



**PLANNING COMMISSION MEETING
COUNCIL CHAMBERS AND VIRTUAL (ZOOM)
PARTICIPATION
Thursday, May 22, 2025, 7:00 p.m.**

The Planning Commission meeting was called to order at 7:04 p.m. by Chair Hardy. The Planning Commission held a hybrid meeting in the Council Chambers and virtually via Zoom.

PLEDGE OF ALLEGIANCE

ROLL CALL

Present: CHAIRPERSON: Hardy
COMMISSIONERS: Goodbody, Haman, Lowe, Meyers, Stevens
Absent: COMMISSIONER: Franco-Clausen

Staff Members Present: Allen, Blanton, Carbert, Chang, Kowalski, Lochirco,
Nguyen, Ochinerro, Sharma, Tabari, Terentieff, Vigilia

PUBLIC COMMENTS

There were none.

PUBLIC HEARING

1. STACK Data Center: Major Site Plan Review and Administrative Use Permit Application to Construct a Three-Story Data Center, Generator Yard, Substation, Switching Yard, and Related Accessory Structures and Site Improvements on an Approximately 11-Acre Site Located at 26062 Eden Landing Road (Assessor Parcel Nos. 461-0085-052-01 and 461-0085-016-00) and Review and Certify the Project's Initial Study/Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program Prepared by the California Energy Commission (Lead Agency); Application SPR-23-0036; Miles Kersten for STACK Infrastructure (Applicant) on behalf of SI SVYL3 LLC (Owner) **PH 25-022**

Staff report submitted by Principal Planner Schmidt dated May 22, 2025, was filed.

Senior Planner Blanton provided a synopsis of the staff report and introduced Applicant Kersten, who provided a presentation of his proposal.

Commissioner Goodbody asked about a phased or hybrid approach using battery storage to reduce the system's reliance on diesel. Applicant Kersten explained that while battery storage was considered, it's not feasible due to space constraints, and emphasized that the site uses Tier 4 diesel generators running on renewable fuel, which only operate during testing or grid outages. Given the reliability of nearby PG&E substations and the large space batteries would require, integrating them isn't possible within the current site limitations.



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Commissioner Stevens questioned why the project was limited to three floors instead of four, and whether there was an economic sweet spot behind the choice. Applicant Kersten responded that two stories wasn't economically viable, and three stories offered a balanced solution. While they've built four-story projects elsewhere, they felt three stories better fit this site, aligning with both the public benefit package and the scale of nearby developments.

Commissioner Stevens asked if a taller building would be market-feasible, to which Applicant Kersten replied yes.

Commissioner Stevens summarized the project's benefits, such as substantial tax revenue, standard impact fees, and significant infrastructure improvements, suggesting they may exceed the project's direct value, to which Applicant Kersten replied yes.

Commissioner Stevens asked for an estimate of the infrastructure improvements beyond the project's direct benefits. Applicant Kersten estimated the value at about \$70 million, covering electrical grid updates, specifically the switching station, and water infrastructure enhancements that exceed project's requirements.

Commissioner Stevens asked if data centers supply auxiliary power back to the grid during outages in California. Applicant Kersten explained their company has never done so, but during a past major power shortage, Governor Gavin Newsom asked centers to reduce power use. He noted their project operates on the transmission network, not the distribution network, and their switching station actually enhances grid reliability.

Commissioner Stevens inquired about a possible future benefit. Applicant Kersten replied that if Governor Newsom requests their assistance, they would certainly be willing to help.

Commissioner Stevens confirmed the applicant owns the data center and leases space to many users who offer a wide range of services and functions. Applicant Kersten confirmed that Stack Infrastructure purchased the property in 2020 and, like a commercial landlord, will lease out various spaces inside to different users for their operations.

Commissioner Stevens asked if placing data centers near population centers improves digital reliability. Applicant Kersten confirmed it reduces latency and boosts connectivity, especially during natural disasters.

Commissioner Lowe asked about using natural gas instead of diesel. Applicant Kersten explained that natural gas was considered but not feasible because there is no nearby natural gas transmission. He noted that many facilities use natural gas generators as backup power when the grid is down, but their facility prioritizes electrical power from the grid to minimize



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emissions. He added that the diesel generators on-site are only for emergencies, designed to provide resilience, and are state-of-the-art, as clean as possible, running on renewable fuel.

Commissioner Lowe asked about generator testing frequency and noise. Consultant Gallotti explained each generator is tested monthly at a low load for about 15 minutes, one at a time, with noise-reducing enclosures. Longer annual tests of about 1-4 hours are rare. He emphasized testing is infrequent and compliant with local noise and air quality standards.

Commissioner Lowe asked why the Applicant isn't committing specifically to using electricity from Ava. Applicant Kersten said discussions with Ava began recently and they're still evaluating options with their energy team and clients. He acknowledged Ava's community benefits and expressed interest in continuing talks. Senior Planner Blanton noted the project must use 100% renewable energy, and both Ava and PG&E offer qualifying options.

Commissioner Lowe inquired why the requested \$3 million public benefits package was reduced to \$2 million. Applicant Kersten explained that the original public benefits package was around \$900,000. He noted that through ongoing discussions with the Commission and community stakeholders, the amount gradually increased, rising to about \$1.3 million after the study session, then to \$1.5 million. He added that further conversations, including a specific \$500,000 request from Hayward Area Shoreline Planning Agency (HASPA), revisited their budget and made additional cuts to ultimately raise the total to \$2 million.

Commissioner Lowe asked if Hayward residents are prioritized for the 41 direct and the additional jobs associated with the project. Applicant Kersten responded that while there are no formal hiring preferences, they strongly encourage Hayward residents to apply to help reduce commute times and support employment within the community.

Commissioner Meyers asked if 100% renewable energy relies on the purchase of energy credits. Applicant Kersten confirmed that while California has a very clean electrical grid, some power is still imported, and to achieve 100% renewable energy, especially with continuous 24/7 power needs, they use carbon credit offsets. Credits support new solar and wind projects, help prevent deforestation, and fund reforestation efforts.

Commissioner Meyers asked what the Applicant's plan is if there is any pushback against the carbon credit program or if it expires. Consultant Sharon replied that if the carbon credit program were canceled, the focus would shift more heavily to the project's energy performance, ensuring the building meets California's energy and environmental standards, including CalGreen and California Energy Commission requirements.

Commissioner Meyer asked if a megawatt-scale or proportional energy storage system could fit on the property. Applicant Kersten explained that while they are required to maintain about



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15% of the site as green open space, which limits available land, they are excited to meet those requirements to benefit employees and local wildlife. He explained that the building is solar-ready, but rooftop space for solar panels is currently limited due to existing equipment. He noted that as equipment footprints shrink over time, there may be opportunities to install solar arrays in the future.

Commissioner Meyers asked how construction impacts on nearby businesses would be managed. Applicant Kersten explained the three street frontages allow flexible logistics to avoid disrupting Eden Landing, which has a bike lane and nearby restaurants. Large vehicles will be rerouted, and any street work will include traffic control measures and maintain access and minimize disruption.

Commissioner Meyers asked if the food court/truck was still planned. Senior Planner Blanton confirmed it was removed due to environmental concerns raised by East Bay Regional Parks. The project will focus on other improvements, such as bike and pedestrian improvements, adding trees, and enhancing signage instead.

Commissioner Meyers asked how food trucks are authorized. Senior Planner Blanton explained that in Hayward, food truck operators must obtain an annual permit to manage trash collection and compliance with regulations. Food trucks are allowed to operate in industrial areas, including parking lots, including the project site.

Commissioner Meyers raised concerns about food trucks impacting local restaurants. Senior Planner Blanton explained that Hayward's food truck permitting program has been in place since at least 2018 and was updated in 2019 with the industrial zoning changes. She acknowledged the concern and noted that the City is currently working on a business-friendly update to its commercial code, where this issue could be revisited in future planning discussions.

Commissioner Meyers asked how the City would communicate to restaurant owners in case an influx of food trucks negatively impacts their business. Senior Planner Blanton responded that restaurant owners can always bring their concerns to the Planning Department. She mentioned the ongoing "Business Friendly Hayward" project, which aims to ensure the City's regulations and permitting processes are fair and supportive of local businesses.

Commissioner Haman asked what the most significant concern was in the Mitigated Negative Declaration (MND) that required mitigation, and what the Commission should be particularly aware of. Consultant Gallotti responded that there were no major surprises in the MND, as many of the mitigation measures had already been proposed proactively by the applicant. He explained that these included commitments to 100% renewable energy and the use of renewable diesel. He noted that while there were some language adjustments made in



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consultation with the Energy Commission and the City, none were objectionable. Senior Planner Blanton explained that while the City was a responsible agency, not the lead agency under CEQA, it ensured all potential impacts were reduced to less-than-significant levels as required by CEQA. She explained that key concerns for data centers, like air quality and greenhouse gas emissions, were fully mitigated through project design and specific mitigation measures, allowing for the preparation of a Mitigated Negative Declaration instead of a full Environmental Impact Report.

Commissioner Haman asked about the likelihood is of discovering artifacts or fossils. Consultant Gallotti responded that while the likelihood is low, the project includes monitoring and mitigation measures out of caution. Senior Planner Blanton added that the project includes mitigation measures in the conditions of approval. She noted that even projects without CEQA requirements in the City have standard conditions to protect cultural artifacts, so that if anything of cultural significance is found, there is a required process to ensure it isn't damaged.

Commissioner Haman asked if there have historically been any findings of artifacts or cultural materials in the vicinity. Senior Planner Blanton replied that the IS/MND's cultural resources chapter provides more detail, noting that while there isn't much found in the immediate vicinity, cultural artifacts have been discovered elsewhere in the area. She added that although no tribes requested consultation for this project, some tribes have requested it previously in the region. She agreed with Consultant Gallotti that finding something is unlikely but not impossible.

Commissioner Haman confirmed that the project will use 100% union labor across all trades.

Commissioner Haman asked about plans for sea level rise. Senior Planner Blanton explained that HASPA has a shoreline mitigation plan accounting for various sea level rise scenarios, with maps identifying potentially affected properties, mainly in Hayward's industrial areas. She noted that this property lies just outside the at-risk zones, as its base elevation is high enough that it is not expected to be impacted even under moderate sea level rise events.

Commissioner Haman asked if the EV charging stations mentioned for public use in the staff report are incorporated into the new plan. Senior Planner Blanton replied that EV charging stations are included in the plan for employees and visitors, but since the site is secured, these stations won't be accessible to the public.

Commissioner Haman asked if space is planned for public destination EV chargers. Senior Planner Blanton replied that due to the site's limited size, just 11 acres, there isn't space available to include public amenities as the project must prioritize its own operational needs.

Commissioner Haman asked for clarification on whether the funds allocated for La Vista Park



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and the in-lieu fees for tree mitigation are separate in the project's conditions of approval and public benefit package. Senior Planner Blanton explained the project must pay the standard park impact fees, which apply to all industrial developments and are based on the building permit issuance date, increasing annually with an inflator. She added because some trees were removed on-site and their value couldn't be fully mitigated through replanting there, the project must contribute to a City tree fund to support planting elsewhere, likely at La Vista Park.

Commissioner Haman asked if funds could be used to plant trees in underserved neighborhoods like the Jackson corridor, either alongside or instead of La Vista Park. Senior Planner Blanton explained that the applicant prefers to make their contributions broadly and trust City staff to decide the best use of funds. She explained that the HASPA contribution is flexible for different projects, and the tree donation is currently directed to La Vista Park based on staff input. She noted that the Planning Commission can advise staff to allocate the tree funds more broadly across the City if desired.

Commissioner Haman asked if, beyond the public benefits package, the Applicant has considered community involvement. Applicant Kersten confirmed their active community involvement, citing recent clean-up efforts in San Jose and plans to participate in Hayward activities. He highlighted a school district contribution supporting a scholarship for a team competition aimed at nurturing future youth, emphasizing their commitment to ongoing community engagement and employee participation.

Chair Hardy asked about the expected lifespan of the generators and their disposal. Consultant Gallotti said generator warranties typically last many years, with some still functioning well after 15 years. The generators are modular and can be returned to the manufacturer for replacement, but he wasn't sure about the exact disposal process.

Chair Hardy asked if a diesel spill from a generator could pose a public hazard. Consultant Gallotti explained they have a hazardous materials plan and prevention measures in place, including licensed delivery and limited testing. He explained that spill risks are minimized with catch basins and required on-site materials, making any spill likely very small, measured in ounces rather than gallons. Senior Planner Blanton added that, in addition to this application, the Applicant must get a separate fire permit that includes a Fire Protection Engineer's report and an Alternate Means of Protection plan for diesel handling. She explained that due to the diesel volume, the project requires extra review to ensure proper storage, fire access, and code compliance, requiring the Fire Marshall to approve all plans before installation.

Chair Hardy asked if the Fire Protection report includes a community warning system. Senior Planner Blanton explained that a community warning system wouldn't be part of the fire protection report and that the City's Public Information Officer, in coordination with the Fire Chief, manages emergency communications through official City channels.



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Chair Hardy confirmed that the community warning system is City-managed and not part of the fire plan. Senior Planner Blanton confirmed that instead of having multiple separate communication plans, the Fire Chief coordinates with the City's public information team to quickly share emergency information.

Chair Hardy asked how about diesel delivery frequency to which Consultant Gallotti estimated that diesel deliveries would be about two truck trips per quarter at most.

Chair Hardy asked whether diesel deliveries are typically due to fuel replacement over time or because the fuel is being used during testing and needs to be refilled. Consultant Gallotti explained that diesel tanks are kept full to ensure 24 hours of runtime in case of an emergency. He explained that fuel isn't used up entirely during testing, so deliveries are typically for topping off the tanks, not full refills.

Chair Hardy asked whether the Gateway Marker Project involves community input and if it could potentially include a Russell City art component. Senior Planner Blanton explained that the Gateway Marker Project has been part of the City's long-term plans, focusing on adding signage or public art installations at key entry points to welcome visitors and highlight Hayward's identity and recent developments. She noted the project may involve contributions from local artists to help design the visual elements, though specific details are not fully known. Planning Manager Lochirco added the Gateway Marker Project has been delayed largely due to insufficient funding, and there is currently no clear timeline for when it will move forward. Senior Planner Blanton noted that if the Commission wishes to modify the conditions of approval to ensure the Gateway Marker Project incorporates elements of the Russell City Art Project, it is within their authority to make that recommendation. Applicant Kersten explained that the Gateway Marker Project was originally commissioned by the CEDC with a budget of \$250,000 back in 2017. He emphasized that based on feedback from the CEDC, they proposed increasing the budget to \$300,000 to reflect current costs. He noted that they saw this as a valuable opportunity to involve the community and implement a program that City staff had already helped develop, ultimately leaving the decision to integrate it into the community up to the discretion of local decision-makers.

Chair Hardy asked when the project might break ground. Applicant Kersten responded that they hope to break ground as soon as possible, likely around October or November, as they are currently in the process of submitting building permits.

Commissioner Meyers inquired about the expected construction timeline from start to finish and the overall cost. Applicant Kersten replied that the construction is expected to take about 20 to 24 months from start to finish, including all site and horizontal work. He noted that the development costs are still evolving and increasing, so he preferred not to provide a fixed budget figure at this time.



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Commissioner Meyers asked staff whether they are seeing the same projected revenue figure of \$8.8 million, to ensure consistency and accuracy in the financial projections. Senior Planner Blanton responded they had reviewed the revenue figures, particularly the utility tax estimates, with Environmental Services Manager Pearson from the sustainability team. She noted that he confirmed the numbers appeared accurate and possibly even conservative, as they assume a flat utility tax rate, which often increases over time. Senior Planner Blanton noted that utility taxes account for over half of the projected tax benefit to the City, although other revenue figures have not yet been fully verified by the finance team, though the data presented in the reports is generally considered reliable.

Chair Hardy opened public comment at 8:23 p.m.

Reem Jada, a plaza business owner, voiced concerns about financial struggles, lack of support from their landlord, and rising rents. She thanked City staff, but asked what more the City of Hayward could do beyond the \$50,000 allocation. She also expressed concern about food trucks during construction and urged the City to ensure existing businesses benefit from the project.

Luis Andrade, President of the Hayward Area Recreation and Park District and HASPA trustee, expressed support for the increased public benefit funding offered by the project. While the project lies slightly outside HASPA's boundaries, he noted it still aligns with their climate change mitigation goals. He highlighted HASPA's plans to improve the Shoreline Center to address sea level rise, preserve natural areas, and expand educational programs that already serve thousands of schoolchildren annually from the local area and beyond.

The following speakers expressed support for the STACK Center Data project, citing its creation of well-paying, union construction jobs with benefits such as healthcare, pensions, and apprenticeship. Several speakers shared personal stories of financial stability gained through union work, emphasized local hiring, and highlighted the positive impact on working families.

Alejandro Martinez
Olegario Guzman
Jason Gumataotao
Oscar Mazariegos
Victor Delatorre
Rosalee Ojeda
Geacerdo Rios
Michelle Shuen
David Calderon
Julian Dodge
Robert Downs



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Chair Hardy closed public comment at 8:45 p.m.

Commissioner Lowe expressed strong support for the project, appreciating the applicant's commitment to 100% renewable energy and encouraging continued discussions with Ava; acknowledged feeling reassured after hearing from Mr. Gumataotao; praised the public speakers for their passionate, informative, and persuasive comments; and highlighted two key aspects she values most: the job opportunities the project will create for residents and the architectural design, especially the unique water-inspired façade visible from the bridge.

Commissioner Stevens expressed strong support for the project, praising Stack for choosing Hayward and emphasizing the importance of hyperscale data centers in the current AI-driven economic race; felt it should be a straightforward approval without the need for public advocacy; expressed frustration over any special payments being required, viewing them as a bad precedent; and while acknowledging the project's benefits, he questioned the feasibility of powering such a large data center entirely with renewable energy under current conditions, calling for broader state-level action.

Commissioner Goodbody expressed concern that key local partners, such as St. Rose, Cal State East Bay, and Chabot, were missing from the process; saw a missed opportunity to collaborate with these educational institutions on workforce development, especially related to AI technology and its applications in fields like medicine; and urged policymakers to expand the community benefit program into a sustainable, long-term effort that involves more stakeholders and grows the local economy over many budget cycles.

Commissioner Meyers expressed appreciation for the public speakers, especially union members, acknowledging the courage it takes to speak publicly; shared his own background with IBEW and past work in the electrical field; and praised the project for its job creation, enhanced benefits package, and inclusion of EV chargers, calling it a strong precedent for future developments and will be supporting its approval.

Commissioner Haman expressed strong support for the project, highlighting its generous benefits package and the positive impact it will have on the community, including revitalizing underutilized industrial park property; praised the project's potential to bring technological advancement, revenue, and long-term community commitment to Hayward; while generally pleased with the design and architectural elements, he suggested incorporating murals by local artists on the proposed screen wall, given the building's height and visibility; and emphasized the importance of a final design that reflects Hayward's values and sets a high standard for future developments.

Chair Hardy expressed deep appreciation for the public commenters, noting how much



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valuable and new information they brought to the discussion; praised the high level of engagement from the applicant, highlighting their responsiveness to community concerns, their increase in public benefits, and commitment to using 100% union labor; commended the thoughtful architectural design, especially its attention to all sides of the building; and concluded by requesting a friendly amendment to the motion—asking to include language that ensures the Russell City Art Project is incorporated into the Gateway Marker Project as a condition of approval. Commissioner Stevens agreed to Chair Hardy’s request for a friendly amendment to include the Russell City Art Project in the Gateway Marker Project, with the caveat that he does not support or agree with requiring Stack to pay any special benefit funds.

Chair Hardy asked Commissioner Haman for clarification on his earlier comment about incorporating a mural, inquiring whether he was suggesting it as a friendly amendment to Commissioner Steven’s motion or simply offering it as a general recommendation or point for consideration. Commissioner Haman confirmed that he would like the inclusion of a mural as a friendly amendment to the motion. Commissioner Stevens respectfully declined Commissioner Haman’s proposed friendly amendment. He reiterated his belief, previously stated in November, that data centers are critical infrastructure for society and the economy, especially in the context of AI, and should not be visually screened or covered. While he appreciated the aesthetic intent behind the suggestion, he disagreed with concealing such essential facilities, emphasizing the need to be realistic about their role and visibility in the community.

Commissioner Goodbody requested clarification on the motion, asking for it to be repeated and expressing interest in having further discussion to fully understand what is currently being proposed and amended. Chair Hardy clarified that Commissioner Stevens originally made a motion for approval of the project. She proposed a friendly amendment to include the Russell City Art Project specifically in the Gateway Marker funding, noting that she had raised this issue in a previous meeting.

It was moved by Commissioner Stevens, seconded by Commissioner Lowe, and carried unanimously, to approve the proposed Major Site Plan Review and Administrative Use Permit application to allow a three-story data center and related generator yard, substation, switching yard, accessory structures and site improvements with a friendly amendment to include the Russell City Art Project into the public benefit contribution toward the Gateway Marker Project.

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| AYES: | COMMISSISONER | Goodbody, Haman, Lowe, Meyers, Stevens |
| | CHAIR | Hardy |
| NOES: | COMMISSIONER | |
| ABSENT: | COMMISSISONER | Franco-Clausen |
| ABSTAIN: | COMMISSIONER | |



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2. Proposed Zoning Text Amendment, Conditional Use Permit and Site Plan Review to Allow Drive-Throughs in the Air-Terminal-Commercial District, and Construction of a Starbucks Coffee Shop with Drive-Through as Part of a New Two-Story Mixed-Use Development on a Vacant Portion of the Property Located at 22101 Hesperian Boulevard Adjacent to the Home2Suites by Hilton Hotel (Assessor's Parcel Number 432-0108-008-00), and a Finding that the Proposed Zoning Text Amendment and Mixed-Use Development are Exempt from the California Environmental Quality Act (CEQA) Pursuant to CEQA Guidelines Sections 15061(b)(3) and 15332, Respectively. Applicant/Developer: Jayvant Shah, Ramesta Hospitality LLC; Architect: MWT Architect; Property Owner: City of Hayward **PH 25-020**

Staff report submitted by Principal Planner Schmidt dated May 22, 2025, was filed.

Senior Planner Kowalski provided a synopsis of the staff report.

Commissioner Haman asked if the proposed building could be repurposed in the future for a different type of business and whether such a future use would also require applying for a conditional use permit.

Senior Planner Kowalski explained that once a conditional use permit (CUP) for a drive-through is approved, regardless of the specific business type, a new drive-through operator could take over the space if the previous tenant vacates. He noted that there is a six-month sunset period: if more than six months pass without a new operator, the incoming business would need to apply for a new CUP.

Commissioner Haman asked how many of the nine ETC (Existing Transit Corridor) parcels are currently considering or planning to include a drive-through facility. Senior Planner Kowalski replied that none of the nine ETC parcels are currently considering a drive-through.

Commissioner Haman asked if the approval being considered tonight would serve as a blanket approval covering all future ETC parcels. Senior Planner Kowalski replied that the approval being considered would apply only to the specific property next to the Home2 Suites hotel, and that the other ETC parcels would still require separate conditional use permits.

Commissioner Haman asked what percentage of the City's sales tax revenue is allocated directly to the City of Hayward. Chief Economic Development Officer Nguyen replied that approximately 1% of the sales tax paid by consumers on purchases or transactions goes directly to the City of Hayward. This portion of the sales tax is allocated to the City's general fund.

Commissioner Haman sought to identify the primary beneficiary of the sales tax revenue. Chief Economic Development Officer Nguyen explained that most of the sales tax collected is the state sales tax, which goes directly to the state. He noted that the revenue is allocated through a



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proportionate formula that divides the funds from the state to the counties, and then to the cities.

Commissioner Haman asked about the maximum office occupancy and its impact on parking availability or pedestrian traffic. Senior Planner Kowalski replied that he was unsure about the maximum office occupancy but confirmed a parking study was completed. He explained that since each office is about 400 square feet, less than 10 parking spaces are required. He added that plenty of parking is available nearby in the hotel and business park, which the property has access to.

Commissioner Haman asked for clarification on the use of the office spaces. Applicant Shah explained that the addition of the coffee shop is intended to enhance guest services and attract more visitors, including from nearby areas like San Mateo. He clarified that the offices are intended for other tenants and are not designated for Starbucks. He noted that lease negotiations are already underway, pending project approval.

Commissioner Haman inquired whether the office spaces would have their own signage, as he did not see any indication of business advertisements or signage in the submitted drawings, to which Applicant Shah replied no.

Commissioner Haman asked if that meant they wouldn't be able to advertise their business, to which Applicant Shah confirmed.

Commissioner Haman asked for clarification on the approved cleanup method for new trash enclosures. Senior Planner Kowalski explained that in the past, it was common for people to wash down areas near dumpsters with a hose, which caused leachate, liquid runoff from waste, to run into the stormdrain and eventually contaminate water sources. He noted that such practices are no longer permitted under current clean water regulations.

Commissioner Haman asked how trash enclosures would be cleaned without involving some form of additional washing. Senior Planner Kowalski explained this requirement is a standard practice not only in Hayward but across the Bay Area and likely throughout the entire state of California, but that he wasn't certain of the exact wording of the condition, as it came from the Environmental Services Division.

Commissioner Haman asked whether each business must secure its own waste service or simply comply with the requirement for three-way waste separation. Senior Planner Kowalski clarified that each business is required to comply with the three-way waste separation, which requires each individual office must have its own garbage can, recycling bin, and green waste bin. He added that businesses like Starbucks, which generate a significant amount of organic waste and recyclable plastics, would particularly need to adhere to this requirement.



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Commissioner Haman followed up by asking whether all the businesses would be using the same shared trash enclosure for their individual waste, despite each being responsible for separating their garbage, recycling, and organic waste. Senior Planner Kowalski confirmed that all businesses will share the same trash enclosure, which will contain large dumpsters. He noted that each individual business is still required to maintain its own set of three waste bins within their establishments for garbage, recycling, and organics.

Commissioner Haman inquired about how late the coffee shop would be open for service. Architect Edward explained that since the space will be leased to Starbucks, the company will likely set its own operating hours based on its business model and customer demand.

Commissioner Haman clarified that he was simply curious whether the establishment would be open late at night or early in the morning to accommodate customers during those hours. Architect Edward replied that the actual hours of operation would be determined by the Starbucks franchisee. He added that it's uncommon for Starbucks locations to remain open past 11:00 p.m., suggesting that late-night hours are unlikely.

Commissioner Haman noted that, since the establishment includes a drive-through, it might attract and serve customers during later hours, potentially justifying extended operating times. Architect Edward acknowledged that the drive-through could support later hours. He noted that parking should not be an issue, as the nearby hotel and office spaces provide excess parking during the day when Starbucks is busiest. He added that office hours will depend on the tenants, with the possibility of 24-hour operations, though nothing is confirmed. Commissioner Haman clarified that his main concern was not the office space hours, but rather the coffee shop's operating hours, given the location along a main corridor. He emphasized that there will likely be strong demand for coffee both early in the morning and late at night, and this establishment presents a good opportunity to meet that need. Architect Edward replied that the coffee shop's hours will ultimately depend on profitability.

Commissioner Haman sought clarification on whether these hours specified in the condition of approval would be strictly enforced or if there might be flexibility beyond that timeframe. Architect Edward replied that if the approved condition sets the hours between 6:30 a.m. and 11:00 p.m., then they will comply with those requirements.

Commissioner Meyers sought clarification on whether the adjacent street, Skywest Drive, is planned to have no parking signs installed. Senior Planner Kowalski confirmed that installing no parking signs on Skywest Drive is a mitigation measure recommended by the traffic study. He explained that during morning rush hours, Starbucks drive-through lines can get crowded, and the no parking zone—with red curbs—will prevent cars from backing out onto Skywest Drive while waiting to enter the drive-through. He added that all queuing will need to happen



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within the site, where ample drive aisles and a fire lane around the back of the hotel provide space for vehicles to wait safely without blocking the street.

Commissioner Meyers asked whether it would be possible, and allowed by code, for a restaurant to occupy that space in the future if the current proposal is not approved. Senior Planner Kowalski replied that yes, a restaurant is a permitted use in the ATC district, and a full-service, sit-down restaurant would not require a Conditional Use Permit (CUP) to occupy the space.

Commissioner Meyers asked whether there are any plans for an Indian restaurant along the Winton corridor or what the status is regarding Indian cuisine in that area. Senior Planner Kowalski responded that the Indian restaurant has been closed for some time and that he hasn't received any updates about its status or potential reopening. He added that the site of the closed Indian restaurant could potentially be used for another drive-through in the future.

Commissioner Meyers asked how many Starbucks locations currently exist in Hayward. Architect Edwards responded that he did not know the exact number.

Commissioner Meyers asked if the proposed location would be the 16th Starbucks in Hayward, based on his count from their website. Senior Planner Kowalski responded that 16 sounds a bit high but could be correct.

Commissioner Meyers sought clarification on if this would be the 9th store within a 2-mile radius. Senior Planner Kowalski replied that there are about three or four Starbucks locations within a mile in either direction along Hesperian Boulevard. He clarified that staff is not actively recruiting Starbucks; rather, the proposal came from Applicant Shah, who was approached by Starbucks. He emphasized that the City does not favor one business over another.

Commissioner Goodbody asked the applicant what motivated the decision to develop a Starbucks drive-through specifically, instead of a traditional free-standing restaurant. Applicant Shah explained they decided on a Starbucks drive-through because they already own another Courtyard by Marriott with a Starbucks inside, which has proven popular with the hotel's guests. He added they wanted to add a coffee shop near the Hilton and discussed the idea with the Hilton franchise, which supported it. He noted that since the parcel next to the Hilton was available, they approached Starbucks, who agreed it was a feasible location for their drive-through.

Commissioner Lowe asked if there would be enough extra parking spaces available at the hotel and business park to accommodate everyone comfortably. Architect Edwards explained that hotel parking tends to be less utilized during the day since guests typically leave in the morning, leaving many spaces available. He added that office workers usually occupy parking from about



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8 a.m. to 5 p.m., while the drive-through Starbucks caters mainly to quick, convenient visits rather than long stays. He emphasized that because this Starbucks is primarily a drive-through, it reduces the need for extra parking, as most customers won't need to park for long.

Commissioner Lowe asked why they should no longer be concerned about a change in the zoning possibly leading to an influx of unwanted drive-throughs in the City. Senior Planner Kowalski explained that there are only nine parcels with the zoning in question, and all are currently developed with no vacant land available, which would require any new drive-through to demolish an existing building. He acknowledged City leaders' concerns about the number of drive-throughs but noted that staff is simply processing the current application from Applicant Shah. He noted that it's up to the commission to decide if the community benefits justify approving the zoning text amendments, even if it might allow one or two additional drive-throughs near the airport in the future. Planning Manager Lochirco explained that the proposal is narrowly focused on a small zoning district near the airport, not Citywide. He noted that this respects existing policies that limit drive-throughs to auto-oriented areas like near Highway 880, while protecting pedestrian-friendly zones downtown. He added that any new drive-through in this area would still require commission review, ensuring case-by-case discretion. He emphasized the goal is to support the Hesperian corridor and nearby airport businesses without broadly expanding drive-through allowances.

Commissioner Lowe asked if rooftop seating is included in the current plans, as it wasn't clearly shown. Senior Planner Kowalski explained that the rooftop seating is not included as it is intended to accommodate solar panels and that the building is likely too small to support a rooftop deck. He noted that the project does include two well-landscaped outdoor patio areas with café tables, chairs and sunshades for customer use.

Commissioner Lowe asked whether the Planning Commission has any authority—such as veto power, influence, or the ability to make suggestions—regarding the architectural design of the proposed Starbucks. Planning Manager Lochirco explained that they can make recommendations to the City Council, if they believe that additional architectural enhancements are needed. Senior Planner Kowalski added that, unlike housing projects where design input is often limited, the fact that this is a commercial project allows the Planning Commission to request architectural improvements if they find it appropriate.

Commissioner Lowe asked about the planned security measures for the proposed Starbucks. Applicant Shah replied that they currently operate a 131-room hotel with 24/7 in-house security covering the parking area. He confirmed that the same continuous security presence would extend to the proposed Starbucks, ensuring coverage at all times.

Commissioner Lowe asked whether Starbucks will have its own dedicated security personnel patrolling the location, or if it will rely solely on the applicant's existing in-house security team.



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Applicant Shah replied that Starbucks will not have separate security because the existing 24/7 security for the Hilton hotel will cover the entire property, including the Starbucks. He also mentioned plans to install a perimeter fence around the hotel and Starbucks parcel, and that they are currently in discussions with the airport authority regarding the allowable height for the fence.

Commissioner Lowe asked for clarification on whether the planned fence would enclose both the Starbucks and the hotel. Applicant Shah confirmed that the fence would surround the entire parcel, including both the hotel and the Starbucks.

Commissioner Lowe asked for a description of the planned fence's appearance and design. Applicant Shah replied that they are still in the planning stages and intend to install the fence during the Starbucks construction, but specific details about its design have not yet been finalized. Senior Planner Kowalski added that the fence idea is new to planning staff and would require review and approval by the Planning and Building Divisions. He then asked Applicant Shah to confirm whether the hotel's private security team would also cover the Starbucks area. Applicant Shah confirmed that their private security team will also cover the Starbucks since it is part of the same parcel as the hotel.

Chair Hardy asked whether Starbucks has indicated any plans to open this new drive-through location while closing an existing nearby Starbucks that is not a drive-through. Senior Planner Kowalski replied that he has not had any discussions with Starbucks representatives regarding plans to open the new location or close any nearby stores. Chief Economic Development Officer Nguyen explained that, in fact, they have received several inquiries from Starbucks, which is currently in an aggressive growth phase and aiming to open more locations to meet increasing consumer demand.

Chair Hardy asked whether Starbucks would have any input or control over which tenants occupy the upstairs office spaces, or if that decision will be entirely up to the Applicant. Senior Planner Kowalski replied that tenant selection for the upstairs offices is at the discretion of the building's leaseholder or landlord, not Starbucks. The City owns the property, but Starbucks is not involved in those leasing decisions.

Chair Hardy asked about the types of tenants who might occupy the upper floor, considering potential noise from the drive-through, and whether any research has been done on that aspect. Architect Edwards replied that the upstairs office space is relatively small, about 1,912 square feet, which likely limits it to a single tenant. He mentioned that Applicant Shah is already in negotiations with a potential tenant for the full space. He also clarified that the lease for the office has no connection to Starbucks and that the size makes it unlikely to accommodate multiple tenants.



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Chair Hardy asked whether the potential upstairs tenants are likely to lease the entire space. Applicant Shah replied that the space will be used for offices and will have multiple separate tenants, not just one. Chair Hardy asked for clarification, confirming that the upstairs space is being considered for use as individual personal office spaces rather than for a single business tenant, to which Applicant Shah replied yes.

Chair Hardy opened and closed public comment at 9:52 p.m.

Commissioner Goodbody asked if the Commission has the ability to recommend that the applicant consider a different coffee tenant due to concerns about the high concentration of Starbucks locations nearby. Planning Manager Lochirco explained that the Planning Commission and City staff do not have the authority to choose specific tenants, such as which coffee brand occupies the space. He added that while staff understands concerns about the proximity of existing Starbucks locations, the drive-through format caters to a different user, primarily those in cars or staying at the nearby hotel. He emphasized that the City's role is to evaluate land use categories (like a drive-through or restaurant), not individual brands.

Commissioner Goodbody said that a standalone restaurant might be a better use of the space next to the hotel, as it would offer more convenience for out-of-town visitors who prefer to walk to dinner rather than drive.

Commissioner Meyers expressed while he supports mixed-use development and appreciates the design and landscaping improvements, he has concerns about the proposed Starbucks. He emphasized it's important to find the right fit, not just the first option, as he felt a standalone restaurant would better serve both the airport and hotel guests. Commissioner Meyers expressed worry about an oversaturation of Starbucks in the area and the risk of mass closures leading to vacant buildings. He concluded by stating he would not support the proposal.

Commissioner Lowe voiced concern about the high number of Starbucks in the area, saying the proposed location doesn't offer enough unique value or excitement to benefit the City meaningfully. While she acknowledged the convenience of a drive-through, she questioned whether it adds anything new or distinctive. She also criticized the design as unoriginal and felt Starbucks, given its financial resources, could create something more visually and culturally impactful.

Commissioner Stevens shared that he conducted a quick AI-driven market analysis, which found there are 14 Starbucks locations in Hayward, 10 company-owned establishments and four within other establishments such as Target. He noted that adding another would result in a higher-than-average concentration compared to state and national levels. However, he emphasized that Starbucks' strategy focuses on high-traffic, high-commute areas, and given the site's location on Hesperian Boulevard near the airport, the proposal aligns with that strategy.



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He concluded by expressing full support for the project, citing its business logic and alignment with a free-market economy.

Commissioner Haman expressed general support for the proposed zoning text changes and conditional use permit, acknowledging some initial hesitation about adding another Starbucks. However, he emphasized the importance of the free market and noted no other proposals have been made for the site. He appreciated the mixed-use nature of the project and believed this location could better serve the community than nearby Starbucks locations due to improved seating and atmosphere.

Chair Hardy expressed support for the project, highlighting the importance of keeping the adjacent hotel thriving, which the proposed Starbucks could help achieve. She noted the successful model of similar hotel-adjacent Starbucks, like the Fairfield Inn & Suites location on Industrial Blvd. She acknowledged concerns about the abundance of Starbucks in the area but felt this location would serve a different purpose and might even shift traffic from the nearby standalone Starbucks. She also raised the point that holding out for a sit-down restaurant could result in prolonged vacancy, referencing two nearby empty restaurant spaces (Raja Indian Cuisine and the former Elephant Bar). While not impressed with the architecture, she appreciated the Hayward-specific signage as a thoughtful design element.

Commissioner Meyers expressed concern that the small upstairs office units might attract tenants with limited capital which could lead to high turnover and possibly vacant or boarded-up windows. He also noted that if the new Starbucks leads to the closure of an existing nearby location, it could create another vacant property in the area.

Commissioner Haman expressed appreciation for the landscaping and waste separation plans but echoed concerns about traffic and litter associated with drive-through restaurants. He emphasized the importance of ensuring those issues are addressed long-term.

Commissioner Stevens made a motion to approve the item and expressed support for the architectural design, stating that it appears well-balanced and well-integrated with the site. He acknowledged that he typically takes a critical view but didn't see major issues in this case and invited further feedback from others who had expressed concerns about the architecture. Commissioner Lowe clarified that she prefers more unique and visually interesting architecture. She felt the proposed Starbucks design blends too much with the hotel and lacks distinctiveness but acknowledged that this may be intentional.

Commissioner Stevens suggested revisiting the design of the south façade, noting that the "Hayward Aviation" sign appears oddly scaled and questioned whether it's a commonly recognized or appropriate logo for the site. Architect Edwards replied that the "Hayward Aviation" sign likely just says "Hayward" with a plane graphic and may not be an official logo.



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He emphasized that the building's scale is modest and human-centered, contrasting it with larger nearby developments. He defended the design as unique for a Starbucks, highlighting its broken-up façade, two-story mixed-use form, modern color scheme aligned with current hospitality trends, and outdoor seating. He stated that considerable investment went into making the architecture more attractive than a typical Starbucks and that the cost per square foot reflects that extra effort, noting that design opinions are ultimately subjective.

Commissioner Stevens expressed ongoing uncertainty about the sign on the side of the building, specifically questioning its clarity and purpose. Senior Planner Kowalski clarified that the sign is likely a placeholder or gesture, and if it isn't the official Hayward Executive Airport logo, airport staff will provide the correct logo to the architect, who will then update the sign accordingly.

Commissioner Stevens stated that he would continue with his motion to recommend approval.

Commissioner Haman seconded the motion.

It was moved by Commissioner Stevens, seconded by Commissioner Haman, and carried unanimously, to make a recommendation to the City Council to approve the proposed Zoning Text Amendments with accompanying Conditional Use Permit and Site Plan Review application for the proposed mixed-use development at 22101 Hesperian Boulevard.

| | | |
|----------|---------------|------------------------|
| AYES: | COMMISSISONER | Haman, Stevens |
| | CHAIR | Hardy |
| NOES: | COMMISSISONER | Goodbody, Lowe, Meyers |
| ABSENT: | COMMISSISONER | Franco-Clausen |
| ABSTAIN: | COMMISSIONER | |

APPROVAL OF MINUTES

3. Minutes of the Planning Commission Meeting on November 14, 2024 **MIN 25-065**

It was moved by Commissioner Lowe, seconded by Commissioner Goodbody, and carried unanimously, to approve the minutes of the Planning Commission on November 14, 2024.

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|----------|---------------|--|
| AYES: | COMMISSISONER | Goodbody, Haman, Lowe, Meyers, Stevens |
| | CHAIR | Hardy |
| NOES: | COMMISSIONER | |
| ABSENT: | COMMISSISONER | Franco-Clausen |
| ABSTAIN: | COMMISSIONER | |

COMMISSIONERS' ANNOUNCEMENTS, REFERRALS



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Planning Manager Lochirco announced that the June 12, 2025, Planning Commission meeting will include a recommendation to the City Council on the tree preservation ordinance update. He noted there's nothing scheduled for June 26, 2025, but staff will update the Commission on June 12th whether the meeting will proceed so members can plan their summer accordingly.

Commissioner Meyers announced performances at the Mt. Eden High Performing Arts Center starting May 23, 2025, for two weekends, encouraging everyone to support and attend.

ADJOURNMENT

Chair Hardy adjourned the meeting at 10:16 p.m.

APPROVED:

A handwritten signature in cursive script, appearing to read "Ron Meyers", written over a horizontal line.

Ron Meyers, Secretary
Planning Commission

ATTEST:

A handwritten signature in cursive script, appearing to read "Briea Allen", written over a horizontal line.

Briea Allen
Planning Commission Secretary
Office of the City Clerk