



SUBJECT

Preliminary Review of a Major Site Plan Review and Conditional Use Permit Application to Construct Three Speculative Industrial Buildings and a Three-Story Data Center on an Approximately 25-acre Site Located at 25800 Clawiter Road (Assessor Parcel No. 439-0080-003-07, 439-0080-003-12, 439-0080-010-00, 439-0080-005-02, and 439-0080-003-10). Application No. 201906718; Teresa Goodwin for HPA Architecture (Applicant) on behalf of Janet Galvez for Hines (Owner).

RECOMMENDATION

That the Planning Commission review and provide general feedback to the applicant and staff on the proposed Major Site Plan Review and Conditional Use Permit application along with specific direction on the various policy issues identified in the report, subject to the information provided in this report, the attached plans, and related attachments.

SUMMARY

This is a Work Session to provide the Planning Commission and members of the public an opportunity to review the proposed industrial development on a 25-acre site on five parcels along Clawiter Road. The proposed development includes construction of a new industrial campus with three speculative buildings ranging from 56,000 to 215,000 square feet and a three-story data center of approximately 278,000 square feet.

As the site exceeds 10 acres, Major Site Plan Review is required. A Conditional Use Permit is also required given that one of the speculative buildings exceeds 150,000 square feet in size. In addition, the applicant is requesting consideration of a height increase to 108 feet+/- for Building #4 (the data center). While the proposed height exceeds the maximum height allowed in the General Industrial zoning district, the Zoning Ordinance allows the approving authority to 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 and the Commission will have another opportunity to consider the project at a future date once the application and environmental analysis is complete.

BACKGROUND

The proposed project site is located at 25800 Clawiter Road, immediately north of Highway 92. It is comprised of five parcels on approximately 25 acres. The site was previously the location of the Gillig Bus manufacturing site until 2017, when they relocated their facility to another city.

In October 2018, the Council Economic Development Committee reviewed a preliminary proposal for this project.¹ As shown in the meeting minutes (Attachment IV), the CEDC expressed a desire for flexible spaces that would attract commercial, office, advanced manufacturing, and/or research and development uses rather than warehouses to this “highly visible, gateway site,” particularly to portions of the site fronting Highway 92. Regardless of the use, it was said that the overall look of the project should reflect commercial/office characteristics with “a lot of glass, not just at the [building] corner.”

Public Outreach: On October 29, 2019, a Notice of Receipt of Application was mailed to all property owners, residents and business owners within 300 feet of the project site. One member of the public asked to review the plans over the counter at the Permit Center but provided no feedback on the project. To date, staff has not received any written correspondence regarding the project.

On February 14, 2020, notice of this work session was mailed to all property owners, residents and business owners within 300 feet of the project site.

PROJECT DESCRIPTION

Existing Conditions: The proposed 25-acre site is generally flat and located just east of Clawiter Road and north of Highway 92. A Union Pacific railroad spur bisects the site, creating an approximately 17-acre northern portion of the site and an 8-acre southern portion of the site. The northern portion of the site contains a vacant manufacturing building and four smaller accessory buildings, while the southern portion is vacant and partially paved. There is existing vehicular access to both parts of the site from Clawiter Road, with the southern portion having access via a non-exclusive easement for ingress and egress which passes through an adjacent property (Attachment II, Sheet DAB-A1.1). The northern portion of the site is primarily visible from its frontage along Clawiter Road, while the southern portion has a significant visual presence along the Highway 92 corridor. The northern half of the project site is currently zoned General Industrial (IG), while the southern portion of the site is zoned Industrial Park (IP).

Surrounding land uses include food manufacturing, auto repair, warehousing, and other types of industrial uses to the north and west; a Union Pacific railroad line and the Mt. Eden Business Park to the east; and Highway 92 to the south.

¹ CEDC Special Meeting Minutes, October 29, 2018: <https://hayward.legistar.com/LegislationDetail.aspx?ID=3711406&GUID=11E98E24-25F8-4571-8339-AA917C671D0D>

Proposed Project: The project proposes to demolish all of the existing structures on site and construct a new industrial campus with three speculative industrial buildings ranging from 56,000 to 215,000 square feet and a one three-story data center of approximately 278,000 square feet.

The applicant is requesting approval of a Major Site Plan Review application and a Conditional Use Permit to allow redevelopment of the 25-acre site into an industrial campus, which includes two buildings over 150,000 square feet in size. On the northern portion of the site would be an approximately 214,000 square foot industrial speculative building fronting Clawiter Road and a 279,000 square foot three story data center. The northeast corner of the site is planned for a future PG&E substation. The southern portion of the site would feature two additional speculative industrial buildings approximately 57,000 and 66,000 square feet in size. Due to the Union Pacific railroad spur that bisects the site, there is no connectivity between the northern and southern portions of the site.

Architectural Design. The proposed architectural style is modern with a combination of boxy and flat planes, and a mix of wood, concrete, glass, and metal elements. Building corners and entrances are emphasized by projecting elements, large expanses of glass, and metal awnings. The middle portion of most facades has a simpler design using a diagonal painting scheme, punched out windows, and a central wooden element.

Parking. The proposed project includes a total of 333 parking stalls across the site, with parking generally surrounding each of the four proposed buildings. In addition, there will be 45 stalls measuring 10 feet by 55 feet for trailer parking. Bike racks will be located at each building, providing a total of 44 spaces.

Circulation. Autos, trucks, bikes, and pedestrians will all access the site from Clawiter Road. As shown in the Conceptual Circulation Plan included with the project plans (Attachment II), all modes will primarily access each building on its southern side, with trucks and autos having additional access to loading docks and parking areas located on other sides of the structures. Building #1 will have 11 dock doors for trucks, while Building #2 will have 9 and Building #3 will have 26.

As stated above, there is no connectivity between the northern and southern sides of the site due to the Union Pacific railroad spur. The applicant has expressed that Union Pacific recommends reducing the number of railroad crossings, where feasible, to help improve safety for pedestrians, motorists, and employees (Attachment V).

Employee Amenities. The proposed development includes two outdoor employee amenity areas. One is located in the southern portion of the site outside the main entrance to Building #2. The northern portion of the site has a much smaller employee break area located outside of Building #4, however, this space will not be accessible to the employees of Building #3 due to a security fence around Building #4. According to the applicant, each building will also contain space for indoor recreation areas (Attachment V).

Sustainability Features. The applicant is in the process of developing a Sustainability Plan, as is required by Major Site Plan Review. In the meantime, the applicant has expressed interest in working with the City to extend recycled water infrastructure to reach and serve Building #4 (Attachment V). The project is also required to meet CALGreen and 2019 California Energy Code standards for energy efficiency and will meet the City's requirements with respect to water efficient landscaping. It must also comply with the Municipal Regional Stormwater Permit requirements regarding storm water runoff prevention and treatment.

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, bio-technology and high-technology uses.² As proposed, the project meets the general intent of the applicable land use designation in that it includes construction of three speculative industrial buildings and a data center. In addition, the proposed project will support the following *Hayward 2040 General Plan* goals and policies:

- Policy LU-1.1 Jobs-Housing Balance. The City shall support efforts to improve the jobs-housing balance of Hayward and other communities throughout the region to reduce automobile use, regional and local traffic congestion and pollution.
- Policy LU-1.4 Revitalization and Redevelopment. The City shall encourage property owners to revitalize or redevelop abandoned, obsolete, or underutilized properties to accommodate growth.
- Goal LU-6 Industrial Technology and Innovation Corridor. Enhance the Industrial Technology and Innovation Corridor to expand the economic and employment base of Hayward and to achieve a healthy balance between a manufacturing-based economy and an information- and technology-based economy.

Zoning Ordinance: The northern half of the project site is located within the General Industrial (IG) zoning district, while the southern portion of the site is in the Industrial Park (IP) zoning district.³ The IG zoning district is intended to accommodate a wide variety of industrial uses, including heavy industrial and warehousing/distribution uses. 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. Warehousing and distribution uses are allowed in the IP district, provided buildings and site development are designed with an office appearance from the right-of-way, or with flexibility to transition to a manufacturing or research and development use.

² Hayward 2040 General Plan: https://www.hayward-ca.gov/sites/default/files/documents/General_Plan_FINAL.pdf

³ Hayward Municipal Code Section 10-1.1600 (Industrial Districts): https://library.municode.com/ca/hayward/codes/municipal_code?nodeId=HAYWARD_MUNICIPAL_CODE_CH10PL_ZOSU_ART1ZOOR_S10-1.1600INDI

The proposed project is generally consistent with the requirements of the IG and IP zoning districts, with two exceptions. First, the applicant is seeking a height of 108 feet and 4 inches for Building #4 (the proposed data center), which exceeds the 75-foot height limit in the IG zoning district. Section 10-1.1604 of the Hayward Municipal Code⁴ allows for increased building heights 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 V, the applicant has stated that the data center would benefit the community through generation of revenue from property, real estate, income, and sales taxes. In addition, the applicant says the development of a data center supports the General Plan's goal of transitioning to a better balance of manufacturing and information and technology uses in the industrial area.

Secondly, the applicant is requesting a deviation from the parking requirements for Building #4. Pursuant to HMC Section 10-2.350, the minimum parking requirement for wholesale, manufacturing, storage, transportation, and similar uses is one space for each 2,000 square feet of gross floor area for buildings that are 20,000 square feet or greater.⁵ The proposed development includes 30 total parking spaces for Building #4, where 140 parking spaces is required based on the proposed size of the building. The applicant has provided justification that the proposed amount of parking is appropriate for the proposed data center, given the unique nature of the use which involves dedicating significant portions of the building to computers, servers, telecommunications, and related equipment. Per the applicant, the proposed data storage center is anticipated to have three employee shifts which will be scheduled to begin and end during off-peak hours, with a maximum of 30 employees during the largest shift (Attachment V). In addition, the applicant has provided an alternative parking plan (Attachment II, Sheet DAB-4-A1.1-ALT) that demonstrates the additional required parking spaces could be added to the site should the use change in the future.

Industrial Design Guidelines. The project site is subject to the City of Hayward Industrial District Design Guidelines.⁶ Generally, the Industrial District Design Guidelines support coordinated landscaping along frontages, safe and clearly demarcated pedestrian connections, prominent entries with articulation and detailing, loading docks at the side or in the rear, and amenities such as recreational facilities, open space, benches, shelter, and other features that enhance the employee experience.

As shown in the project plans (Attachment II), the proposed project includes features that reflect the Industrial District Design Guidelines. Each building features enhanced architectural treatment at entrances/corners that includes the use of varied materials and projecting shapes. However, the central segment of most elevations, including those of Buildings #1 and

⁴ HMC Section 10-1.1604 (Development Standards):

https://library.municode.com/ca/hayward/codes/municipal_code?nodeId=HAYWARD_MUNICIPAL_CODE_CH10PLZOSU_ART1Z00R_S10-1.1600INDI_S10-1.1604DEST

⁵ HMC Section 10-2.350 (Required Parking Ratios for Wholesale, Manufacturing, Storage, Transportation, and Similar Uses):

https://library.municode.com/ca/hayward/codes/municipal_code?nodeId=HAYWARD_MUNICIPAL_CODE_CH10PLZOSU_ART2Z0REPARE_IIRERAPASP_S10-2.350WHMASTRSIUS

⁶ City of Hayward Industrial District Design Guidelines: <https://www.hayward-ca.gov/sites/default/files/Industrial%20Design%20Guidelines.pdf>

#2 which front Highway 92, have much simpler paint and window treatments. A gateway element is proposed at the northwest corner of the site that incorporates the City's branding (Attachment V).

STAFF ANALYSIS

As described in detail above, the proposed development is seeking approval of a new industrial campus development on a prominent, highly visible catalyst site. In fact, the impending redevelopment of this site was a key contributor to the City deciding to undertake the recent update to the Industrial District zoning regulations and the development of the new Industrial District Design Guidelines.

To date, the applicant has completed one round of revisions of the project plans based on written comments from and an in-person meeting with City staff. The plans included as an attachment to this staff report reflect the second official submission from the applicant. At this point, staff and the applicant would like feedback from the Commission on the following items:

1. Site Design. Staff appreciates the applicant's efforts to improve the overall site design by including a gateway element along Clawiter Road and a larger outdoor employee amenity space at the entrance of Building #2. However, staff is concerned that the site still lacks a campus-like feel, which is the stated intention of the Industrial Park zoning district (southern portion of the site). An improved campus design on the southern portion of the site could be achieved through more usable landscaped space, a series of outdoor plazas/gathering spaces, improved pedestrian and bicycle connections through the site, or other interventions that would enhance the ability of the southern portion of the campus to attract R&D, technology, advanced manufacturing, and office uses in addition to traditional industrial uses.
2. Architectural Design. As described above, the proposed modern architectural design features boxy and flat planes that are differentiated by varied materials, particularly at building corners and entrances. Staff is generally supportive of the new design style featured in this latest submission. However, to be consistent with CEDC's direction, the high level of architectural detail and variation found at the building corners could be continued across the entire southern facades of Buildings #1 and #2. This will allow the development to feature its most attractive face along Highway 92, its most prominent frontage.
3. Building #4 Height Increase. As noted above, the applicant is seeking a height of 108 feet and 4 inches for Building #4 (the proposed data center), which exceeds the maximum allowable height in the IG 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. The applicant states that the data center would provide a public benefit in the form of generating tax revenue and providing a new informational and technology

use. However, staff is concerned that these stated benefits don't meet the intention of the zoning regulations, which is to allow an increase in height for projects that go above and beyond in providing an improved site layout or other significant public benefit. From staff's perspective, examples of appropriate interventions which may warrant an increase in height could include significant art installations, a central plaza feature, improved multi-modal accessibility, and/or some form of connection between the northern and southern portions of the site. (See related comments in Item #1 above.)

4. Building #4 Parking Reduction. According to the proposed site plan, the development would require a deviation from the required parking standard for Building #4 by 110 spaces. Staff is supportive of the proposed parking reduction, given the low employee requirements of a data center, and the ability of the site to accommodate additional parking in the future if the use changes. However, given the significance of the parking reduction requested, staff would like the Commission's input on this topic.

ENVIRONMENTAL REVIEW


The proposed project is subject to CEQA, and an Initial Study will be prepared once the proposed development program is finalized and the application deemed complete. Based on the analysis in the Initial Study, staff will determine the appropriate level of environmental analysis required for the project.

NEXT STEPS

Following the Planning Commission Work Session, and once the application has been deemed complete, staff will conduct environmental analysis on the proposed project. Once completed, staff will return to the Planning Commission for consideration and potentially project approval.

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