile vendors (i.e., food trucks)
- Convenience stores
- Pharmacy/drugstores
- Hotels
- Gyms/workout studios
- Daycare centers/schools
- Other (please specify)

4 Think about the characteristics of your specific workplace and whether you agree or disagree with the following statements.

	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	N/A
There are comfortable places to sit outside for lunch	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
It is easy to find parking near my workplace	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The streets are safe for my employees	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The neighborhood is an attractive place to meet with clients and customers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The building provides features that my company needs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
There are comfortable places to walk during the day	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
There are opportunities for my employees to use alternative transportation modes (i.e., bus, train, bicycling, walking) to get to work	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

5) Generally, which characteristics about location are important to you in a workplace? (Important to not important)

	Very Important	Important	Neutral	Unimportant	Very Unimportant	N/A
Being located near other similar types of businesses	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Being able to take transit, bike and/or walk to work	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Having places nearby to go out to eat for lunch	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Having seating outside your building to eat lunch	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Being able to exercise during the day	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Being in a neighborhood with an attractive professional environment	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

6) Other Comments? Please add any additional comments regarding what you like or dislike about your workplace location in Hayward.

7) (Optional) Do you have additional comments or questions that you would like to discuss with a City staff member? If so, please enter your email address or phone number below.

Name

Email Address

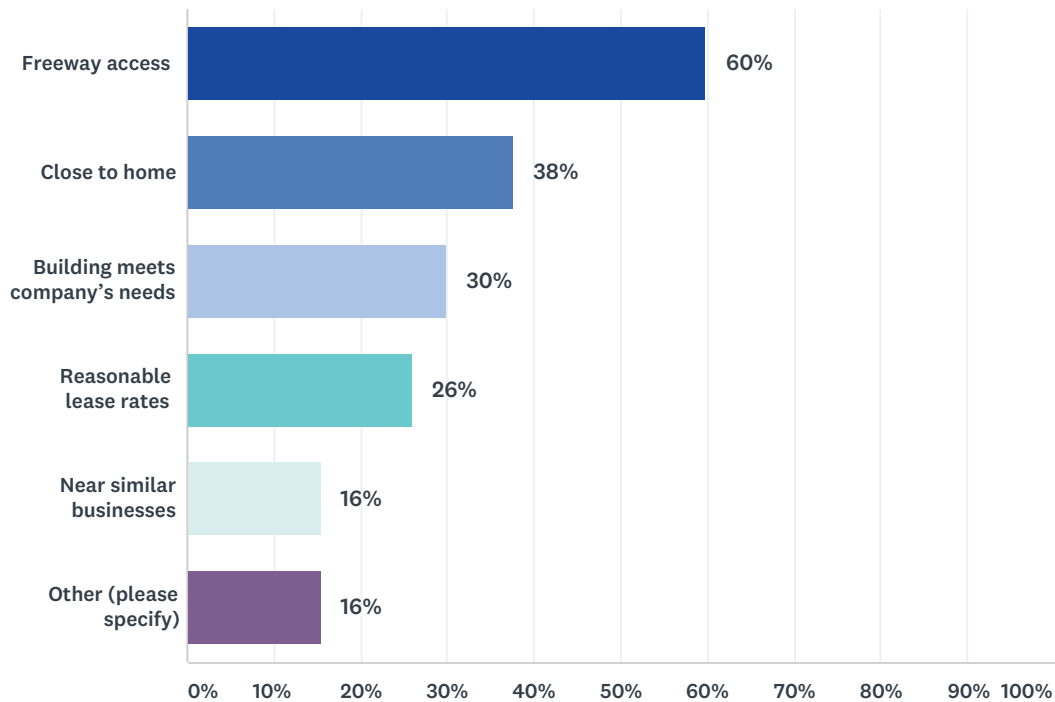
Phone Number

B.5 Data Output of Individual Questions and Open-Ended Responses

Data results from the survey follow.

Q1 What do you most enjoy about your workplace location in Hayward? (select all that apply)

Answered: 77 Skipped: 2



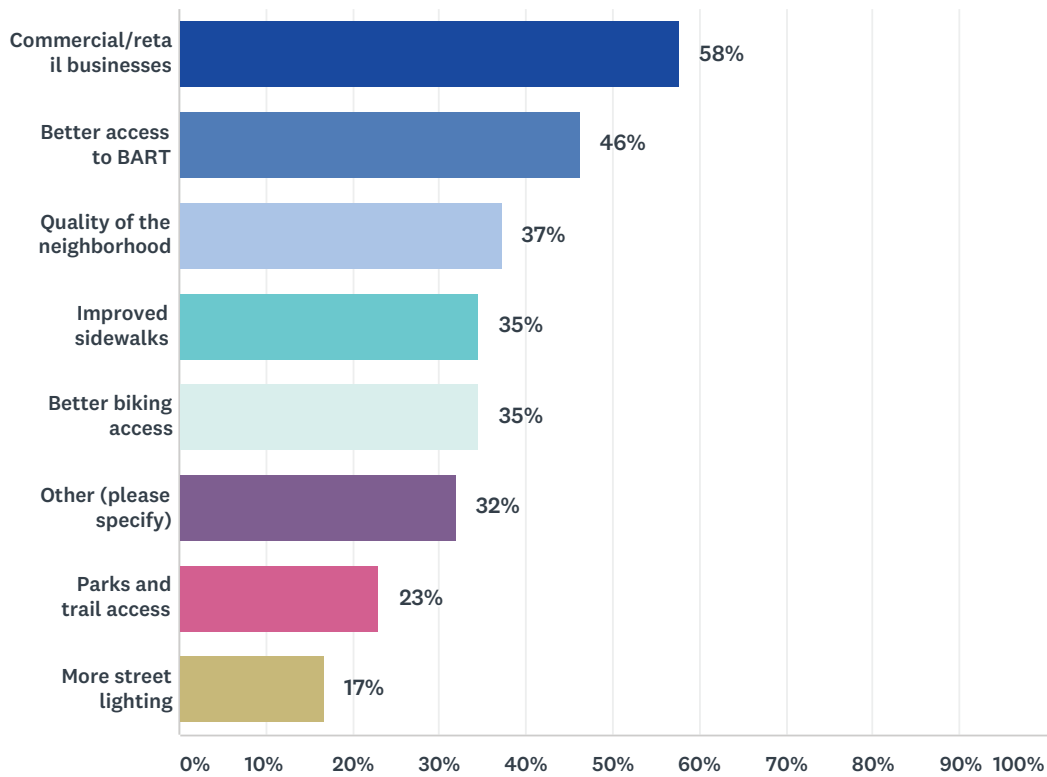
ANSWER CHOICES	RESPONSES	
Freeway access	60%	46
Close to home	38%	29
Building meets company's needs	30%	23
Reasonable lease rates	26%	20
Near similar businesses	16%	12
Other (please specify)	16%	12
Total Respondents: 77		

#	OTHER (PLEASE SPECIFY)
1	Hayward Native
2	Location (generally) Central location to the immediate Bay Area for both my clients and me.
3	Location (generally) Walk to downtown for lunch
4	Location (generally) Centrally located in the region
5	Location (generally) It's on the bay
6	Bike & Trail Access Option to bike to work along Tennyson Rd & Arden Rd via Baumberg Ave
7	Bike & Trail Access Hayward shoreline park

8	Bike & Trail Access	The trails along the bay and the ability to exercise before work.
9	Bike & Trail Access	being near the parks with running trails
10	Reverse Commute	I can easily commute from San Francisco where I live to Hayward when compared to commuting to Silicon Valley.
11	Reverse Commute	Easy commute from Peninsula; reverse of traffic flow
12	I am abivalent about my workplace. I chose this job for the scope of work, NOT because it is located in Hayward	

Q2 What would you like to see improved in and around your workplace location? (select all that apply)

Answered: 78 Skipped: 1



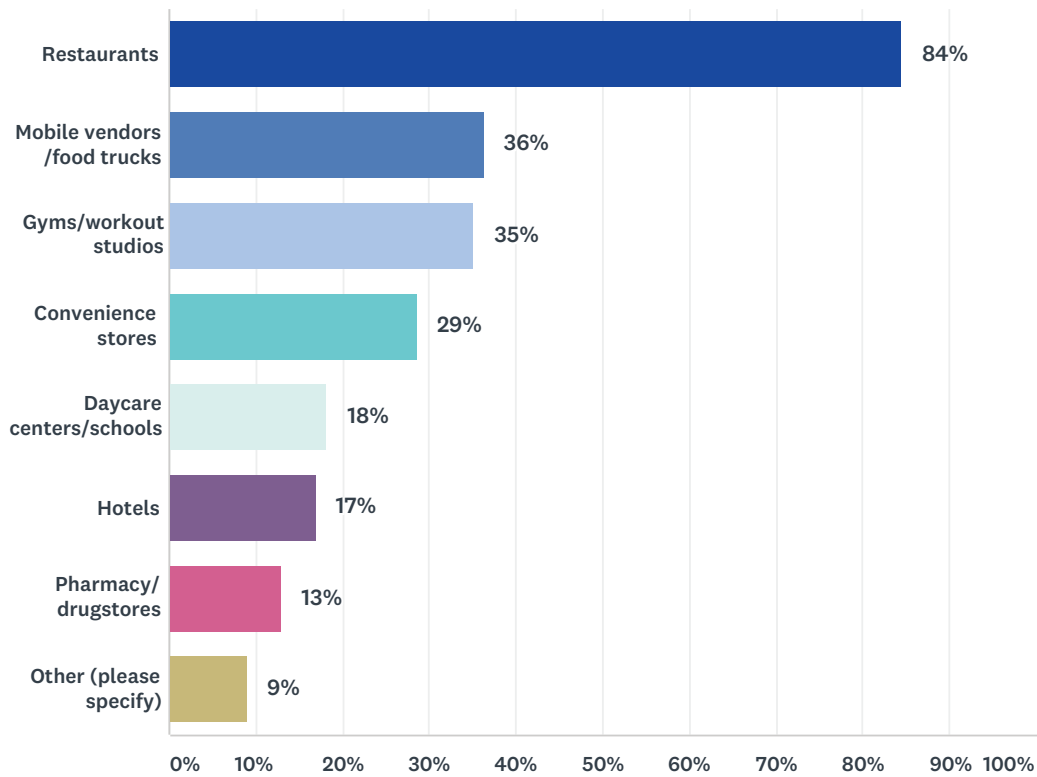
ANSWER CHOICES	RESPONSES
Commercial/retail businesses	58% 45
Better access to BART	46% 36
Quality of the neighborhood	37% 29
Improved sidewalks	35% 27
Better biking access	35% 27
Other (please specify)	32% 25
Parks and trail access	23% 18
More street lighting	17% 13
Total Respondents: 78	

#	OTHER (PLEASE SPECIFY)
1	Street/Traffic Impr. Please improve our street (San Clemente, between San Antonio & Zephyr)
2	Safety/Crime Prev. better crime prevention
3	Safety/Crime Prev. Safety
4	more parking,

5	Bike/Ped Safety	More pedestrian-friendly
6	Safety/Crime Prev.	More responsiveness by Hayward PD - high crime area.
7	Street/Traffic Impr.	The roads are terrible. I do see part of Winton being redone i only hope in comall the way down.
8	Commercial/Food	Allow restaurants ans services such as day care to be located here.
9	Commercial/Food	Food, restaurants and food trucks. Please allow food trucks to be parked here.
10		more access to the campus
11	Transit Improvements	Shuttle along Fairview and Oakes
12	Street/Traffic Impr.	better traffic flow
13	Commercial/Food	Need more lunch options nearby
14	Street/Traffic Impr.	Speed of traffic along Industrial Blvd.
15	Bike/Ped Safety	A safer bike route connecting Industrial Blvd and Arden Rd
16	Street/Traffic Impr.	Better traffic management
17	Street/Traffic Impr.	fixing potholes in clawiter exit towards eden landing
18	Street/Traffic Impr.	Better roads in the industrial areas (Depot Road)
19		Higher Speed Offerings from Internet Service Providers
20	Street/Traffic Impr.	Reduced traffic. Roads are not big enough.
21	Street/Traffic Impr.	Industrial Road to Point Eden Way need road resurfacing. Not condusive to biking.
22	Transit Improvements	Better Bus connections - similar to Union City Transit
23		Air quality, particularly near Berkeley Farms
24	Bike/Ped Safety	crosswalks (people take their lives in their hands to get lunch)
25	Street/Traffic Impr.	Arteries like Clawiter road should be widened and have their lights tuned to increase throughput of traffic.

Q3 What types of goods and services would you like to see near your workplace location? (select all that apply)

Answered: 77 Skipped: 2



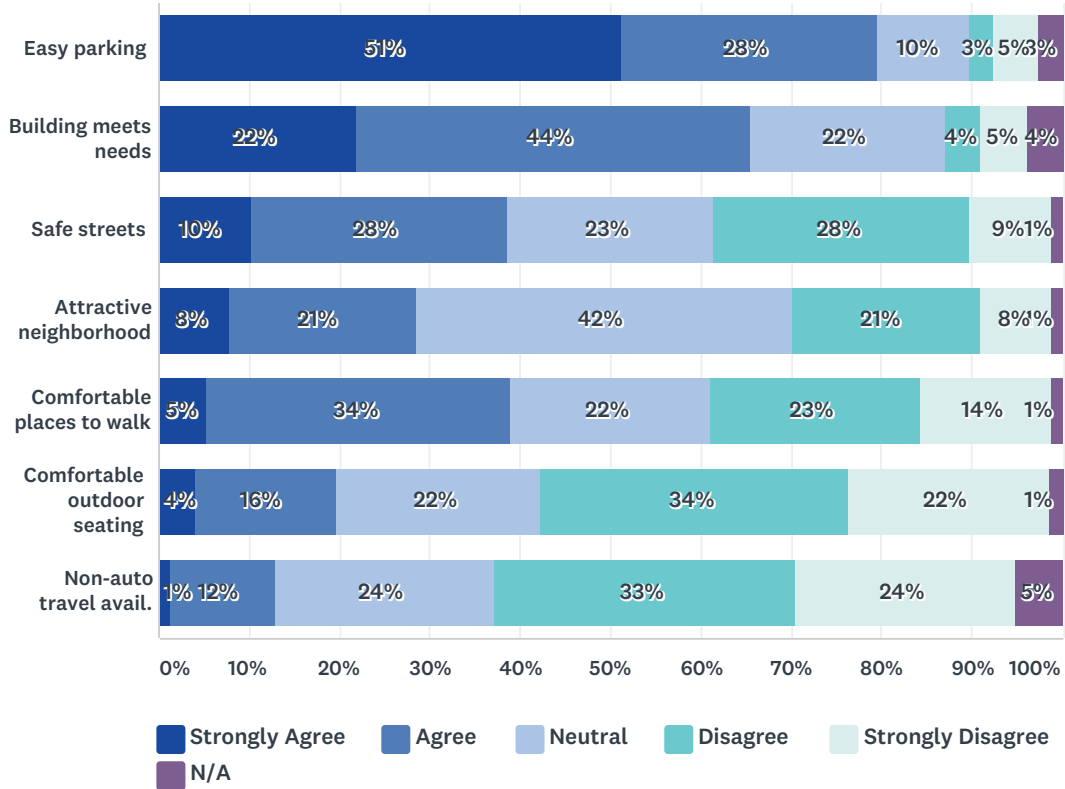
ANSWER CHOICES	RESPONSES	
Restaurants	84%	65
Mobile vendors /food trucks	36%	28
Gyms/workout studios	35%	27
Convenience stores	29%	22
Daycare centers/schools	18%	14
Hotels	17%	13
Pharmacy/ drugstores	13%	10
Other (please specify)	9%	7
Total Respondents: 77		

#	OTHER (PLEASE SPECIFY)
1	Grocery Stores Organic grocery shopping, i.e. sprouts
2	hair salon, yoga studio, bakery, staples,
3	Grocery Stores Grocery store
4	Please create a food truck park here for employees to eat

5	Grocery Stores major grocery stores
6	Gas stations
7	N/A

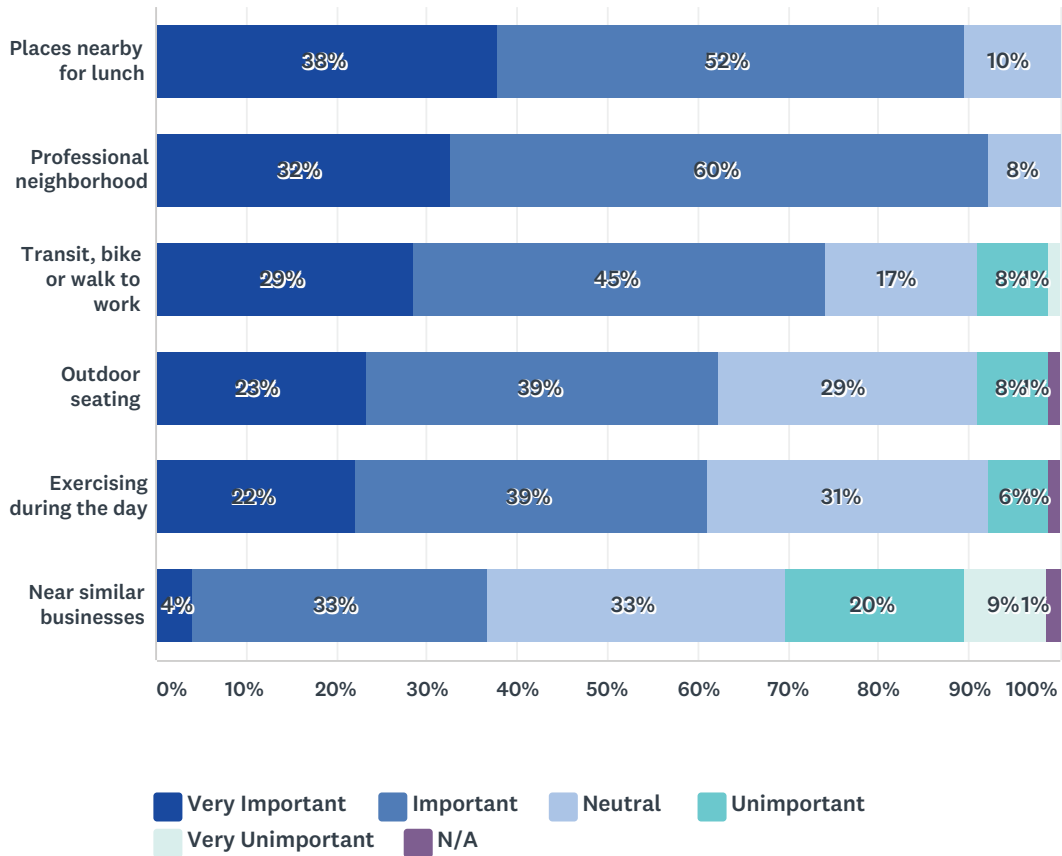
Q4 Think about the characteristics of your specific workplace and whether you agree or disagree with the following statements.

Answered: 78 Skipped: 1



Q5 Generally, which characteristics about location are important to you in a workplace? (Important to not important)

Answered: 77 Skipped: 2



Q6 Other Comments? Please add any additional comments regarding what you like or dislike about your workplace location in Hayward.

Answered: 33 Skipped: 46

#	RESPONSES
1	Location It's close to freeways and shops.
2	Crime Prev./Enforce need better crime enforcement
3	Alt. Trans Impr. There's an intersection on A Street and Maple, city took out the crosswalk. We would like to get that crosswalk back with one of the crosswalks that Lights up when pedestrians cross the street.
4	Location love the location, near freeway, easy accessible, need good lunch place, hair salon, yoga/ zumba studio, shoe store, work wear would also be wonderful!
5	Crime Prev./Enforce Police are never in their office on Tennyson Road.
6	Alt. Trans Impr. Sidewalks have not been required, street is so long and wide that even tractor-trailers speed, limited access in and out of area. City has not provided a way for workers to spend money in local economy even if we wanted to. Everybody just wants to leave as quickly as they can.
7	Other n/a
8	Crime Prev./Enforce This has become a high crime area and I don't feel that my assets are protected. Frequent break-ins have been treated with disinterest at best.
9	Bad Traffic We are located near the rail road tracks and the roads are in need of repair, Traffic in the morning, mid-afternoon and 5-6 pm are bad especially on 92.
10	Crime Prev./Enforce There has been someone getting onto the roofs of the buildings and stealing copper piping. We need more police patrols
11	More comm/food Allow food trucks to be parked in the Industrial area. Allow services and restaurants to be located here as well.
12	Bad Traffic Please fix the Loop and traffic. Traffic is horrible
13	Alt. Trans Impr. Bad Traffic Crime Prev./Enforce Location More comm/food I like the camaraderie we have with our other industrial neighbors. What we dislike the most is the raceway that Industrial Blvd. is which makes it very unsafe for us to pull out of our parking lot. We have also had multiple break-ins at our complex over the last year which is an issue that is very important to us. Our safety and the security of our business is MUCH more important to us than the issues of transportation, exercise and the ability to eat outside, as I'm sure you all can understand. Thank you for allowing us the opportunity to express our concerns.
14	Other Highspeed internet coverage was very poor when i first started business in Hayward. There was nothing faster than DSL in Diablo industrial park. One year ago, we started to have Comcast. Hayward needs to equip itself with better high tech infrastructure in order to attract better businesses.
15	Location Street Improvements Dislike the freeway pavement conditions at 92/Clawiter Rd, I like our access to Bay Trail and option to bike/bus to work
16	Street Improvements Again, the roads are a mess - Depot road is truly that... a "pot"hole of a road. Hard on all the vehicles that go down it, as well as being a two lane road for the thousands of vehicles that drive down it for work every day.

17	Other	No B2B networking activities provided by the city or business newsletter/communication or PR for local businesses like Newark for example....
18	Alt. Trans Impr.	I think the most important items I hear our employees comment on is transportation, especially to BART. The current bus line is no reliable.
19	Location	Our location in Hayward is good; we're right off of 92. However, the location is very industrial - a lot of heavy truck traffic and very few restaurants.
20	Other	So far, it's been great.
21	Alt. Trans Impr.	Street Improvements Roads need to be smooth for biking
22	Other	The City of Hayward has been very helpful to Impax and it is greatly appreciated.
23	Other	air quality near Berkeley farms can be very poor.
24	Alt. Trans Impr.	The lack of sidewalks is an issue as is crossing the street. There are no pedestrian crossings near our office. Due to this, some of us drive to nearby restaurants rather than walk. It is great that we have an AC transit route (#83) but it occasionally arrives early and since there are only two an hour leaving from the office - and spaced close together - missing the second bus means that there is a 46 minute wait. Getting to work, there is only one bus an hour from BART - the 83 from South Hayward or the 83 from Hayward. Delays on BART - which are frequent - mean that the options are to either arrive an hour late to work or else to get a taxi.
25	Alt. Trans Impr.	It is difficult to get to work from BART. The company I work for is located over in the Point Eden Business Park. There used to be a shuttle but, it was discontinued. Also, there is only one AC Transit bus per hour. That makes getting from BART to work difficult as well.
26	Alt. Trans Impr.	There is no side walks to take a walk to the shore.
27	Alt. Trans Impr.	I would like to be able to ride my bike from BART to work. Unfortunately, the streets that I need to take cross over the off/on ramps of the 880 freeway and it is very dangerous. Also, most streets in Hayward do not have a bike lane and it is difficult to ride with several large trucks in the streets
28	More comm/food	More good food options please!
29	Alt. Trans Impr.	Bad Traffic I like the location, but I would really like to be able to bicycle to work and I do not feel safe doing this along Clawiter or Jackson. I am a Hayward resident living near the Mission/Jackson triangle and would really like to avoid the car congestion by riding a bike to the Point Eden business center, but the roads have been set up to accommodate motorists at the expense of other types of commuters and there is no safe route for a bicycle commute.
30	Alt. Trans Impr.	Street Improvements It'd be nice to have access to BART somehow. Biking from the Hayward BART is unsafe because there are few bike lanes and the roads are filled with large trucks. A bike path from BART would make it significantly more pleasant to work here.
31	More comm/food	Primarily I would like more varied lunch options
32	More comm/food	Need more restaurants!! A lot more!
33	Alt. Trans Impr.	Public transit is shitty and slow. Unsafe roads for biking to and from work to either home or public transit