

**CITY COUNCIL MEETING  
TUESDAY, JULY 21, 2020**

**PRESENTATIONS**

## **ITEM 9 – PH 20-058**

**COSTCO BUSINESS CENTER FUEL FACILITY:  
PROPOSED DEVELOPMENT OF A FUEL FACILITY  
WITH RELATED SITE IMPROVEMENTS AT THE  
COSTCO BUSINESS CENTER LOCATED AT 22330  
HATHAWAY AVENUE (ASSESSOR PARCEL NO. 429-  
0082-003-00) REQUIRING APPROVAL OF A MAJOR  
MODIFICATION TO AN EXISTING PLANNED  
DEVELOPMENT ZONING DISTRICT (APPLICATION  
NO. 201706217) AND ADOPTION OF A MITIGATED  
NEGATIVE DECLARATION AND MITIGATION  
MONITORING AND REPORTING PROGRAM.  
BARGHAUSEN ENGINEERING ON BEHALF OF  
Costco Wholesale Corporation**

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# Planned Development Modification

## Proposed Fuel Facility (Gas Station) at the Costco Business Center

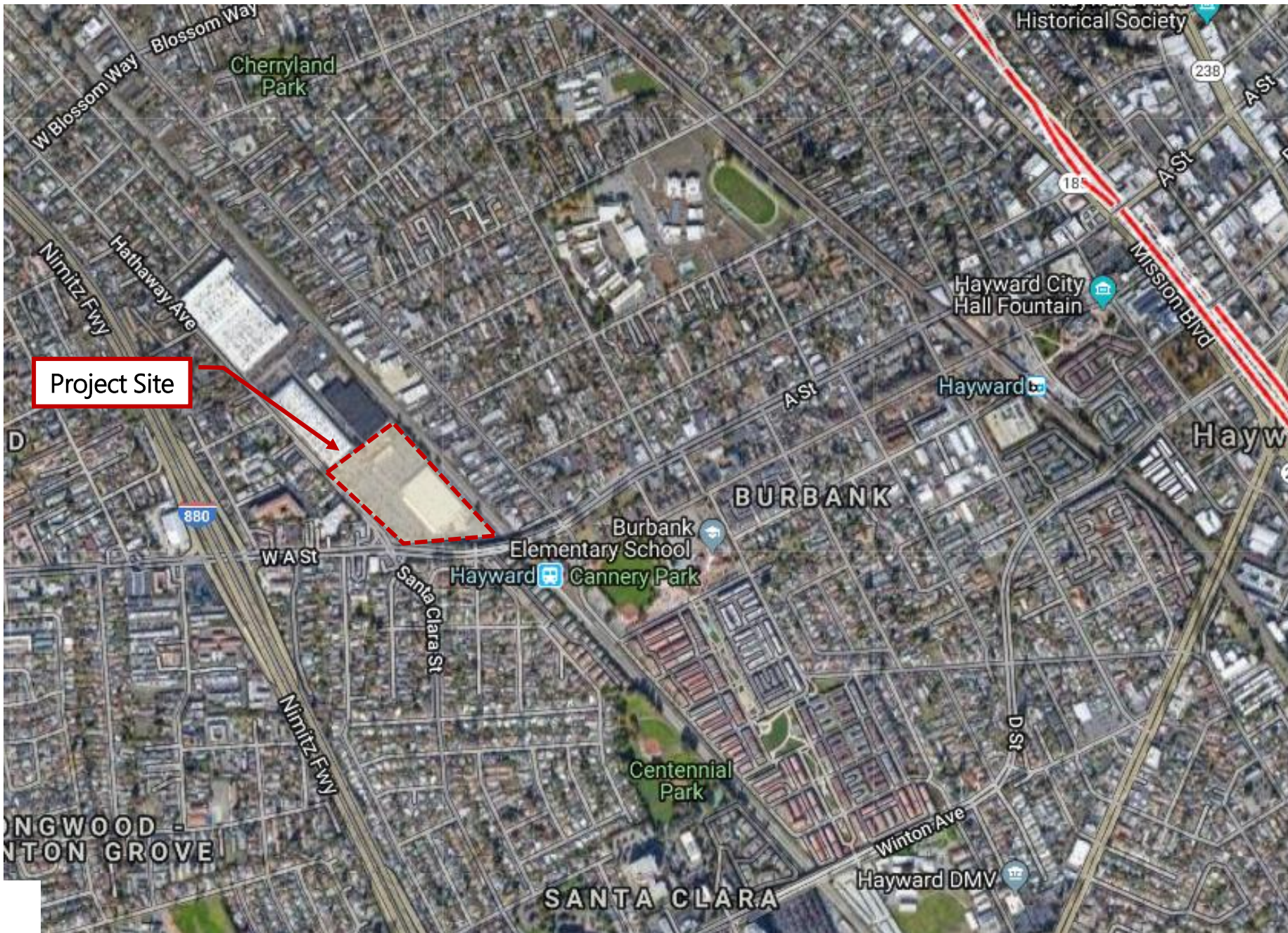
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City Council Public Hearing  
July 21, 2020  
Marcus Martinez, Associate Planner



# VICINITY MAP

- ✓ North Hayward
- ✓ Approximately ¼ Mile from Interstate 880 (Nimitz) Freeway
- ✓ Northeast Corner of "A" Street and Hathaway Avenue



# PROJECT SITE

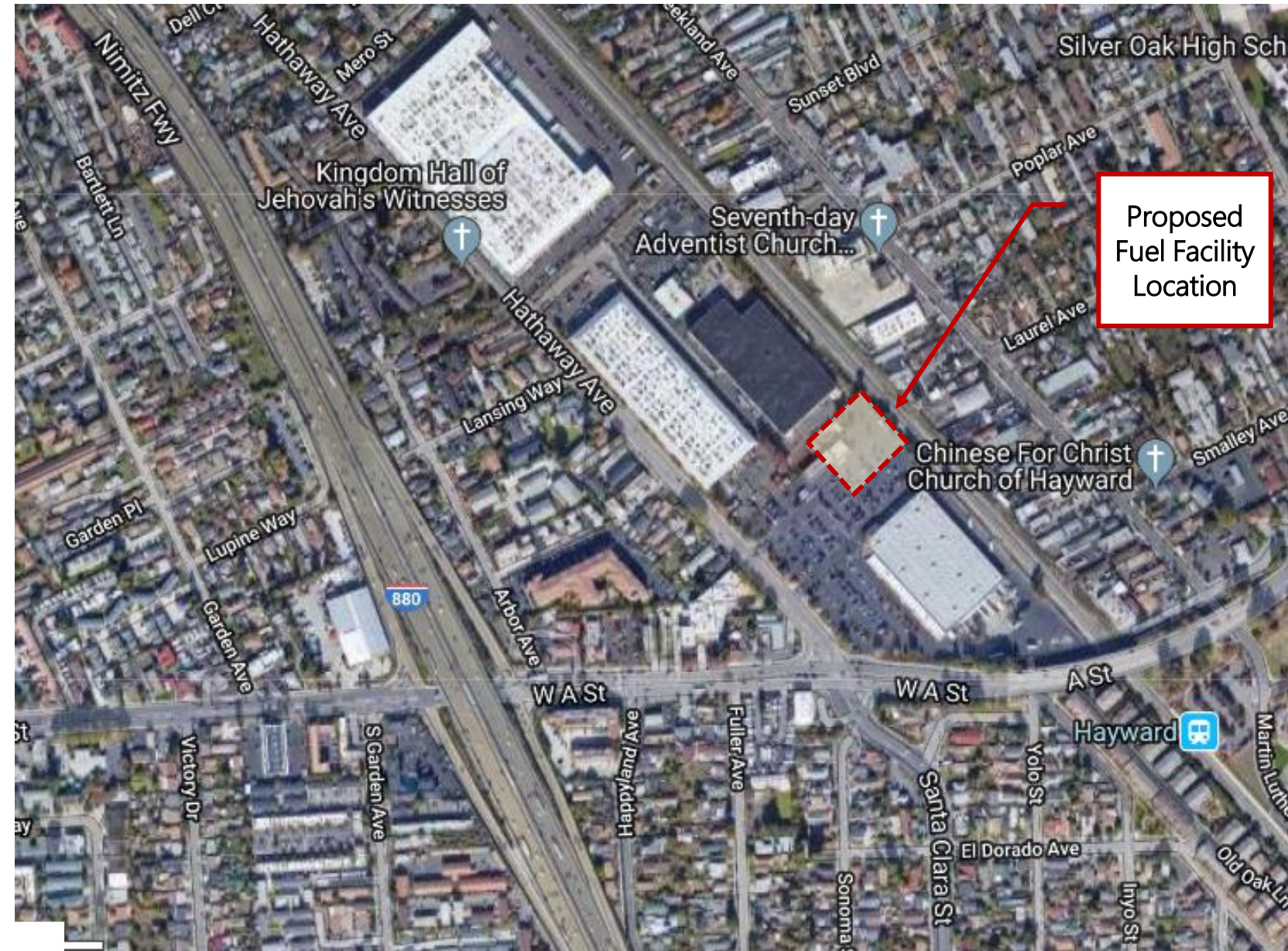
- ✓ 22330 Hathaway Avenue
- ✓ Costco Business Center
- ✓ ~2 Acre Project Area of Entire 10.87-Acre Property
- ✓ Access from Hathaway Avenue

## Zoning District:

- ✓ Planned Development ("PD")

## General Plan Land Use Designation:

- ✓ Mixed Industrial ("MI")



# PROJECT SUMMARY



## Requested Approvals

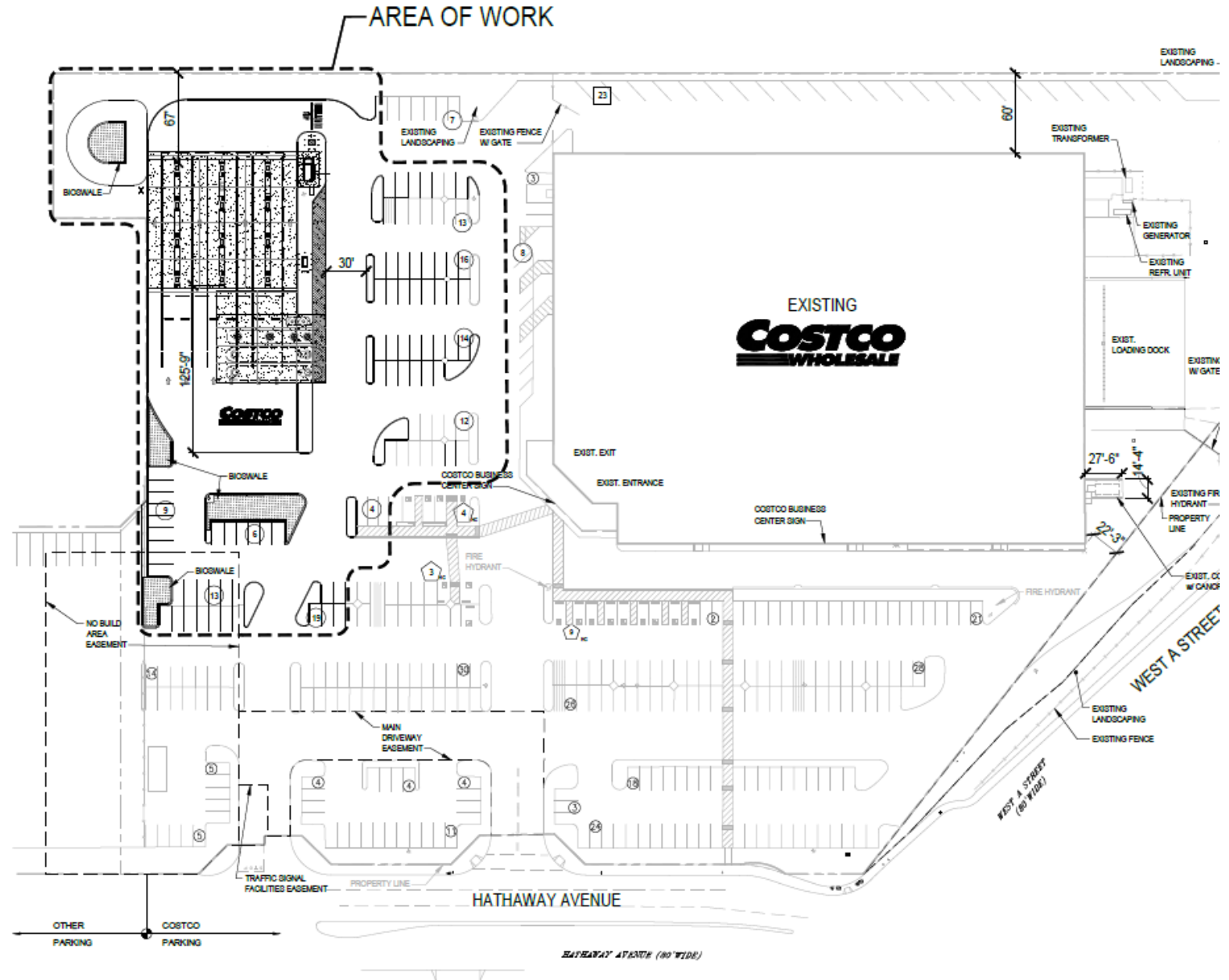
- Major Modification of an existing Planned Development (PD) District

## Project Scope

- Proposed Fuel Facility (Gas Station)
- ~ 9,350 Square-Foot Canopy
- 12 Dispensers (24 Fueling Positions)
- Demolition of Existing Tire Center Building
- Related Site Improvements (i.e. landscaping, stormwater management, site circulation.)

# SITE DESIGN & CIRCULATION

- Site History:
  - Formerly at Corner of "A" Street and Hathaway Avenue
  - Most Utilized Parking Area
- Proposed Location:
  - Northern Corner of the Site
  - Least Utilized Parking Area
- Two Points of Access along Hathaway Avenue
  - Signalized Intersection
  - Non-Signalized Driveway



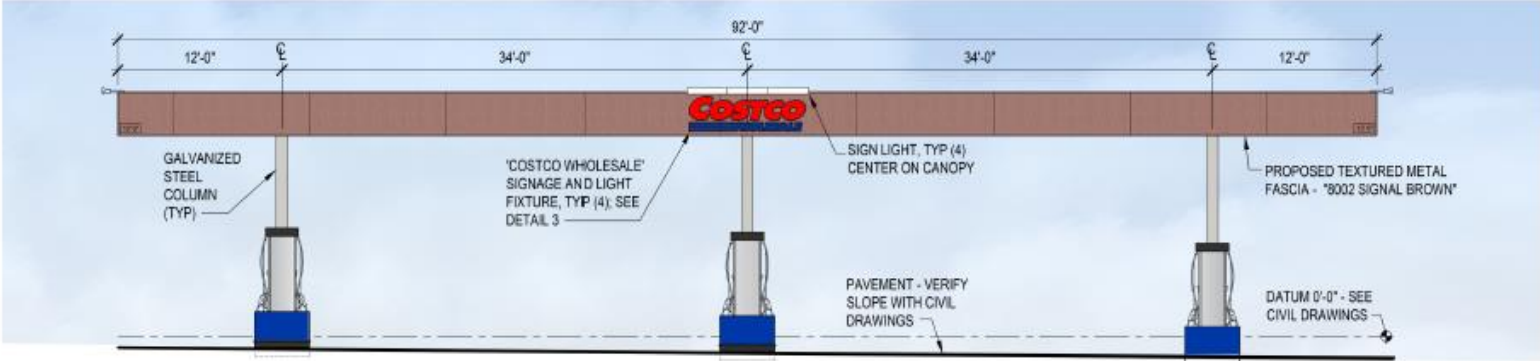
# PROJECT FEATURES

## Hours of Operation:

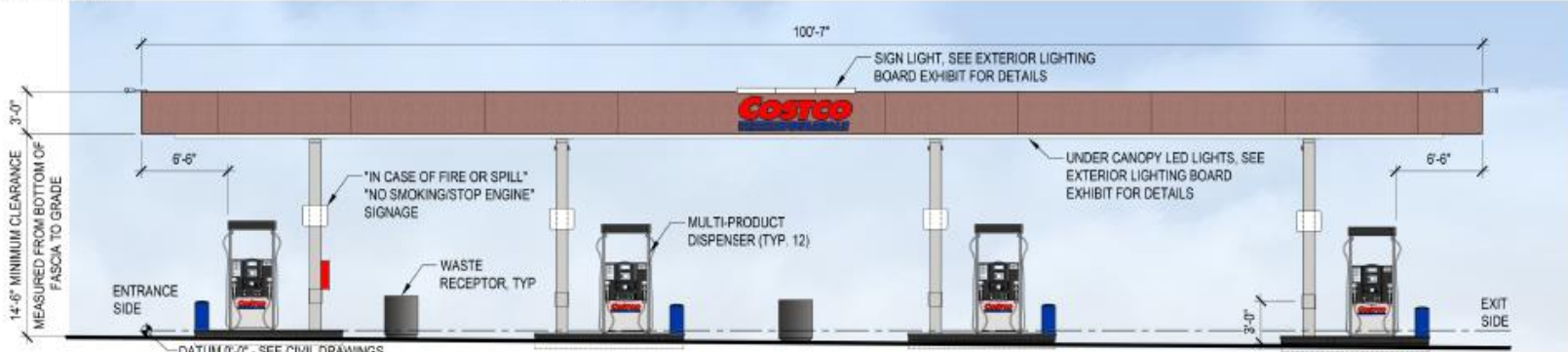
- Monday – Friday; 6 a.m. – 9:30 p.m.
- Saturday – Sunday; 6 a.m. – 8 p.m.

## Off-Street Parking

- Existing : 503 Parking Spaces  
Loss of 105 Parking Spaces
- Proposed : 398 Parking Spaces  
(65 Spaces under Requirement)



1 NORTH CANOPY AND DISPENSER ISLANDS (SOUTH ELEV. SIM.)

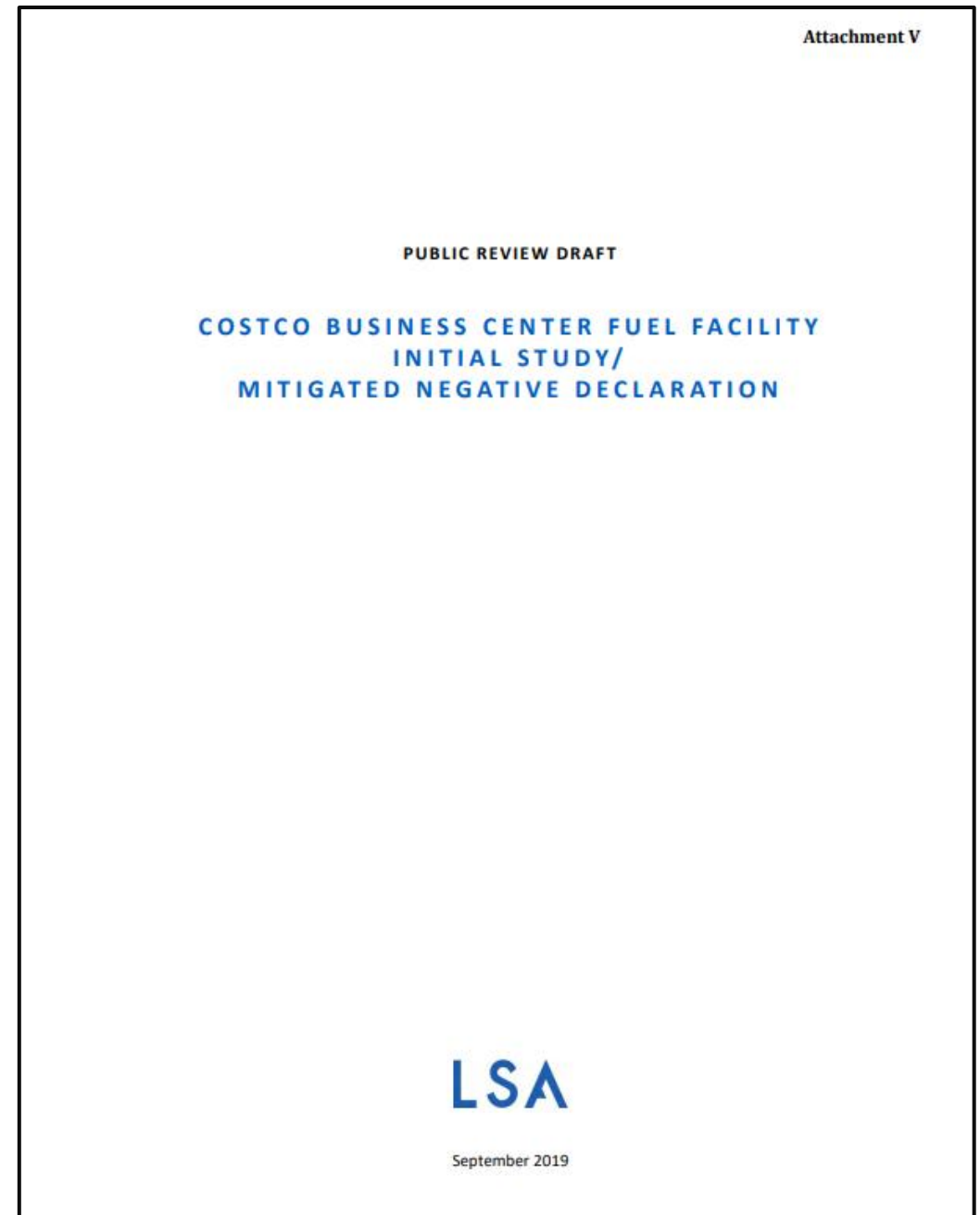


2 WEST CANOPY AND DISPENSER ISLANDS (EAST ELEV. SIM.)



- ✓ An Initial Study and Mitigated Negative Declaration (IS/MND) were proposed for the proposed project
- ✓ Impacts identified were related to:
  - Air Quality, Biological Resources, Cultural Resources, Geology & Soils, Hydrology & Water Quality, and Noise
- ✓ Mitigation Measures have been incorporated into project to reduce impacts to a level *less than significant*

# Environmental Review





## **CONSISTENCY WITH HAYWARD 2040 GENERAL PLAN**

The application is consistent with the following goals and policies:

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- ✓ Goal Economic Development-1: A Diversified and Robust Economy
- ✓ Economic Development -1.3: Commercial and Industrial Development
- ✓ Economic Development-1.11: Local-Serving Retail
- ✓ Economic Development -1.13: Regional-Serving Retail
- ✓ Goal Economic Development-3: Business Expansion and Retention
- ✓ Land Use-1.4: Revitalization and Redevelopment
- ✓ Land Use-5.1: Mix of Uses and Activities

# PLANNING COMMISSION HEARING SUMMARY

## Planning Commission Hearing November 14, 2019

- One public comment received from adjacent gas station owner and operator;
- Voted 4-3 to recommend **denial** to the City Council for the following reasons:
  - Lack of sustainability features incorporated into the project (e.g. EV chargers, solar, etc.)
  - Potential traffic impacts on A Street and Hathaway Avenue;
  - There are already enough gas stations on A Street and there isn't perceived demand for an additional one.

## Revised Amenities since Planning Commission Hearing

- Conversion and rehabilitation of ~5,750 sqft of landscaping to comply with WELO beyond code requirement;
- TDM program for Costco Business Center employees to offer subsidized transit passes;
- Retrofit of all parking lot lighting fixtures to LED for entire site for energy efficiency and reduction of light pollution;
- Installation of 8 electrical shore power stations for commercial delivery trucks;
- Installation of 2 EV chargers for employees/customers with electrical conduit for future 3 EV chargers;

# **STAFF RECOMMENDATION**

That the City Council:

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- ✓ APPROVE the Major Modification of the Planned Development District based on the required Findings and subject to the Conditions of Approval; and
- ✓ ADOPT the Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program



**Questions?**

# Applicant Presentation

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# Costco Fuel Facility

Costco Business Center  
22330 Hathaway Avenue

*PLANNED DEVELOPMENT MODIFICATION*



# COMMUNITY CONTRIBUTIONS

- Costco Business Center opened in 1997, prior to the merger it was a Price Club
- Costco opened a second Hayward warehouse in 2009
- Vital part of local business and residential community
- Sales tax revenue generator
- Charitable organization
- High paying jobs with benefits
- Deemed an essential business during COVID-19





# PLANNING COMMISSION RESPONSE:

| <b>Comment</b>  | <b>Response</b>   |
|---|---|
| Add EV stations   | 2 EV stations and conduit for 3 future EV stations added  |
| Rush hour traffic/left turn lane impacts on A Street            | Traffic study found no significant traffic impacts during evening commute hours or left turn lane impacts on A Street   |
| Install solar panels  | Solar panels would not generate the required power to run the facility and the Business Center roof was not designed to support the weight.   |
| Surrounding gas station impacts                                 | Market Analysis found no long-term negative impacts to surrounding gas stations.  |
| Air quality impacts   | Initial Study found no significant environmental impacts with mitigation measures and a Health Risk Assessment determined the project will not exceed health risk thresholds.               |
| Application has not significantly changed from previous denials | The fuel facility location was moved to the northeast corner of the site, the project will meet all development standards and certain regulations are no longer in existence or applicable. |

# PROJECT DIFFERENCES:

(since 1999 and 2000)

| Previous Project Applications (1999 and 2000)                   | Current Project Application   |
|---|---|
| Located at corner of A Street and Hathaway Avenue               | Located in the northeast corner of the site, away from street corner  |
| Not compliant with General Plan                                 | Complies with the 2040 General Plan adopted in 2014, in which gas stations are a permitted use.   |
| Not compliant with Santa Clara Neighborhood Plan                | The Plan is not applicable as the project is not within the Santa Clara Plan boundary.  |
| Not compliant with Amended Downtown Hayward Redevelopment Plan  | Due to redevelopment dissolution in 2012, the Redevelopment Plan is no longer applicable to the project.  |
| Not compliant with Cannery Area Design Plan                     | Complies with the Cannery Plan, in that it is an accessory use to an existing “big box” retail store, which is a permitted use for the site.  |
| Not compliant with Planned Development Zone standards.          | Complies with all applicable development standards, except the parking requirement which is adequately offset through the provision of additional amenities.  |
| Requested policy exceptions are not adequately compensated for. | The parking reduction request is adequately compensated for by the provision of: <ul style="list-style-type: none"><li>• Transportation Demand Management Plan</li><li>• Additional landscaping</li><li>• Shore power</li><li>• LED lighting upgrades</li><li>• EV stations</li></ul> |

# ECONOMIC/MARKET ANALYSIS

- Case studies in cities where a Costco fuel facility has been built show a short-term downward trend in gas sales at existing fuel stations, with a re-stabilization within 6 months.
- Approximately 2% of gas sales may potentially be diverted from existing gas stations throughout the City of Hayward; however, this impact is expected to wane after 6 months.



# PROJECT AMENITIES/SUSTAINABILITY:

- 2 EV stations (charge up to 4 cars)/3 future EV stations (charge 6 additional cars)
- Parking lot lighting upgrade to LED
- Fuel canopy lighting and signage to be LED
- 8 shore power stations (16 chargers) to eliminate idling refrigeration trucks
- Approximately 5,750 square feet of additional landscaping
- Transportation Demand Management Plan



# THANK YOU

## Questions?

