



SUBJECT

Industrial District Regulations Update Planning Commission Study Session

RECOMMENDATION

That the Commission review and provide feedback on the Draft Industrial District regulations composed of zoning map, text amendments and design guidelines.

SUMMARY

This is a study session on the Industrial District Regulations Update, which will require zoning map and text amendments to the Hayward Municipal Code (HMC) and review of the draft Industrial District Design Guidelines. The Industrial areas encompass approximately 3,200 acres of land primarily located at the western edge of the City and at scattered sites along Jackson Street and along Southern Pacific railroad right-of-way that runs in an east-west direction through the City. Approximately 80% of the industrially zoned land is located within the Industrial District with the remaining 20% split among Planned Development District, Air Terminal Districts, Business Park District and Light Manufacturing District. This “one size fits all” approach to industrial zoning treats nearly all the industrial areas in the same way, subject to the same use regulations and development standards regardless of location, context and surrounding uses. The objective of the Industrial District Regulations Update is to bring the City’s zoning regulations into closer conformance with General Plan Goals and Policies related to industrial development to promote well-designed, amenity-rich development for employees and visitors to the area; address and minimize compatibility issues between industrial and adjacent sensitive uses; and encourage establishment and expansion of advanced manufacturing and high employee generating uses and discourage low-employment intensity, high-impact uses.

BACKGROUND

The *Hayward 2040 General Plan*¹ recognizes the Industrial Technology and Innovation Corridor (Industrial Corridor) and the Mixed Industrial land use designations as important economic assets that must be protected and enhanced. Adopted in 2014, the General Plan contains goals and policies to support land use changes that will help Hayward expand from a primarily warehousing and manufacturing-based economy to an information, technology and advanced manufacturing-based economy. The General Plan also includes Implementation Program Land Use (LU-11), to adopt updates to the industrial regulations sometime between 2017-2019, to achieve Industrial-related General Plan goals and policies.

¹ General Plan Goal 6, Industrial Technology and Innovation Corridor: <https://www.hayward2040generalplan.com/goal/LU6>

The Economic Development Strategic Plan 2014-2018² (EDSP) also contains goals related to the Industrial Sector. These goals include IS4.A, to ensure that current zoning allows for desired uses and IS4.D, to develop preferential zoning areas that support the desired business types, which include advanced manufacturing and research and technology-based uses.

In 2015, the Economic Development Division prepared an Industrial Technology & Innovation Corridor Baseline Profile³ to provide a snapshot of industrial businesses located in Hayward; to create a database of major employers and trends; to identify locations of industry clusters; and to determine the most effective and efficient way to implement General Plan and EDSP goals and policies outlined above. Key recommendations from the Baseline Profile included exploring land use and zoning policies to attract advanced industries; encourage development and redevelopment of flexible industrial spaces; develop infrastructure and amenities to attract advanced industries; and, to foster partnerships to grow certain industry sectors.

On April 11, 2017, the City Council adopted Resolution No. 17-037, authorizing the City Manager to execute an agreement with RRM Design Group to prepare a comprehensive update to the City's Industrial Zoning District regulations⁴.

In the summer of 2017, RRM held meetings with City staff and conducted stake holder interviews with industrial brokers, property and business owners, and subject matter experts involved with industrial development. Following this outreach, RRM developed the Industrial District Regulations Update - Research and Recommendations Report⁵. Appendix A of the Report contains a Stakeholder Interview Summary, and Appendix B contains a Business Survey Report. The Appendices detail specific comments heard during the outreach effort.

In December 2017, the findings and recommendations contained in the Research and Recommendations Report were presented to the Council Economic Development Committee (CEDC). In January 2018, the same materials were presented to the Chamber of Commerce Board of Directors, and at a community meeting which was attended by approximately 60 members of the industrial community. Comments and notes from those meetings can be found on the project website⁶.

PROJECT DESCRIPTION

The project proposes to amend the Zoning Map and various sections of the Hayward Municipal Code (HMC), as briefly outlined below; and include the adoption of design guidelines for new Industrial development. The proposed **NEW** Sections contain entirely new text while **REVISED** Sections provide updates to existing HMC regulations with the revisions indicated with underlined text for additions and ~~striketrough~~ text for deletions.

² Economic Development Strategic Plan: https://www.hayward-ca.gov/sites/default/files/documents/Economic_Development_Strategic_Plan.pdf

³ Economic Development Baseline Profile: <https://www.hayward-ca.gov/sites/default/files/Industrial%20CorridorBaseline%20Industrial%20Profile.pdf>

⁴ City Council (4/11): <https://hayward.legistar.com/LegislationDetail.aspx?ID=3015793&GUID=264231A4-D534-40D4-9A4F-963F450F81CC>

⁵ Industrial District Regulations Update Research and Recommendations Report: https://www.hayward-ca.gov/sites/default/files/Research%20and%20Recomentations%20Report_final.pdf

⁶ Project Website: <https://www.hayward-ca.gov/content/industrial-district-regulations-update>

- REVISED Zoning Map (Attachment II). The updated Zoning Map would subdivide the existing industrial areas (Industrial District, Light Manufacturing District and Business Park District) into three subdistricts (Limited Industrial, Industrial Park and General Industrial) to accommodate differences in character and context and to allow establishment of sub-district purposes, uses and development standards. All Air Terminal District and PD (Planned Development) District (total of 54 parcels) will retain their current zoning because they are subject to site-specific regulations.
- NEW HMC Section 10-1.1600, Industrial District (Attachment III). This attachment contains the most substantive modifications to the industrial areas within the City and will replace the existing HMC Section 10-1.1600, Industrial District⁷; HMC Section 10-1.1700 Business Park District⁸; and HMC Section 10-1.1800, Light Manufacturing District⁹. The text within this Attachment will comprise a new HMC Section 10-1.1600, split into three sub-districts. Structured like other zoning district regulations within the HMC, this new section contains purpose, uses, development, supplemental, and performance standards for the Industrial sub-districts.
- NEW Industrial District Design Guidelines (Attachment IV). The Industrial Design Guidelines would provide clear visual and written guidance to developers on site planning, architecture, landscaping, utilitarian equipment, among other areas. The Guidelines would be adopted by Resolution and replace the existing City of Hayward Design Guidelines¹⁰ sections related to industrial development.
- REVISED HMC Section 10-1.3500, Definitions (Attachment V). This section contains definitions for uses and other terms utilized throughout the HMC. To the greatest extent possible, industrial uses and definitions were updated for internal consistency with the revised HMC Section 10-1.1600, as well as other districts within the HMC.
- REVISED HMC Section 10-1.2735(j), Small Recycling Collection Facilities (Attachment VI). This sub-section of HMC Section 10-1.2700, General Regulations, contains specific standards and requirements for small recycling facilities that do not exceed 500 square feet. The proposed update would simplify definitions related to recycling facilities and eliminate unnecessary text related to unattended collection boxes.
- REVISED HMC Section 10-1.1900, Air Terminal Districts (Attachment VII). Updates include updated industrial uses and definitions for internal consistency in the HMC.
- REVISED HMC Chapter 10, Article 2, Off-Street Parking Regulations (Attachment VIII). This section contains modifications to warehouse, storage and miscellaneous industrial uses listed in the Off-Street Parking Regulations. This Article is also updated

⁷ Current HMC Section 10-1.1600, Industrial District:

https://library.municode.com/ca/hayward/codes/municipal_code?nodeId=HAYWARD_MUNICIPAL_CODE_CH10PLZOSU_ART1ZOOOR_S10-1.1600INDII

⁸ Current HMC Section 10-1.1700, Business Park District:

https://library.municode.com/ca/hayward/codes/municipal_code?nodeId=HAYWARD_MUNICIPAL_CODE_CH10PLZOSU_ART1ZOOOR_S10-1.1700BUPADIBP

⁹ Current HMC Section 10-1.1800, Light Manufacturing, Planning/Research and Development District:

https://library.municode.com/ca/hayward/codes/municipal_code?nodeId=HAYWARD_MUNICIPAL_CODE_CH10PLZOSU_ART1ZOOOR_S10-1.1800LIMAPLREDEDILM

¹⁰ City of Hayward Design Guidelines: <https://www.hayward-ca.gov/sites/default/files/COH%20Design%20Guidelines.pdf>

to include a new Section 10-2.408 related to credits for Carsharing Programs, and an update to Section 10-2.623, related to private industrial driveway standards.

- NEW HMC Section 10-1.3075, Major Site Plan Review (Attachment IX). Pursuant to updated HMC Section 10-1.1605(B), Major Site Plan Review would be required for projects sites of 10 or more acres. Major Site Plan Review is a new entitlement type and follows the structure of other entitlements including purpose, application and submittal requirements, findings, appeals, among others. The Major Site Plan Review process deviates from standard Site Plan Review in that it would require Planning Commission approval of large-scale developments.
- NEW HMC Section 10-1.2735(m), Food Vendor Permit (Attachment X). The Food Vendor Permit is currently embedded within the existing Industrial District regulations (HMC Section 10-1.1645(k)). Staff recommends that it be removed from the Industrial District regulations, and placed in HMC Section 10-1.2700, General Regulations, which contains standards and requirements for uses throughout the City. This modification would allow the HMC to be easily modified in the future to allow Food Vendors outside of Industrial sub-districts.

ENVIRONMENTAL REVIEW

Following study sessions with the Planning Commission and City Council, the draft documents will be finalized and an Initial Study (IS) will be prepared in accordance with the California Environmental Quality Act (CEQA), to determine if and to what extent the proposed regulations and map amendments would have a significant effect on the environment. The impact analysis in the IS will determine whether an Environmental Impact Report (EIR) or a Negative Declaration/Mitigated Negative Declaration (ND/MND) will be prepared for the project.

NEXT STEPS

The City Council will hold a Study Session on the Draft Regulations and related documents in Winter 2018. Following the City Council Study Session, staff will incorporate comments and finalize the Draft Regulations and undergo environmental review. Following completion of environmental analysis, the Draft Regulations and environmental documentation will come back to the Planning Commission for review and recommendation and to the City Council for ultimate adoption. The draft documents are currently on the project website, and City staff will take public comments on the documents between now and the City Council Study Session.

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