



DATE: April 1, 2019

TO: Council Economic Development Committee

FROM: Deputy City Manager

SUBJECT: Review of a Site Plan Review from U-Haul to Demolish an Existing Historic Building and Construct Two New Industrial Buildings for a Corporate Facility on a 7.3-Acre Parcel Located at 4150 Point Eden Way

RECOMMENDATION

That the Council Economic Development Committee reviews and provides feedback on this proposed U-Haul facility to the applicant and staff.

SUMMARY

On February 25, 2019, U-Haul submitted a Site Plan Review application for a corporate U-Haul facility located at 4150 Point Eden Way. The project proposes two new concrete tilt-up buildings totaling 96,134 square feet in floor area, which would require the demolition of an existing historic building. The proposed facility would consist of a 56,848-square-foot flex warehouse building and a 40,786-square-foot corporate maintenance facility.

Levi Coulter from U-Haul (Applicant) will be present to discuss their proposal and answer questions from the committee.

BACKGROUND

The project site was formerly occupied by the Oliver Brothers Salt Company and used for salt production. The Oliver Brothers Salt Company ceased operations in 1982 and since then, the salt ponds have been naturally reclaimed and most of the structures have been demolished. The only remaining building is a wooden warehouse building, which was constructed in the late 1930s and expanded through the 1950s. A historic evaluation in 1994 found the site to be a rural historic landscape meeting the criteria for the National Register of Historic Places due to its association with salt production. A site visit in 2009 found that the justification for the site meeting the criteria of the National Register of Historic Places is challenged but that the site would still likely meet the criteria for the California Register of Historic Places.

On September 15, 2016, the City received a Site Plan Review application for the construction of a 49,600-square-foot industrial building, which included warehouse and office space and 59 parking stalls. Following input from City staff and the Hayward Area Shoreline Planning

Agency (HASPA), which is a joint powers authority comprised of the City, Hayward Area Recreation and Park District (HARD), and East Bay Regional Park District (EBRPD), the applicant withdrew the application due to the required improvements, environmental challenges, and City’s desire for a building that incorporates exceptional architecture given that the site serves as a gateway to the City.

Since U-Haul purchased the property in 2017 and before submittal of this application, staff met with U-Haul representatives and corresponded via e-mail and phone several times to communicate the various land use and environmental issues associated with this project. Staff expressed that the City would not likely support a typical industrial land use at this site given that the site serves as a gateway to the City and is located next to sensitive natural habitat. Staff also indicated that demolition of the existing historic structure would require a full Environmental Impact Report. HASPA expressed similar concerns at several quarterly Board of Trustee meetings. Since receipt of this application, staff has also received several e-mails expressing concern regarding the demolition of the historic building and the site’s proximity to wetlands and marshes.

DISCUSSION

Zoning and General Plan. The 7.3-acre project site is located within the Industrial Zoning District with a land use designation of Industrial Technology and Innovation Corridor (IC) within the Hayward 2040 General Plan. The purpose of the Industrial District is to provide for and encourage the development of industrial uses in suitable areas and promote a desirable and attractive working environment with minimal detriment to surrounding properties. Both the Industrial District and IC land use designation allow for a mix of offices, manufacturing, and light industrial uses such as research and development facilities and high-technology uses.

Although warehouses and vehicle maintenance facilities are permitted in the Industrial District, the Hayward 2040 General Plan provides several policies relevant to this project and site:

- LU-6.1 (Land Uses) – The City shall encourage employee-intensive uses, such as professional office, corporate campuses, research and development, traditional and specialized manufacturing, throughout the Industrial Technology and Innovation Corridor.
- LU-6.7 (Design Strategies) – The City shall encourage developments within the Industrial Technology and Innovation Corridor to incorporate the following design strategies:
 - Provide attractive on-site landscaping and shade trees along street frontages and within employee and visitor parking lots.
 - Screen areas used for outdoor storage, processing, shipping and receiving, and other industrial operations with a combination of landscaping and decorative fences or walls.
 - Encourage consistent architectural façade treatments on all sides of buildings.
 - Screen roof-top equipment with roof parapets.
 - Design shipping and receiving areas and driveways to accommodate the turning movements of larger trucks.

- Develop coordinated and well-designed signage for tenant identification and way-finding.
- Incorporate attractive building and site lighting to prevent dark pockets on the site.
- Provide pedestrian walkways to connect building entrances to sidewalks.
- Use landscaped buffers with trees and attractive sound walls to screen adjacent residential areas and other sensitive uses.
- ED-5.5 (Quality Development) – The City shall require new development to include quality site, architectural and landscape design features to improve and protect the appearance and reputation of Hayward.
- NR-8.4 (Shoreline Views Protection) – The City shall maintain and implement residential and non-residential design guidelines in order to protect existing views of the Bay shoreline.

Furthermore, the City is currently working on the [Industrial District Regulations Update](#), which will classify existing industrially-zoned properties into three subdistricts: Light Industrial (IL), Industrial Park (IP), and General Industrial (IG). The update proposes to classify the project site and surrounding area near Highway 92 and the Hayward Regional Shoreline as IP, which is intended for high technology, research and development, and industrial activities in an industrial park or campus-like atmosphere. Warehouses are allowed in the IP subdistrict, provided buildings and site development are designed with an office appearance or with flexibility to transition to a specialized manufacturing or research and development use. Automobile repair will not be an allowed use in the IP subdistrict.

Project Description. As mentioned previously, the project proposes to develop two new concrete tilt-up buildings totaling 96,134 square feet in floor area, which would require the demolition of an existing historic building. The proposed facility would consist of a 56,848-square-foot flex warehouse building (Building A) and a 40,786-square-foot corporate maintenance facility (Building B). The maximum height of Building A is 42 feet and the maximum height of Building B is 30 feet. Both buildings incorporate real and faux windows (i.e., spandrel glass), stucco and metal panels on the walls to complement the concrete tilt-up panels, and a mix of building colors including orange, shades of tan, and natural green.

The Hayward Municipal Code establishes a minimum parking requirement of one space for every 2,000 square feet of floor area for industrial development with buildings larger than 20,000 square feet in floor area. Therefore, a total of 49 parking spaces are required for this project. However, the project proposes 108 parking spaces. The project also proposes landscaping along the perimeter of the property, a bioretention area in the southwest corner of the site, and other related site improvements.

Policy Direction. In accordance with the relevant Hayward 2040 General Plan policies and pending Industrial District Regulations Update, the project site is envisioned for high-technology and/or corporate office uses. Additionally, the project site is located in a highly sensitive and important area. The site is adjacent to natural wetlands and marshes and near the Hayward Regional Shoreline. The site also serves as a critical gateway to the City from the San Francisco Peninsula in that it is prominently located right off the San Mateo – Hayward Bridge (State Route 92).

Staff is requesting that the CEDC provide policy feedback on whether the proposed warehouse and vehicle maintenance facility and demolition of the existing historic building would be supportable. The CEDC may also share comments on the proposed design and other elements of the development to the applicant and staff.

STRATEGIC INITIATIVES

Not analyzed for this report.

NEXT STEPS

Following this meeting, the applicant will take into consideration any comments and feedback from the CEDC into their development proposal prior to resubmitting for their development application. If the project is deemed complete and supportable by staff, the project would commence environmental review in accordance with the California Environmental Quality Act (CEQA) Guidelines.

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Approved by:



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