



DATE: June 3, 2024

TO: Council Economic Development Committee

FROM: Development Services Director

SUBJECT: Preliminary Concept Review of a Major Site Plan Review Application to Construct a Three-Story Data Center, Generator Yards, Substation, Switching Yard, and Related Accessory Structures on an Approximately 11-Acre Site Located at 26062 Eden Landing Road (Assessor Parcel Nos. 461-0085-052-01 and 461-0085-016-00). Application SPR-23-0036; Miles Kersten for STACK Infrastructure (Applicant) on behalf of SI SVYL3 LLC (Owner).

RECOMMENDATION

That the Council Economic Development Committee (CEDC) review and provide general feedback to the applicant and staff on the proposed Major Site Plan Review application along with specific direction on the proposed public benefits package.

SUMMARY

This Work Session provides the CEDC and members of the public an opportunity to review the preliminary plans for a proposed data center campus on an 11-acre site on Eden Landing Road. The proposed development includes the demolition of nine single-story industrial and office buildings totaling approximately 165,000 square feet and the construction of a three-story 310,000 square foot data center building, a secondary single-story 15,000 square foot data center building, a security guard station, two generator yards, an on-site substation and switching yard, and related site improvements.

As the site exceeds 10 acres, Major Site Plan Review is required. In addition, the applicant is requesting consideration of a building height increase to 100 feet for the primary data center building. While the proposed height exceeds the maximum height allowed in the Industrial Park zoning district, the approving authority may allow greater heights through the Major Site Plan Review process when it is found that the increase is necessary to provide a more beneficial site layout or if it will result in public amenities that could not be achieved under current zoning standards.

No formal action is being requested at this time. The project will be brought before the Planning Commission at a work session later this year and then again for a public hearing once the application review process and environmental analysis are complete.

BACKGROUND

Existing Conditions. The proposed project site is located at 26062 Eden Landing Road, immediately south of Highway 92. It is comprised of two parcels on approximately 11 acres. The site is currently the location of the Eden Landing Business Park, which consists of nine single-story buildings, totaling approximately 165,000 square feet, that house office and light industrial uses.

Surrounding land uses include manufacturing, biotech, contractor services, offices, and other types of industrial uses to the south, east and west. A thin strip mall with food and personal service uses is located directly to the north, between the site and Highway 92.

HASPA Board of Directors Meeting. A brief overview of the proposed development was presented to the Hayward Area Shoreline Planning Agency (HASPA) Board of Trustees at their February 8, 2024 meeting. As shown in the meeting's draft minutes, included as Attachment VI, the Trustees suggested that the applicant contribute toward the renovation of the Hayward Shoreline Interpretive Center as part of their proposed Public Benefits Package (Attachment IV). In addition, they showed support for the inclusion of public art and improved connections to the nearby shoreline trails.

PROJECT DESCRIPTION

Proposed Project: The project proposes to demolish all nine of the existing buildings on site to construct a new data center campus with a three-story 310,000 square foot data center building, a secondary single-story 15,000 square foot data center building, a security guard station, two generator yards with 28 diesel generators, and an on-site substation and switching yard. In addition, site improvements include new landscaping, stormwater infrastructure, site circulation and parking. The project plans are included as Attachment II.

Screening. Significant screening will be required around the generator yards, substation, and switching yard that face Production Avenue, Eden Landing Road, and Highway 92. At this early phase of the review process, the applicant has provided conceptual designs for potential screening options, which are included in Attachment III. The initial options considered include artistic blue and grey metal slats that are designed to look like waves, suggestive of the Hayward shoreline and hills.

Sustainability Plan. The required Sustainability Plan for the project is included as Attachment V. The Plan shows that the project will meet the requirements of CALGreen and the California Energy Code standards for energy efficiency. It will also be required to meet the City's requirements with respect to water-efficient landscaping and the Municipal Regional Stormwater Permit requirements regarding storm water runoff prevention and treatment. Throughout the project review process, the applicant will be working with the City's Environmental Services Division to revise and finalize this plan.

POLICY CONTEXT AND CODE COMPLIANCE

Hayward 2040 General Plan: The project site has an *Industrial Corridor* General Plan land use designation, which allows for a range of primary uses, including professional offices, corporate campuses, research and development, warehousing and logistics, manufacturing, biotechnology and high-technology uses.¹ As proposed, the project meets the general intent of the Industrial Corridor land use designation.

Zoning Ordinance: The project site is located in the Industrial Park (IP) zoning district.² The IP zoning district is intended to provide areas for high technology, research and development, and industrial activities in an industrial park or campus-like atmosphere. Data centers are considered to be office uses per the Zoning Ordinance definitions,³ and thus are allowed by right in the IP district.

The proposed project is generally consistent with the requirements of the IP zoning districts, with one notable exception. The applicant is seeking a height of 100 feet for the primary data center building (108 feet up to the rooftop penthouse for mechanical equipment), which exceeds the 75-foot height limit in the IP zoning district. Section 10-1.1604 of the Hayward Municipal Code⁴ allows for increased building heights within the IP zoning district through Major Site Plan Review approval where the approving authority finds that the increase is necessary to provide a more beneficial site layout or will result in public benefits/amenities that could not be achieved under current zoning standards.

As shown in Attachment IV, the applicant's proposed Public Benefits Package includes financial contributions to the City for various City funds, projects, and programs, including the Gateway Marker Project (\$300,000), La Vista Park (\$300,000), Small Business Grant Program (\$200,000), Hayward Area Shoreline Planning Agency (\$100,000), HUSD STEAM Showcase (\$100,000), and other programs aimed at City sustainability goals and awareness (\$100,000). In addition, the applicant is exploring conceptual designs for artistic screening of the proposed substation and switching yard, which would be visible from Highway 92 (Attachment IV).

STAFF ANALYSIS

To date, the application has completed two rounds of review by City staff and is deemed incomplete due to a number of "punchlist" correction items that need to be addressed. The plans and documents included as attachments to this staff report reflect the second official submission from the applicant, which was received in late February of this year and a revised Public Benefits Package received in May.

¹ Hayward 2040 General Plan: https://www.hayward-ca.gov/sites/default/files/documents/General_Plan_FINAL.pdf

² 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

³ Hayward Municipal Code Section 10-1.3500, Definitions:

https://library.municode.com/ca/hayward/codes/municipal_code?nodeId=HAYWARD_MUNICIPAL_CODE_CH10PLZOSU_ART1ZOOR_S10-1.3500DE

⁴ HMC Section 10-1.1604, Development Standards:

https://library.municode.com/ca/hayward/codes/municipal_code?nodeId=HAYWARD_MUNICIPAL_CODE_CH10PLZOSU_ART1ZOOR_S10-1.1600INDI_S10-1.1604DEST

At this early stage in the review process, staff would like feedback from the CEDC on the following items:

1. Public Benefits Package. As noted above, the applicant is seeking a height of 100 feet for the primary data center building, which exceeds the maximum allowable height in the IP zoning district of 75 feet. Per the Zoning Ordinance, the approving authority may allow for increased building heights if it deems that the increase is necessary to provide a more beneficial site layout or will result in public benefits/amenities that could not be achieved under current zoning standards.

Staff has had multiple discussions with the applicant team on the proposed Public Benefits Package, and the latest draft is included as Attachment IV. In our discussions, the applicant team has expressed their concerns about ensuring security at the very constrained project site and as a result their preference for funding off-site programs to benefit the public. Staff is generally supportive of the suggested program contributions, but has urged the applicant to consider if there are additional built improvements, such as improved streetscapes, enhanced public art elements, or other nearby built improvements that could be incorporated into the project.

At this juncture, staff would like the CEDC's feedback on the current Public Benefits Proposal and whether it is sufficient to warrant the requested height increase, especially given the close proximity and high visibility of the proposed data center building from Highway 92 and the Hayward shoreline. If not, what changes or additional components does the CEDC recommend?

2. Other Comments. Does the CEDC have any other comments on the preliminary plans for this project?

NEXT STEPS

Following this CEDC Work Session, the project will be presented at a Planning Commission Work Session for further feedback on the Public Benefits Package and project design. Once the application review process and the environmental analysis are complete, staff will return to the Planning Commission for a final determination at a public hearing.

Prepared by: Elizabeth Blanton, AICP, Senior Planner

Recommended by: Sara Buizer, Development Services Director
Paul Nguyen, Chief Economic Development Officer

Approved by:

A handwritten signature in blue ink, consisting of a stylized 'D' followed by a horizontal line and a small loop.

Dustin Claussen, Interim City Manager