



## SUBJECT

Proposed Conditional Use Permit with Site Plan Review to allow the construction of an 8,193 square foot canopy addition to an existing 15,606 square foot plastic bag manufacturing plant to accommodate the major outdoor storage use for a site located at 3202 and 3208 Diablo Avenue. Application No. PL- 2017-02725. Eugene Loh (Applicant) on behalf of Jesse Tseng. (APNs 439-0075-036-02 and 439-0075-035-02).

## RECOMMENDATION

That the Planning Commission approve the Conditional Use Permit with Site Plan Review based on the analysis set forth in this report and per the attached Findings and Conditions of Approval (Attachment III).

## SUMMARY

The applicant is requesting a Conditional Use Permit (CUP) with Site Plan Review (SPR) to construct an 8,193-square foot canopy on the rear side of an existing manufacturing plant to accommodate outdoor storage of plastic bags and manufacturing equipment. The proposed canopy would function as a sun shield and provide rain protection for the manufacturing equipment as well as allow for the temporary storage of plastic bags and boxes. The proposed 15' high canopy would be designed to accommodate two new truck loading/unloading areas on either side of the outdoor storage area.

## BACKGROUND

The existing building was legally approved for light manufacturing uses in 1979. On May 17, 2017, the applicant filed a CUP and SPR application with the City to add a major outdoor storage area to the facility. The applicant is proposing to add an 8,193-square foot canopy to provide an area for outdoor storage.

Pursuant to Section 10-1.62- (b) of the Hayward Municipal Code, any major outdoor storage<sup>1</sup> in an Industrial zoning district requires a Conditional Use Permit when the area is in excess of 10 percent of the open yard area. The project, as proposed, will occupy nearly 25 percent of the open yard area. Since the outdoor storage area will be contained under a new building, the project will additionally require Site Plan Review. Per Section 10-1-3210 of the HMC, when a project requires both a Conditional Use Permit and Site Plan Review, the application for a CUP constitutes an application for both and decisions regarding the site plan must be made according to the guidelines set forth for site plan review.

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<sup>1</sup> **Section 10-1.3500 Definitions- Storage** states that: Major Open Storage. Uses not conducted completely within an enclosed building, such as major outdoor storage in excess of 10 percent of an open yard area, excluding any required yard or parking area, or as determined by the Planning Director. Typically includes a construction yard where equipment and materials are stored.

Public Outreach. On May 22, 2017, a Notice of Receipt of Application was sent to all property owners and tenants located within 300-foot radius of the project site. No public comments were received by staff. On November 30, 2017, a Notice of Public Hearing was placed in the newspaper and sent to all property owners and interested stakeholders within 300 feet of the subject property. At the time this report was written, staff had not received any correspondence related to this notice.

## **PROJECT DESCRIPTION**

Existing Conditions. The 1.27-acre (approximately 47,552 sq. ft.) project site is currently developed with one 15,776-sq. ft. building and is generally flat. The property is surrounded by other industrial uses to the west, east, north, and south. The property is located in an Industrial (I) zoning district and is designated Industrial Corridor (IC) in the *Hayward 2040 General Plan*.

Proposed Project. The applicant is proposing to construct an 8,193-square foot canopy to serve as an outdoor storage area for the plastic bag manufacturing facility. The new canopy would be attached to the rear of the existing building and be used to temporarily store boxes containing plastic bags and shield the additional ancillary manufacturing equipment from the sun and rain. A total of eighteen plastic bag boxes, two metal storage containers, eight plastic mixers, and two air compressors would be stored within the outdoor storage area. The new canopy would be architecturally designed to be compatible with the existing manufacturing building on-site.

The canopy would be designed to incorporate a 5-foot high metal screen to minimize views of the outdoor storage area from adjacent properties. The screen would be attached to the canopy and be painted to match the existing building wall color. Additionally, a new fence located along the perimeter of the canopy and the placement of three new Sycamore trees along the rear property line will further screen the outdoor storage and new canopy from adjacent properties.

Parking and Circulation. The property has two driveways that are located along the sides of the site that provide access to Diablo Avenue. The project includes the addition of two truck loading areas on the rear portion of the site, near the proposed canopy. The access to these loading areas are via an existing paved truck right-off way along the side of the building. A copy of the site plan with site circulation is included as Attachment IV, Project Plans.

Although the project includes the addition of two new truck loading zones, the project site contains significant parking and drive aisles to accommodate the new canopy. The proposed outdoor storage area is considered an ancillary use to the existing manufacturing facility and would not increase the number of parking spaces required for the site.

Noise. The proposed project is not expected to result in any noise impacts to adjacent properties. The noise generated by the facility, which will primarily be limited to

loading and unloading activities, is unlikely to exceed the typical noise environment of the surrounding industrial area, which includes heavier manufacturing and warehousing activities.

### **SUSTAINABILITY FEATURES**

Although there are no project-specific sustainable features proposed with the new canopy, the project will meet the CALGreen and 2016 California Energy Code standards for energy efficiency and will comply with 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.

### **POLICY CONTEXT AND CODE COMPLIANCE**

Zoning Ordinance. The project site is zoned I, Industrial per the City's Zoning Ordinance. The purpose of the Industrial zoning 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.

While the existing manufacturing use is an approved use, the proposed major outdoor storage use on the site is conditionally permitted and requires a Conditional Use Permit approved by the Planning Commission. Per Section 10-1.3225 of the HMC, the Planning Commission may approve or conditionally approve a CUP application when all the following findings are made:

- The proposed use is desirable for the public convenience or welfare;
- The proposed use will not impair the character and integrity of the zoning district and surrounding area;
- The proposed use will not be detrimental to the public health, safety, or general welfare; and
- The proposed use is in harmony with applicable City policies and the intent and purpose of the zoning district involved.

In addition, because the proposed outdoor storage use includes the construction of a new structure, the project is also subject to the Site Plan Review findings contained in Section 10-1.3205 of the HMC to demonstrate the proposed building and site improvements are consistent with the development standards of the Industrial zoning district. In particular, the additional Site Plan Review are also 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 Use Permit and Site Plan Review findings in Attachment III.

Hayward 2040 General Plan. The project site is designated IC, Industrial Corridor in the *Hayward 2040 General Plan*. Uses within the IC land use designation include warehouses, office buildings, research and development facilities, manufacturing plants, business parks, and corporate campus buildings. The maximum Floor Area Ratio (FAR) for the permitted uses within this district are 0.8. The project, as proposed, would result in a FAR of .50.

The General Plan indicates that the future developments within the district are expected to include building and landscaping improvements, infill development, and the redevelopment of underutilized properties. The IC, Industrial Corridor land use areas are expected to grow as an economic and employment center and evolve to achieve a healthy balance of traditional manufacturing and information- and technology-based uses. The *Hayward 2040 General Plan* also provides goals and policies that serve as guiding principles and provide a host of strategies intended to implement a high-level vision for future development in the City. The proposed project was evaluated and determined to be consistent with the following goals, actions and policies of the *Hayward 2040 General Plan*:

- Goal ED-3: Grow the local economy and employment base by supporting efforts to expand and retain local businesses.
- LU-6.6: Property Upgrades: The City shall encourage 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 Industrial Technology and Innovation Corridor.
- LU-6.7: Design Strategies: The City shall encourage developments within the Industrial Technology and Innovation Corridor that screen areas used for outdoor storage, processing, shipping and receiving, and other industrial operations with a combination of landscaping and decorative fences or walls.

The project is consistent with these goals and policies in that the proposed major outdoor storage use would allow an existing business to expand operations in Hayward by increasing the facility storage capacity. The project would be enhancing the visual character of the surrounding area by adding a new covered storage area and would be designed to incorporate a screen to help minimize visual impacts to adjacent properties. The proposed addition would be located towards the rear of the project site and would not be visible from Diablo Avenue.

Strategic Initiatives. This project supports the Council's Complete Communities Strategic Initiative. The purpose of the Complete Communities Strategic Initiative is to create and support structures, 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 project would improve quality of life for residents, business owners, and community members by expanding business opportunities for an existing manufacturing facility in Hayward.

## STAFF ANALYSIS

Staff believes that the proposed project, as conditioned, is compatible with the surrounding area because the project is located in an area zoned Industrial (I) and is surrounded by similar industrial land uses (warehouses, storage facilities, etc.) to the north, south, west, and east.

The proposed project would allow for the construction of a new canopy structure to provide a covered area for a major outdoor storage use for an existing business. Additionally, the proposed storage use is similar to other indoor and outdoor storage uses that are commonly found in industrial areas, such as warehouses and wholesale establishments. The proposed project, like most outdoor facilities, is expected to generate minimal impacts related to traffic, parking, and noise. Additionally, the project takes into consideration physical and environmental constraints of the site by locating the proposed canopy on the rear part of the site, which will limit any visible impacts from Diablo Avenue.

Furthermore, the applicant is proposing to construct the canopy using materials and colors that match the existing building style, colors, and design. A new screen and landscaping along the rear property line will further reduce visual impacts from the adjacent properties. The project, as proposed, complies with the City's development standards of the Industrial zoning district and meets several of the goals and objectives of the *Hayward 2040 General Plan*.

Based on the above summary and the expanded analysis included in the Findings and Conditions (Attachment III), staff believes the Planning Commission can make the required findings to approve the Conditional Use Permit with Site Plan Review for the project and has included conditions of approval to minimize operational and land use impacts to the surrounding areas.

## ENVIRONMENTAL REVIEW

The proposed project is categorically exempt from the provisions of the California Environmental Quality Act (CEQA), pursuant to Section 15332 Class 32 for projects characterized as in-fill development meeting the conditions described below:

- (a) The project is consistent with the applicable general plan designated and all applicable general plan policies as well as with applicable zoning designation and regulations.
- (b) The proposed development occurs within city limits on a project site of no more than five acres substantially surrounded by urban uses.
- (c) The project site has no value as habitat for endangered, rare or threatened species.
- (d) Approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality.
- (e) The site can be adequately served by all required utilities and public services.

## NEXT STEPS

If the Planning Commission approves the CUP, the action would become effective following a 10-day appeal, which expires on January 2, 2017. If there is no appeal or Council member call-up filed within the appeal period, the applicant may proceed with obtaining the necessary building permits.

Recommended by: Maria Langbauer, Assistant Planner

Approved by: Jeremy Lochirco, Principal Planner



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Sara Buizer, AICP, Planning Manager



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Stacey Bristow, Interim Development Services Director