



**DATE:** December 14, 2021

**TO:** Mayor and City Council

**FROM:** Assistant City Manager/Development Services Director

**SUBJECT:** Appeal of Planning Commission Denial to Develop a New Approximately 116,844 Square Foot Industrial Building for U-Haul at 4150 Point Eden Way (Assessor Parcel Number 461-0085-020-02) Requiring Approval of Site Plan Review and Historic Resources Demolition Permit Application No. 201901039 Including Certification of an Environmental Impact Report, Adoption of a Statement of Overriding Considerations, and Approval of a Mitigation, Monitoring and Reporting Program. Jerry Owen on Behalf of U-Haul; Amerco Real Estate Co. (Applicant/Property Owner)

## **RECOMMENDATION**

That the Council overturns the Planning Commission denial and approves Site Plan Review and Historic Resources Demolition Permit Application No. 201901039, subject to the Findings and Conditions of Approval outlined in the attached Resolution (Attachment II); and reviews and certifies the Draft and Final Environmental Impact Report (Attachments IV and V, respectively), and adopts the Mitigation Monitoring and Reporting Program (Attachment VI), and findings related to the Statement of Overriding Considerations (Attachment II), prepared pursuant to the California Environmental Quality Act (CEQA).

## **SUMMARY**

The Council is being asked to overturn a Planning Commission denial of a proposed project that would result in the construction of a new industrial building to house U-Haul regional corporate offices and a warehouse on an underutilized site located at the western edge along State Route 92. If approved, the proposed industrial building would be approximately 116,844 square feet in size and reach approximately 50 feet in height to finished roof. The project would require demolition of dilapidated historic structures previously affiliated with the Oliver Brothers Salt Company. Off-site improvements include relocation of the Bay Trail from the current alignment along the eastern property line between two industrially zoned properties to run along the project site's western property line to take advantage of the natural setting and views to the Bay as well as establishment of an approximately 32-acre preserve on the western portion of the project site.

The Planning Commission denied the project on the grounds that the proposed project does not align with Council goals related to growing the high-tech, advanced manufacturing sector in the City's Industrial Districts; that the proposed regional warehouse use would not generate enough quality jobs or sales taxes to off-set the environmental and other impacts related to the project; and, that the site, which is projected to be inundated due to sea level rise, is not appropriate for the development. The applicant's appeal did not provide substantive changes to the proposed development. Rather, it stated that the warehousing and corporate regional offices are a permitted use that would provide between 35-75 jobs when fully operational and that the U-Haul pod storage would generate sales tax revenues among other reasons detailed further in this staff report.

In addition to overturning the Planning Commission denial, the City Council is being asked to review and certify an Environmental Impact Report (EIR) that was prepared for the project. The DEIR concluded that all impacts could be mitigated to a level of less than significant as detailed in the Mitigation Monitoring and Reporting Program (MMRP), except for Cultural Resources, which could not be mitigated because the project requires demolition of a designated historic resource. A mitigation measure requiring archival documentation of the extant structures and installation of interpretive signage was incorporated into the MMRP and as a condition of approval for the project, but the impact will remain significant and unavoidable. Therefore, the Council must also adopt a Statement of Overriding Considerations to approve the proposed project.

## **BACKGROUND**

In September 2016, a development permit application was submitted to construct a large-scale industrial shell building on the subject site. During the review period, staff identified major areas of concern including poor building design, impacts to wetlands and biological and cultural resources, and conflicts with Bay Trail access through the site. The applicant withdrew the development permit application.

In July 2017, the property was sold via online auction and purchased by Amerco Real Estate Company based in Phoenix, Arizona. On February 25, 2019, U-Haul submitted Site Plan Review Application 201901039 for two concrete tilt-up buildings to house the U-Haul Corporate Maintenance Facility and a speculative warehouse. In the first application status letter, staff expressed significant concerns related to the proposed building and site design, impacts to wetlands and biological resources, and conflicts with Bay Trail access, similar to comments provided in May 2017.

Council Economic Development Committee. In May 2017, the Council Economic Development Committee (CEDC) considered a preliminary concept design by CenterPoint Properties, which proposed a 98,000 square foot speculative industrial building to house biotechnology uses. The CEDC was supportive of the proposed project; however, the developer did not move forward due to environmental issues and infeasibility of the project.

On April 1, 2019, the CEDC<sup>1</sup> considered the initial U-Haul application, which included two separate concrete tilt-up buildings with stucco exterior, minimal glazing, and a corporate maintenance yard for U-Haul. The CEDC was not supportive of the building as designed and recommended significant upgrades to the site and building design to eliminate the maintenance yard, and to increase the building design complexity along the Route 92 frontage. The CEDC did not support the proposed U-Haul use or the corporate maintenance yard but did say that the use could be acceptable if the site and building are very well designed. Overall, the CEDC expressed a desire to see a state-of-the-art gateway building on the site regardless of use. There was discussion of feasibility of retaining and building around the Oliver Brothers Salt Works historic structure, but all of the members of the CEDC did not express a desire to retain the structure. Following this feedback, the applicant eliminated the maintenance yard and significantly redesigned the site and building as described further in this staff report.

Hayward Area Shoreline Planning Agency. In April 2019, the proposed development was presented to the Hayward Area Shoreline Planning Agency (HASPA), which is comprised of members from the Hayward City Council, the East Bay Regional Park District and the Hayward Area Recreation and Park District. Members of HASPA recommended that the building be redesigned to have a high-tech, high-quality aesthetic; that the building incorporate art features reflecting the natural setting and historic salt production on the site; that the Bay Trail be relocated to the western edge of the property; that the height of the building be minimized; and, that the foundation of the building be raised to accommodate future sea level rise.

Chamber of Commerce – Government Relations Committee. On March 5, 2021, City staff presented the updated proposed development at the Chamber of Commerce Government Relations Committee (GRC). Committee members expressed a desire to see more intense office or biotechnology uses similar to development and uses on the west side of the San Mateo Bridge in Foster City; however, the group understood that the site was environmentally sensitive, which constrained future redevelopment.

Planning Commission. On July 8, 2021, the Planning Commission<sup>2</sup> held a duly noticed public hearing on the proposed project and voted 5:1:0 to deny the project on several grounds. Commissioners felt that the proposed project did not align with Council goals related to growing the high-tech, advanced manufacturing sector in the City's Industrial Districts; that the proposed regional warehouse use would not generate enough quality jobs or sales taxes to off-set the environmental impacts related to the project; that the site was not appropriate for the proposed development due to future sea level rise and destruction of habitat; that the trucks from the proposed development would further deteriorate surrounding roadways; and, that as a result, they could not support a Statement of Overriding Considerations. The Planning Commission meeting minutes are included as Attachment VII to this report.

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<sup>1</sup> April 1, 2019 CEDC Meeting Agenda. <https://hayward.legistar.com/MeetingDetail.aspx?ID=684793&GUID=78F33279-7339-4D4E-8975-26ACC6BC8562&Options=info&Search=>

<sup>2</sup> July 8, 2021 Planning Commission Agenda. <https://hayward.legistar.com/MeetingDetail.aspx?ID=874187&GUID=82C6DF7A-F6DD-4AF1-B07E-225456980F8D&Options=info&Search=>

Appeal. On July 14, 2021, the applicant filed an appeal of this denial on the grounds that the proposed building would be located above the flood plain and not be impacted by sea level rise; that the use would not solely be a warehouse in that the building would also house the regional corporate offices for U-Haul and would employ 35-50 individuals to start and up to 75 once fully operational; that bird strikes would not be an issue due to the use of non-reflective glass; that the storage pods housed in the warehouse are utilized by Hayward residents and the use would generate tax revenue for the City. The applicant also offered to set aside land for gateway signage, which was suggested at the Commission meeting.

## DISCUSSION

Existing Conditions. The proposed project site is comprised of six separate parcels with an eastern component (APNs 461-0085-019-00, 461-0085-020-01, and 461-0085-020-02) and a western component (APN 461-0061-001-00, 461-0090-001-00, and 461-0090-002-00). The eastern component at 4150 Point Eden Way is the location of the proposed development project while the western component has no public road access. The Figure below is taken from the Draft Environmental Impact Report prepared for the project and shows the western and eastern components outlined in yellow.

Figure 2-3 Project Site Boundary



The 32-acre western component of the project site is generally flat and covered in grasses, shrubs and salt ponds that were used as evaporation ponds for salt production. The

approximately 6.8-acre eastern component of the project site is generally flat. The site has a 12,350 square foot wooden structure that was previously used as a processing plant for salt production for the Oliver Brothers Salt Company, which operated in the first half of the 20<sup>th</sup> century. The structure is dilapidated, vandalized, and has been used by squatters over the past several decades.

The site is bordered by State Route 92 on the north, the Bay Trail and industrial development on the eastern property line, and publicly owned and maintained bay lands to the west and south of the project site.

Proposed Project. The proposed project would involve construction of a new industrial building on the eastern component of the project site and preservation of an open space/wetland preserve on the western component.

Eastern Component: The proposed industrial building would be located on the approximately 6.8-acre eastern component. The building would be approximately 116,844 square feet in size and would include approximately 114,059 square feet of warehouse space and a 2,785-square-foot office. The office space would be provided at the north end of the building, facing State Route 92, and would house regional corporate offices for U-Haul. The warehouse portion of the building would house U-Haul storage pods, materials, and trucks. When operational, approximately 35-75 employees would be on-site. The building would reach approximately 50 feet in height to finished roof.

The proposed architecture would feature varying rooflines and a projecting, glass encased office area at the front of the building visible along State Route 92. The building would have a mix of architectural materials and colors and vertical and horizontal scoring to break up the building massing. The northern (facing State Route 92) and western (facing the Bay) building elevations would also feature artistic elements including bird sculptures and green accent metal panels reflecting surrounding wildlife and grasses.

Access to the site would be provided at the terminus of Point Eden Way. A total of 79 parking stalls would be located along the northern and western property lines and would be buffered by approximately 20-foot-wide landscaped setback along the northern and eastern property lines and 10-foot-wide landscaped setbacks along the western and southern property lines. Approximately 16% of the site would be landscaped and an 830 square foot employee amenity area with meandering pathways, a shaded dining area, portable seating areas, and landscaping features would be located at the front of the building.

The San Francisco Bay Trail is currently located on the eastern edge of the eastern component of the project site. The proposed project includes a land swap to allow East Bay Regional Park District (EBRPD) to relocate the Bay Trail from the current location along the eastern property line (between two industrial properties) to meander along the northern property line and then to turn south to run along the western property line until meeting its current location on Point Eden Way. The realignment would provide views to the Bay, and the trail would be designed to EBRPD standards.

Western Component: The 32-acre western component of the project site, which is primarily composed of abandoned salt evaporation ponds, would be preserved in perpetuity via recordation of a deed restriction or other appropriate legal mechanism, ensuring that the salt ponds are permanently preserved as open space in perpetuity. No conservation easement or conservator endowment would be provided, and no management plan or improvement plan is proposed.

**Policy Context and Code Compliance**

Hayward 2040 General Plan. The project site is in an area designated as Industrial Technology and Innovation Corridor (IC) in the *Hayward 2040 General Plan*<sup>3</sup>. The Corridor is expected to grow as an economic and employment center and evolve to achieve a healthy balance of traditional manufacturing, warehousing, and logistics as well as newer information- and technology-based uses. The proposed use would fall into a more traditional warehousing and storage use with minimal office space which is permitted; however, that use is not prioritized.

The proposed development would meet *Hayward 2040 General Plan* goals and policies related to expanding the economic and employment base in Hayward (Land Use Goal 6); enhancing the visual character of the site with the removal of a dilapidated structure currently located at the gateway entrance to the City (Land Use Policy-6.6); and in employing building and site design strategies and employee amenities to create an attractive development (Land Use Policy-6.7 and 6.8).

Zoning Ordinance. The proposed development is located in the IP (Industrial Park) sub-district<sup>4</sup>. The proposed warehouse and office use is permitted in the IP District, provided buildings and site development are designed with an office appearance from right-of-way. Further, the proposed development meets the IP District standards for new development as shown in Table 1:

<b>Table 1. Proposed Development Consistency with IP District Standards</b>			
	<b>Required</b>	<b>Proposed</b>	<b>Consistent</b>
<b>Minimum Lot Size</b>	1.5 acres	6.83 acres	Yes
<b>Minimum Lot Frontage &amp; Average Lot Width</b>	250 feet	429-440 feet	Yes
<b>Maximum Floor Area Ratio</b>	0.8	0.39	Yes
<b>Maximum Height</b>	75 feet	50 feet	Yes
<b>Minimum Yards</b>			
<b>Front</b>	20 feet	20 feet to parking	Yes

<sup>3</sup> Hayward 2040 General Plan: <https://www.hayward2040generalplan.com/>

<sup>4</sup> Hayward Municipal Code Section 10-1.1600, Industrial Districts.

[https://library.municode.com/ca/hayward/codes/municipal\\_code?nodeId=HAYWARD\\_MUNICIPAL\\_CODE\\_CH10PLZOSU\\_ART1ZOOR\\_S10-1.1600INDI](https://library.municode.com/ca/hayward/codes/municipal_code?nodeId=HAYWARD_MUNICIPAL_CODE_CH10PLZOSU_ART1ZOOR_S10-1.1600INDI)

<b>West Side (abutting Open Space)</b>	10 feet	10 feet to parking	Yes
<b>East Side (abutting industrial development)</b>	10 feet	50 feet to face of building	Yes
<b>Rear (abutting Open Space)</b>	10 feet	72 feet to the face of building	Yes
<b>Minimum Landscaping</b>	15%	16%	Yes
<b>Parking</b>	59 parking spaces	79 parking spaces	Yes
<b>Minimum Employee Amenity Area</b>	300 sq. ft.	830 sq. ft.	Yes

Historic Resources Ordinance. The extant structure located on the project site was used in salt production and processing that occurred on the site in the first half of the 20<sup>th</sup> century. The site and structure are listed on the California Register of Historic Resources (CRHC) and deemed eligible for listing on the National Register of Historic Resources (NRHR). Pursuant to HMC Section 10-11.070, all projects that require modification or removal of a designated historic resource shall obtain a Historical Resource Demolition Permit following certification of the environmental analysis. Please see the Staff Analysis and Environmental Review sections of the staff report below, Section 4.2 of the Draft EIR<sup>5</sup> and related Cultural Resources Assessment Report (Appendix B to the Draft EIR)<sup>6</sup>, for additional information and analysis related to this topic.

Hayward Shoreline Adaptation Master Plan & Flood Plain Management Ordinance. On February 16, 2021, the City Council adopted Resolution No. 21-024 approving the Hayward Regional Shoreline Adaptation Master Plan<sup>7</sup>. The Master Plan provides background and existing conditions along the Hayward shoreline; assesses sea level rise and flood risk impacts; and provides adaptation strategies and design strategies for the Hayward shoreline.

According to a Sea Level Rise Mapping Report prepared for the Master Plan, portions of the parking lot would experience periodic inundation during king tides and storm surges with two feet of sea level rise within approximately 30 years. However, the proposed building is designed to be protected for over two feet of sea level rise at Mean Higher High Water and would be raised above the 100-year flood plain and therefore meets the City’s Flood Plain Management Ordinance. The applicant is aware of the risks associated with sea level rise and is exploring options for adaptation across the site in the future.

<sup>5</sup> Draft EIR for the U-Haul Development Project at 4150 Pt Eden Way. <https://hayward-ca.gov/sites/default/files/4150%20Point%20Eden%20Way%20Industrial%20Project%20Draft%20EIR.pdf>

<sup>6</sup> Draft EIR Appendix B, Cultural Resources Assessment Report. <https://hayward-ca.gov/sites/default/files/EIR%20Appendix%20B.pdf>

<sup>7</sup> Hayward Regional Shoreline Adaptation Master Plan. [https://www.hayward-ca.gov/sites/default/files/210510\\_Hayward%20Shoreline%20Adapatation%20Master%20Plan\\_Document\\_Pages.pdf](https://www.hayward-ca.gov/sites/default/files/210510_Hayward%20Shoreline%20Adapatation%20Master%20Plan_Document_Pages.pdf)

## Environmental Analysis

State Public Resources Code (PRC) Section 21080(d) requires that a lead agency prepare an environmental impact report (EIR) for any project that is expected to have a significant effect on the environment. An EIR is an informational document; it is intended to inform decision makers and the public generally of the significant environmental impacts of a project, identify possible ways to minimize significant impacts, and describe reasonable alternatives to the project.

On November 10, 2020, the City released a Notice of Preparation (NOP) with an accompanying Initial Study (IS). The IS prepared for the project found less than significant impacts or no impact in the areas of aesthetics, agriculture and forestry resources, air quality, energy, geology and soils, greenhouse gas emissions, hydrology and water quality, land use and planning, mineral resources, noise, population and housing, public services, recreation, tribal cultural resources, utilities and service systems, and wildfire. The IS also found that the proposed project could potentially affect the environment in the areas of biological resources, cultural resources, hazards and hazardous materials, transportation, and tribal cultural resources. The NOP and related attachments were circulated to the public, local, state, and federal agencies, and other interested parties to solicit comments on the project. Following release of the NOP, a public scoping meeting was held on December 10, 2020 (held on Zoom), to receive additional public comments. Concerns raised in response to the NOP were considered during preparation of the Draft EIR.

The Notice of Availability (NOA)<sup>8</sup> and the Draft EIR<sup>9</sup> was published, noticed, and circulated for a 45-day public review period starting on April 9, 2021, and ending on May 24, 2021. Written comments were accepted throughout the comment period. Those comments and responses to those comments are included in the Final EIR<sup>10</sup> prepared for the project. The City Council must consider and certify the Final EIR and related documents for the project before acting on the necessary entitlements for the project.

The Draft EIR includes:

- Project description,
- Evaluation of required environmental topic areas including the setting, environmental impact analysis at both the project and cumulative levels,
- Other CEQA required discussions including growth inducement, irreversible environmental effects and significant and unavoidable impacts, and
- Alternatives to the project that address or incorporate characteristics to lessen or eliminate potential impacts that meet most of the project objectives.

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<sup>8</sup> Notice of Availability: <https://hayward-ca.gov/sites/default/files/NOA%204150%20Point%20Eden%20Way%20EIR.pdf>

<sup>9</sup> Draft EIR: <https://hayward-ca.gov/sites/default/files/4150%20Point%20Eden%20Way%20Industrial%20Project%20Draft%20EIR.pdf> Appendices to the Draft EIR: <https://hayward-ca.gov/content/projects-under-environmental-review-0>

<sup>10</sup> Final EIR: <https://hayward-ca.gov/sites/default/files/4150%20Point%20Eden%20Way%20FEIR%20RTC.pdf>



The Final EIR includes:

- A list of commenters,
- Comment letters and responses to each of the comments received, and
- Revisions to the Draft EIR necessary in light of the comments received and responses provided.

The Draft EIR identified one or more mitigation measures in the topic areas of Biological Resources, Hazards and Hazardous Materials, Tribal Cultural Resources, and Transportation to reduce the impact's effects to a level of less than significant. However, in the topic area of Cultural Resources (Section 4.2), the Draft EIR identified significant and unavoidable impacts related to removal of an extant structure on the site that was used in salt processing and production for the Oliver Brothers Salt Company. As noted in the Historic Resources Section above, the structure is listed on the CRHR and deemed eligible for listing on the NRHR. Proposed Mitigation Measures CUL-1a and CUL-1b would require archival documentation of the structures that will be kept at the Hayward Historic Society and City of Hayward, and installation of an interpretive display at the site to commemorate the history of the Oliver Brothers Salt Company, which would minimize project impacts; however, those mitigations are not capable of reducing the significance of demolition of the structures to a level of less than significant. Thus, this impact was deemed significant and unavoidable and requires adoption of a Statement of Overriding Consideration for the project.

*Required CEQA Findings and Statement of Overriding Considerations:* To certify an EIR for a project, the Council must find that mitigation measures have been required or incorporated into the project in order to substantially lessen the potentially significant environmental effects identified in the EIR. For those impacts that cannot be fully mitigated to a level of less than significant, the decision makers shall adopt a Statement of Overriding Considerations finding that the economic, legal, social, technological, or other benefits of the project outweigh the project's significant and unavoidable environmental effects (CEQA Guidelines sections 15091 and 15093). The proposed Resolution (Attachment II) sets forth the requisite CEQA findings and a statement of overriding considerations related to significant and unavoidable impacts related to the proposed project.

On July 8, 2021, prior to the start of the Planning Commission meeting, the City received late correspondence from Lozeau Drury on behalf of Shawn Smallwood, PhD, (Attachment VIII), detailing concerns with the DEIR and FEIR's conclusions related to impacts to biological species due to loss of habitat; bird strikes related to construction of the building; and potential noise impacts from vehicle circulation related to the proposed use. The comment letter was provided to the Commission ahead of the meeting, reviewed by the CEQA consultant and consultant team who found that all potential impacts were mitigated by proposed mitigation measures included in the analysis already provided, and those conclusions were presented to the Planning Commission verbally in the public hearing.

Concurrent with the certification of an EIR, the deciding body must also adopt a Mitigation and Monitoring and Reporting Program (MMRP) (Attachment VI) that identifies timing and responsibility for mitigation implementation.

## **Staff Analysis**

The Council is being asked to consider an appeal of the Planning Commission denial of an application for Site Plan Review, Historical Demolition Permit, and related environmental analysis.

As detailed above, and in the attached Planning Commission minutes, the Commissioners who voted to deny the project generally felt that the economic benefits of the project did not outweigh the environmental costs related to loss of habitat, threat of sea level rise, and that the proposed use would result in deterioration of surrounding roadways. The applicant's appeal would not result in a substantial change to the proposed development or the proposed use. Rather, the appeal contains what the applicant feels is clarifying information related to the Commission's rationale for denial. Specifically, that the building would be protected against sea level rise, the building would be designed to discourage bird strikes, and the proposed use would be a corporate office as well as a warehouse and would offer jobs and result in sales tax benefits to the City. The applicant also offered to set aside land for gateway signage along Route 92; however, there is no specific gateway sign design and the area needed for such signage is unknown at this time.

Despite the Commission's reservations about the use and threat of sea level rise, staff believes that the Council can make the findings to approve the Site Plan Review and Historic Resources Demolition Permit as detailed in Attachment II to this report. Specifically, the proposed development is compatible with on-site and surrounding structures in that it would result in the development of a well-designed, glass fronted building with variety of building planes, textures, and sculptural elements that would enhance a key site located at the gateway entrance to the City along Route 92. The project would include robust site landscaping, employee amenities, and other related site improvements as well as a realignment of the Bay Trail to run along the western edge of the site between the proposed development and the Bay rather than between two industrially zoned sites. Overall, the proposed development is consistent with the applicable General Plan land use designation, the IP District standards and regulations and industrial design guidelines.

The development also takes into consideration the physical and environmental constraints on the site in that the proposed development would occur on a small portion of the site to preserve environmentally sensitive wetlands and open space. To avoid the ecologically sensitive areas of the site, the applicant must demolish an extant structure that is a designated historic resource. It is important to note that while the structure is a designated resource due to its affiliation with the historic salt processing and production that occurred on the site, it is currently dilapidated, defaced with graffiti, and structurally unsound. Since 2015, over 20 complaints have been submitted to the City related to graffiti, trash, overgrown weeds, encampments, and general community appearance problems at the site. Staff recommends that the Council adopt the statement of overriding considerations related to demolition of the structure indicating: that the proposed development would result in redevelopment of an

underutilized, dilapidated site at the gateway to the City; that it would result in employment opportunities and signal increased investment in the City; and, that it would result in preservation of wetlands adjacent to the San Francisco Bay.

Proposed conditions of approval would require the applicant to enter into a land swap with the East Bay Regional Park District to allow realignment of the Bay Trail and design of the trail to EBRPD standards; that site lighting be contained on the site to prevent spillover onto bay lands; and, that the 32-acre western component of the project site be preserved and maintained in perpetuity via recordation of a deed restriction. Further, all mitigation measures, including documentation and installation of an interpretive display commemorating the site's importance to historic salt production will be included as conditions of approval of the proposed project. Thus, as conditioned, staff believes that the Council can make the findings to approve the proposed project.

### **STRATEGIC ROADMAP**

In January 2020, the Council adopted six Strategic Priorities as part of its three-year Strategic Roadmap. Elements of this agenda item supports the Strategic Priorities to Grow the Economy and Improve Infrastructure. This item is not specifically related to a project identified in the Strategic Roadmap; however, staff is bringing this item forward because it is a development application that necessitates processing to meet State requirements.

### **ECONOMIC IMPACT**

The proposed development would generally have a positive economic benefit in that it would result in development of a currently underutilized site at a major gateway to the City.

According to the applicant, the proposed building would house the U-Haul corporate headquarters for the region. There will be 35-50 individuals employed at this location once it is operational and will grow to about 75 employees. The addition of these employees would result in cascading economic benefits for nearby retailers and restaurants who would enjoy increased business from the proposed development. Further, the proposed development includes realignment and construction of improvements along the Bay Trail which benefits the users of the trail and the region.

### **FISCAL IMPACT**

The estimated valuation of the proposed project is \$13 million. Redevelopment of the site would result in increased property taxes, fees for permitting and inspections, and would result in park in lieu fees totaling about \$93,475 (based on 2021 Fee Schedule). Once operational, the development would result in minimal sales taxes related to the rental of U-Haul storage pods.

## **SUSTAINABILITY FEATURES**

The proposed development will follow the City's recently adopted Reach Code for new commercial buildings<sup>11</sup>. The project will make provisions to meet the California Public Utilities Commission (CPUC) California Long-Term Energy Efficiency for commercial construction to be zero net energy and will not include natural gas. A total of two electric vehicle (EV) charging stations and four bicycle parking spaces will be provided on site.

## **PUBLIC CONTACT**

On February 28, 2019, an initial Notice of Application Receipt for the project application was sent to 82 addresses including property owners, tenants, and businesses within a 300-foot radius of the project site. Staff has not received any public comments, concerns or questions related to the proposed development except as described below in regard to the environmental review process.

As described in the Environmental Analysis section above, on November 10, 2020, the City released a Notice of Preparation (NOP) with an accompanying Initial Study (IS). The Notice of Availability (NOA) and the Draft EIR was published, noticed and circulated for a 45-day public review period starting on April 9, 2021, and ending on May 24, 2021. The City received five comment letters in response to the EIR. The letters were from State, Regional and Local Agencies as well as the Citizens Committee to Complete the Refuge and Lozeau Drury LLP. Those comment letters and responses to the comments were published in the Final EIR which was posted to the City's website and provided to the commenters on June 25, 2021.

On June 25, 2021, a Notice of the Planning Commission Public Hearing for the Planning Commission meeting was sent to property owners, residents, and businesses within 300-feet of the project site as well as published in The Daily Review newspaper.

On October 22, 2021, a Notice of the City Council Public Hearing related to the appeal was sent to commenters, property owners, residents, and businesses within 300-feet of the project site, people that requested such notice and was published in The Daily Review newspaper.

*Prepared by:* Leigha Schmidt, Acting Principal Planner

*Recommended by:* Jennifer Ott, Assistant City Manager/Development Services Director

Approved by:



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Kelly McAdoo, City Manager

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<sup>11</sup> City of Hayward Reach Code Initiative: <https://www.hayward-ca.gov/reach-code>