



SUBJECT

Proposed Vesting Tentative Parcel Map, Site Plan Review and Environmental Review to merge 11 parcels and construct a 507,500-square-foot industrial building at 2655-2893 West Winton Avenue (APNs 438-0030-001-04, 438-0030-001-06, 438-0030-001-08, 438-0030-006-00, 438-0030-008-02, 438-0030-009-02, 438-0030-013-01, 438-0030-013-02, 438-0030-014-00, 438-0030-015-00, & 438-0101-020-01). Application No. 201702969; Paceline Investors (Applicant) on behalf of Industrial Property Trust (Owner).

RECOMMENDATION

That the Planning Commission approve Vesting Tentative Parcel Map No. 10733, Site Plan Review Application No. 201702969 and adopt a Mitigated Negative Declaration (MND) with a Mitigation Monitoring and Reporting Program (MMRP), SCH# 2017122045, based on the analysis set forth in this report and the attached Findings (Attachment II) and subject to the Conditions of Approval (Attachment III).

SUMMARY

The applicant is requesting approval of Vesting Tentative Parcel Map No. 10733, Site Plan Review Application No. 201702969 and the adoption of a MND with MMRP (SCH# 2017122045) to merge 11 existing parcels totaling 23.4 acres to allow the construction of an approximately 507,500-square-foot speculative light industrial building located at 2655-2893 West Winton Avenue. The project site is zoned I, Industrial and is designated as IC, Industrial Technology and Innovation Corridor in the *Hayward 2040 General Plan*.

Pursuant to Section 10-3.010 of the Hayward Municipal Code (HMC), the purpose of the Subdivision Ordinance is to ensure that all proposed subdivisions are consistent with the procedures, policies, and programs of the *Hayward 2040 General Plan*, underlying zoning district, and Subdivision Map Act.

Pursuant to Section 10-1.3005 of the HMC, the purpose of the Site Plan Review is to foster development that complies with the intent of City development policies and regulations and is operated in a manner determined to be acceptable and compatible with surrounding development.

Vesting Tentative Parcel Map and Site Plan Review applications are typically reviewed and approved at staff level, but due to the size and scale of the project, along with the potential environmental impacts requiring mitigation, staff has referred this project to the Planning Commission for consideration.

BACKGROUND

Prior to 1965, the project site was primarily used for agricultural purposes. Since that time, the site has been used by automobile salvage yards engaging in automobile dismantling and the recycling and sale of used automobile parts. Most recently, the site was occupied by two automobile salvage yards, Pick Your Part and E&J Auto Wreckers, both of which have since vacated the site. Over the years, the site has had a history of general blight associated with the illegal dumping of trash and contamination due to the operation of the automobile salvage yard. Since purchasing the property, Industrial Property Trust has been working with the City and other agencies to clean up the site in preparation for redevelopment, including the demolition of a 3,300-square-foot office building which was removed in August 2017.

Staff received this application on May 25, 2017 and following review and input, the original proposal has since been revised to include the following: 1) The building elevations have been enhanced to incorporate additional articulation through additional canopies, additional windows, and multiple color schemes; 2) additional trees have been added along West Winton Avenue and the western property line to buffer the building from the adjacent Hayward Regional Shoreline; 3) a meandering pedestrian pathway with landscaping, interpretive features, and directional signage for the nearby San Francisco Bay Trail was incorporated into the project to serve as an employee and a public amenity; and 4) the building-mounted lights on the west façade have been replaced with pole-mounted lights, which will be lowered and shielded, to limit light spillover onto the adjacent Hayward Regional Shoreline.

Public Outreach: Following receipt of application, staff conducted the following public outreach:

- On June 9, 2017, a Notice of Receipt of Application was sent to all property owners and interested stakeholders within 300 feet of the subject property.
- On July 6, 2017, staff presented the project to the Hayward Area Shoreline Planning Agency (HAPSA) Board of Trustees at their quarterly meeting. The Board of Trustees, HASPA members, and other visitors raised concerns about the site contamination, potential impacts to public views from the Shoreline Park, flooding from future sea level rise, and the shallow groundwater. While the project has since been revised to address many of these concerns, the environmental issues were analyzed through the California Environmental Quality Act (CEQA) review process. Mitigation contained within the Mitigated Negative Declaration as well as conditions of approval related to site drainage, stormwater management, and geotechnical recommendations further mitigate potential impacts as a result of the project. The HASPA Board also expressed a desire for the applicant to provide rooftop solar panels for the building and expanded public amenities. The applicant agreed to install a solar-ready roof but any installation will be deferred until a tenant has been identified. The applicant expressed an interest to install rooftop solar panels through a feed-in tariff arrangement with East Bay Community Energy. The project will also provide an outdoor employee break area, an enhanced pedestrian pathway with interpretive features, and a public art piece.
- On December 15, 2017, a Notice of Intent (NOI) and the MND were posted at City Hall and delivered to the Hayward libraries. Copies of the NOI were also sent to

interested parties and property owners within 300 feet of the project site and posted in the newspaper. The City has received public comments from a resident, the East Bay Regional Parks District (EBRPD), and Caltrans. These comments have been addressed and incorporated into the MND Response to Comments Memorandum, which is included as Attachment X.

- On January 11, 2018, a Notice of Public Hearing was published in the newspaper and sent to all property owners and interested stakeholders within 300 feet of the subject property. At the time of writing of this staff report, staff has not received any comments from the public regarding the project.

PROJECT DESCRIPTION

Existing Conditions: The 23.4-acre project site is generally flat and currently vacant. A majority of the site has been cleared of vegetation and improved with surface pavement, which is remnant of the former auto salvage use. An existing concrete block wall, ranging from 8 to 10 feet in height, borders the western property line and is proposed to remain. The remainder of the site perimeter contains a 6-foot tall chain link fence. There are no trees protected by the City's Tree Preservation Ordinance on site. The site is surrounded by industrial buildings to the north, east, and south and the Hayward Regional Shoreline borders the site to the west, which consist primarily of marshes and wetlands. The subject property is zoned I (Industrial) District and designated for IC (Industrial Technology and Innovation Corridor) land uses in the *Hayward 2040 General Plan*.

Project Overview: The project requires the merger of 11 existing parcels into one parcel to allow the construction of an approximately 507,500-square-foot speculative light industrial building. Of that 507,500-square-foot structure, up to 10,000 square feet of the floor area will be dedicated towards office space with another 6,500 square feet that will be used as a flex mezzanine/office space. The remaining 491,000 square feet will be used as warehouse space. Additionally, the project will include new landscaping, site lighting, drainage and frontage improvements.

Building Architecture: The proposed structure will be maximum height 45 feet tall and be constructed using concrete tilt-up panels with metal trim. Each building elevation will be well-articulated and incorporate multiple canopies, score lines, window treatments, and trellis panels containing vegetation. The multiple color scheme will also add variety and interest intended to break up the mass of the proposed structure by incorporating natural-looking green to contrast the predominantly off-white and gray color of the wall surfaces. Additionally, the west, south, and southeast elevations will be highly visible from West Winton Avenue and the Hayward Regional Shoreline area and as such, will be further enhanced with architectural detailing and articulation. The northwest, southwest, and southeast corners of the building, where the office spaces will be located, incorporate windows and varied wall planes to add visual interest and reinforce the attractiveness of the site for possible corporate offices.

Parking and Circulation: The project proposes 332 off-street parking spaces, 188 of which will be for typical passenger automobiles (employees and visitors) and 144 of which will be for

larger loading trucks. Of the 188 spaces for employees and visitors, 116 will be standard spaces, 50 will be compact spaces, 16 will be designated for electric vehicles (EV), and 6 will be handicap accessible spaces. The project also includes 82 loading bays, 46 of which will be on the west side of the building and 36 of which will be on the east side of the building. The site will be accessed off West Winton Avenue via three two-way driveways. Two of the driveways, which will be 40 feet wide, will provide access for trucks that park in the truck loading docks on the east and west sides of the building. Each driveway will have an access gate to limit circulation to trucks in the rear portion of the site. The other driveway, which will be 26 feet wide, will provide access to parking lots in front of the building designated for employees. As part of the required frontage improvements, the project will also provide a buffered bicycle lane along West Winton Avenue along with several bicycle racks within the parking area for employee use.

Landscaping: The project proposes to plant 148 new trees with a varied palette of shrubs and groundcover to meet the City's landscaping requirements and buffer the building from the Hayward Regional Shoreline and West Winton Avenue. Twenty-five (25) of the new trees will be planted along the western property line to visually break up the building mass and soften the appearance of the building from the shoreline. All proposed landscaping and irrigation will meet the City's landscape water efficiency standards. Additionally, the project will treat storm water run-off on-site with seven new bioretention treatment areas.

Amenities: The applicant is proposing to include several amenities for both employees and the general public beyond what industrial developments typically provide. Specifically, the project will provide an outdoor employee break area with seating and shade on the east side of the building, a pedestrian pathway enhanced with landscaping, including several interpretive elements harkening to the area's history as Russell City, and directional/wayfinding signage to encourage access to the nearby San Francisco Bay Trail along West Winton Avenue. The applicant will also incorporate a public art feature, which has yet to be designed, on the west side of the building to further enhance the project. The specific design, as well as the location of the public art, will be reviewed by staff during the building permit stage.

Utilities and Street Improvements: The existing utilities that serve the project site, including sanitary sewer, water, and storm drain systems, have been determined to have sufficient capacity to adequately serve the proposed development. On-site sewer and water utilities will be installed within the new public utility easement within the project site and connect to the existing utilities on Muir Street. While the existing roadway is sufficient to accommodate the additional traffic generated from the project, frontage improvements will be required, including the reconstruction and repair of the existing road, addition of buffered bike lanes, and new sidewalks along West Winton Avenue. All frontage improvements will be designed to meet the City's current roadway standards.

Sustainability Features: The project incorporates a variety of sustainability features including the following:

- Solar-ready roof, which will be structurally designed to accommodate rooftop solar panels and provide electrical hook-ups;
- LEED-Certified building;
- Energy saving building features such as windows with performance glazing and skylights for natural light penetration;
- EV parking spaces with EV charging stations and preferred carpool parking; and
- Irrigation system designed to utilize the City’s reclaimed water supply infrastructure, which is expected to be installed by 2019.

The project is also required to meet CALGreen and 2016 California Energy Code standards for energy efficiency and will meet the City’s requirements with respect to water efficient landscaping. Additionally, the project will comply with the City standards for recycling of waste during construction and operation. The project will also comply with the Municipal Regional Stormwater Permit requirements regarding storm water runoff prevention and treatment.

POLICY CONTEXT AND CODE COMPLIANCE

Zoning Ordinance: The project site is zoned I, Industrial District, which allows for the development of various industrial uses with limited ancillary office and commercial uses. The project meets all the development standards of the I District related to lot size, lot width, lot depth, lot frontage, lot coverage, setbacks, building height, and parking. Additional detail regarding the project’s compliance with the development standards of the I District is provided in the table below.

Development Standard	HMC Requirement	Proposed Project
Min. Lot Size	10,000 sq. ft.	1,019,247 sq. ft.
Min. Lot Frontage	35 ft.	1,105 ft.
Min. Average Lot Width	70 ft.	783 ft.
Max. Lot Coverage	No limit	49.8%
Min. Front Yard Setback	20 ft.	20 ft.
Min. Side Yard Setback	None	130 ft.
Min. Rear Yard Setback	None	49 ft. 4 in.
Max. Building Height	No limit	45 ft. 2 in.

The project is required to provide 312 off-street parking spaces, up to 156 of which may be designated for compact cars. The project provides 332 off-street parking spaces, 50 of which are compact. The parking stalls and drive aisles also meet the minimum required dimensions in the Hayward Municipal Code (HMC).

Vesting Tentative Map: Pursuant to Section 10-3.150 of the HMC, the Planning Commission may conditionally approve a Vesting Tentative Parcel Map application when all the following findings are met:

- The proposed subdivision is not in conflict with the General Plan and applicable specific plans and neighborhood plans;

- The proposed subdivision meets the requirements of the City Zoning Ordinance; and
- No approval of variances or other exceptions are required for the approval of the subdivision.

If the Vesting Tentative Parcel Map is approved, the applicant may submit a Parcel Map and improvement plans to the City for review. The City Engineer must determine that the Parcel Map and improvement plans are in substantial compliance with the approved Vesting Tentative Parcel Map prior to approving the Parcel Map. Prior to approval of the Parcel Map, the developer shall enter into a Subdivision Agreement and post bonds with the City at which time the map can be recorded with the Alameda County Recorder's Office and commence construction activities. In accordance with HMC Section 10-3.246, approval of this Vesting Tentative Parcel Map shall expire 36 months after the effective date of approval subject to statutory and discretionary extensions as allowed by the HMC and Subdivision Map Act. A copy of the Vesting Tentative Parcel Map is included within the Project Plans (Attachment V).

Site Plan Review: The construction of industrial buildings and associated site improvements are subject to the Site Plan Review findings contained in Section 10-1.3205 of the HMC to demonstrate the proposed development is consistent with the development standards of the Industrial zoning district. In particular, the following Site Plan Review findings are required for the project:

- The development is compatible with on-site and surrounding structures and uses and is an attractive addition to the City;
- The development takes into consideration physical and environmental constraints;
- The development complies with the intent of City development policies and regulations; and
- The development will be operated in a manner determined to be acceptable and compatible with surrounding development.

Staff has provided a more detailed analysis for the required Vesting Tentative Map and Site Plan Review findings in Attachment II.

Hayward 2040 General Plan: The project site is designated IC, Industrial Technology and Innovation Corridor, which allows for a maximum floor area ratio (FAR) of 0.8, in the *Hayward 2040 General Plan*. Properties with the IC land use designation are characterized by industrial development including warehouses, office buildings, research and development facilities, manufacturing plants, business parks, corporate campus buildings, and other light industrial uses. The project is consistent with the *Hayward 2040 General Plan* in that the proposed development is intended for high-tech manufacturing uses, which would also help achieve the General Plan's vision for the Corridor to become a technology-based industrial area. Furthermore, the project proposes an FAR of 0.5, which is well below the allowable maximum FAR. The project is also consistent with the following applicable General Plan policies:

- LU-1.4 Revitalization and Redevelopment: *The City shall encourage property owners to revitalize or redevelop abandoned, obsolete, or underutilized properties to accommodate growth.*

- LU-6.1 Land Uses: *The City shall encourage employee-intensive uses, such as professional office, corporate campuses, research and development, traditional and specialized manufacturing, throughout the Industrial Technology and Innovation Corridor.*
- LU-6.3 Parcel Consolidation: *The City shall promote the consolidation of small and irregular shaped parcels within the Industrial Technology and Innovation Corridor to improve the economic feasibility of development projects.*
- LU-6.8 Employee Amenities: *The City shall encourage the provision of employee-serving amenities for major employment uses within the Industrial Technology and Innovation Corridor, such as courtyards and plazas, outdoor seating areas, fitness facilities, bicycle storage areas, and showers.*
- M-6.1 Bikeway System: *The City shall maintain and implement the Hayward Bicycle Master Plan.*
- M-9.9 Alternative Fuel Vehicle Parking: *The City shall require new private parking lots to grant low-carbon vehicles access to preferred parking spaces, and shall require new private parking lots to provide electric vehicle charging facilities. The City shall provide electric vehicle charging facilities in public parking lots.*
- ED-1.6 Advanced and Specialized Manufacturing: *The City shall encourage the establishment and expansion of advanced and specialized manufacturing businesses to counter declining employment trends in traditional industrial manufacturing.*

The project's consistency with the *Hayward 2040 General Plan* and its specific goals and policies is discussed in greater detail in the project findings (Attachment II).

Airport Land Use Compatibility Plan: The project site is located within Safety Compatibility Zone 6, Traffic Pattern Zone/Horizontal Surface, of the Hayward Executive Airport Land Use Compatibility Plan (ALUCP). According to the ALUCP, in Zone 6, there is generally a low likelihood of accident occurrence at most airports and risk concern is primarily for uses where potential consequences are severe. Furthermore, the *Hayward 2040 General Plan* was deemed consistent with the ALUCP. The project is consistent with the *Hayward 2040 General Plan* and therefore consistent with the ALUCP. Please refer to the IS/MND Response to Comments Memorandum for more information regarding the project's consistency with the ALUCP. Additionally, the project complies with the City's Airport Overlay Zone Ordinance, which indicates that industrial uses are permitted in Safety Compatibility Zone 6 and compatible with airport operations.

Strategic Initiatives: The project supports several of the City's Strategic Initiatives, including Complete Communities and Complete Streets. The purpose of the Complete Communities strategy is to create and support services and amenities that provide inclusive and equitable access with the goal of becoming a thriving and promising place to live, work and play for all. The purpose of the Complete Streets Strategic Initiative is to build streets that are safe, comfortable, and convenient for travel for everyone, regardless of age or ability, including motorists, pedestrians, bicyclists, and public transportation riders. The project would redevelop an underutilized site, incorporate sustainable features, and improve West Winton Avenue. Therefore, the project supports the following Strategic Initiative goals and objectives that were established by the City Council:

Complete Communities

- Goal 1: Improve quality of life for residents, business owners, and community members in all Hayward neighborhoods.
- Objective 3: Increase collaboration with businesses, non-profits, and neighborhood groups on placemaking projects.
- Objective 4: Create resilient and sustainable neighborhoods.

Complete Streets

- Goal 1: Prioritize safety for all modes of travel.
- Objective 3: Ensure that roadway construction and retrofit programs and projects include complete streets elements.

STAFF ANALYSIS

As referenced above and pursuant to the required findings for Site Plan Review and Tentative Tract Map included in Attachment II, staff believes the project complies with the intent of City development policies and regulations, including the *Hayward 2040 General Plan*, Zoning Ordinance, and Subdivision Ordinance. The project also supports several of the City's Strategic Initiatives. Staff's analysis regarding the key features of the project is discussed below.

Land Use Compatibility: The proposed building and future light industrial land use is consistent with the IC land use designation of the *Hayward 2040 General Plan*. Additionally, the project complies with the development standards of the I District and staff believes the size and scale of the proposed building is compatible and consistent with the size and scale of other industrial buildings nearby. The proposed 45-foot high building, as shown, would be the largest industrial building (in square feet) in the area but there are other similarly large industrial buildings of comparable size and height near the project site.

Architectural Design: Staff believes the proposed building design is of higher quality than other buildings in the surrounding area. The building will be constructed of concrete tilt-up panels with metal trim, which is typical for industrial buildings, and include additional articulation throughout all the proposed elevations by incorporating canopies, score lines along long wall surfaces, varied window sizes, multiple color schemes, and trellis panels with vegetation. The northwest, southwest, and southeast corners of the building have also been enhanced with large glass panels and additional architectural detailing to add visual interest and reflect a high-quality design, consistent with other buildings that provide a corporate identity. Additionally, the building has been designed to be "solar-ready" to accommodate new solar panels on the roof. Although a tenant has not yet been identified, the applicant has indicated a willingness to coordinate the placement and size of the new solar panels once the tenant has occupied the space.

Hayward Regional Shoreline: As shown, staff believes the design of the building and related site improvements is sensitive to the Hayward Regional Shoreline, located to the west of the site. The west, south, and southeast elevations have been enhanced with additional articulation since they will be visible from the Hayward shoreline. The project will also include several new trees along the western property line to provide a visual buffer from

the shoreline area. The trees have been placed along the western property line and coordinated with the building design to provide a smooth transition from open space to development. Additionally, the building-mounted lights on the western façade have been replaced with pole-mounted lights, which will be lowered and shielded, to eliminate spillover lighting onto the adjacent open space area.

Overall, staff believes the proposed building is attractively designed and the development is sensitive to the adjacent Hayward Regional Shoreline. The project will be subject to conditions of approval and a Mitigation Monitoring and Reporting Program (MMRP), which will help ensure that the development will be operated in a manner compatible with the surrounding area. Furthermore, the development would be an improvement over the existing conditions on the site and provide a myriad of economic and public benefits to the City beyond what typical industrial developments provide.

ENVIRONMENTAL REVIEW

Pursuant to CEQA Guidelines Section 15220, an Initial Study was prepared by LSA on behalf of the City of Hayward (Lead Agency) for this project with the finding that an MND was appropriate because all potential impacts could be mitigated to a level of less than significant with the implementation of mitigation measures. The Initial Study found that the project would result in potential impacts in the areas of Air Quality, Biological Resources, Cultural Resources, Geology and Soils, Hazards and Hazardous Materials, Hydrology and Water Quality, Noise, and Transportation/Traffic, and contains mitigation measures to reduce the identified impacts to a level of less than significant.

An NOI to adopt the MND was filed with the Alameda County Clerk and the State Clearinghouse (SCH# 2017122045) on December 15, 2017. The NOI and MND were posted at City Hall and delivered to the Hayward libraries, and copies of the NOI were sent to interested parties and property owners within 300 feet of the project site on December 15, 2017. The public comment period for the MND expired on January 16, 2018 and the City received a total of three written comments: one comment from a nearby resident in the project vicinity; and two comments from various public agencies. The resident identified a typo in the MND that was found on page 4-75. The typo has since been addressed and incorporated into the MND Response to Comments Memorandum, which is included as Attachment X.

Staff also received a comment letter from EBRPD expressing concerns with possible impacts related to scenic vistas and project lighting. While the project would result in the construction of a new building, staff has determined that the project's impact on scenic vistas would be less than significant and that any new light generated from the project would not be significant in the context of existing lighting sources from other uses in the vicinity. Furthermore, the applicant has additionally revised the lighting plan to minimize light pollution onto adjacent properties.

Staff also received a comment letter from Caltrans recommending additional vehicle trip reduction methods be considered and suggested the City should consider vehicle miles traveled (VMT) as part of the traffic impact analysis. Staff reviewed these comments and concluded through a level-of-service (LOS) analysis that the project's traffic impact on the

existing network would be considered less than significant and that additional transportation demand measures are not required. Furthermore, CEQA does not require traffic analysis consider the project's impact on VMT. While additional state criteria regarding VMT are currently being considered, the City's LOS analysis is sufficient and adequate to determine that any project impacts would be considered less than significant. Additional details regarding public comments and how they have been addressed can be found in the MND Response to Comments Memorandum (Attachment X).

The MND Response to Comments Memorandum also includes minor modifications to the recommended mitigation measures to clarify the language contained in the MMRP. The modifications are clerical in nature and do not change the impact analysis or the level of mitigation required to reduce possible impacts to a level of less than significant. The Initial Study and MMRP has been updated to reflect these modifications. A copy of the MND, MMRP, and MND Response to Comments Memorandum are attached to this report for the Commission's review and consideration (Attachments VIII, IX, and X). The MND, MMRP, and MND Response to Comments Memorandum should be considered together as part of the complete CEQA document.

NEXT STEPS

Should the Planning Commission take action, a 10-day appeal period of that action would follow, which would expire on January 21, 2018 at 5 p.m. If the project is approved and no appeal is filed during the appeal period, the applicant may proceed with submitting a Final Parcel Map and improvement plans to the City for review. The City Engineer must find that the Map and site improvement plans are in substantial compliance with the approved Vesting Tentative Parcel Map and recommend to the City Council for approval and recordation with the Alameda County Recorder's Office. Once the Map and improvement plans are approved by the City, the applicant may then proceed with obtaining building permits.

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