

HPA

Response Letter

Date Issued: November 19, 2019
 Project: Clawiter Innovation Project
 Address: 25800 Clawiter Road
 Application No. 201906718

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 City of Hayward Planning Division
 777 B Street, 1st Floor
 Hayward, CA 94541

January 30, 2020

RE: Major Site Plan Review and Use Permit

Development Services - Planning Comments:

1. Design. The Industrial Park District (IP) is intended to provide areas for high technology, research and development, and industrial activities in an industrial park or campus-like atmosphere. However, there is little in the proposed plan set that shows a connected and holistic look, as is expected in a campus setting. Revise the plans to show a coordinated site design that treats the site as an integrated campus and includes visual cues befitting of an "Innovation Center."
 - a. *Gateway*. Design the main entrance to the campus along Clawiter to serve as a prominent gateway to the site. This could include increasing the landscaping area, installing a sculptural element, or enhancing the building corner to really make a statement at that main entrance to the site.

Response:

Following our meeting as discussed to add a Gateway design we added a signage element at the north west corner of the site. We propose using the sign with the large punched H from the preliminary signage design package provided by the City of Hayward (shown below). In order to improve the amenity space the exterior break previously in this areas was relocated from the north west corner to east of Building 3.



2. *Employee Amenity Areas.* Design employee amenity areas befitting of an Innovation Campus. Per the City of Hayward Industrial Design Guidelines, this could include walking paths, patios barbecue areas, recreational facilities, and ample seating areas.

Response: The amenity spaces have been revised to match the angular design added to the elevations. The landscaping and treatments are consistent throughout all buildings with some variability based on building type and size. In addition, space will be set aside inside the building for recreation area. Exact recreation use to be determined by future Tenant.

3. *Railroad Spur.* The Conceptual Site Plan appears to show landscaping over the rail spur that bisects the site. Sheets C1.0 and LC1.1 clearly identify the rail spur. Other plan sheets such as Sheets DAB-2-A1.1, DAB-4-A1.1, and DAB-A1.1 are unclear as to where the rail spur is. Please make sure the rail spur is clearly and consistently indicated on all relevant sheets. As was recommended previously, staff strongly recommends that you look into installing safety gates to allow safe vehicular, pedestrian, and truck passage over the railroad to provide an access point between the two halves of the site.

Response: See updated plans to show the rail spur consistently. No work is proposed within the existing rail spur area. The location of the existing vehicular crossing will be maintained for emergency vehicle crossing only.

Union Pacific has stated several times and strongly recommends that the safest crossing is no crossing and their ongoing goal is to reduce the overall number of crossings to help improve the safety for pedestrians, motorist, and employees. In addition, Union Pacific endorses the United States Department of Transportation's goal of reducing the number of crossings, both public and private, through consolidation, elimination, and restriction of the number of new crossings installed. The Hines development team search throughout the city of Hayward and beyond, and there are zero examples of this strategy/access via a railroad being implemented successfully within a single project, crossings and access points over railroads primarily existing within major public right of ways only.

4. *Building 4.* The height and Floor Area Ratio (FAR) for Building 4 exceed the maximum allowable. Per HMC Table 10-1.1604, additional height may be allowed through the Major Site Plan Review process, provided 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. Specify what public benefits/amenities will be provided to justify this increased height. Possible public benefits could include significant art installations, central plaza features, a new connection between the north and south sides of the site, etc.

Response: The tenant for Building 4 will provide direct investment of approximately \$500 million over the next 10 years, including both capital and operating expenditures. The construction and operation of the data center would generate approximately 550 – 800 permanent, full-time jobs, including direct, indirect and induced employment positions and generate approximately \$86 million in GDP (total value added) over the next 10 years. In addition, the tenant is committed to working closely with the City of Hayward to partner on various workforce development and community engagement initiatives targeting K-12 technical education development and environmental stewardship.

In addition, capital investment is a major driver of tax revenue growth. Data Centers are highly capital-intensive. Capital investment in a data center could be \$50 million on the low end and up to \$1B. This investment comes in the form of construction of a new building, purchases of computer services, and consumption of electricity. The community makes money from a data center's capital investment due to sales taxes on construction materials, sales/use taxes on equipment purchases, sales taxes or franchise fees on power consumption, local income taxes from construction and permanent jobs, real estate taxes on newly constructed buildings, and personal property taxes on computer servers and furniture. Data centers also come with minimal costs of services for roads.

The City's goals in the Industrial Technology and Innovation Corridor ("ITIC") support a transition from a manufacturing-based economy to an information and technology based one. Accordingly, policies in the General Plan encourage the development of "employee-intensive uses" in ITIC. This includes the conversion of "obsolete industrial and warehouse distribution space" into more productive uses.

5. *Vehicular Parking.* The project data for Building 4 cites a parking ratio of 1 space per 9,000 square feet for the data center. This is inconsistent with the requirements of HMC Sec. 10-2.350, which would require parking at a ratio of 1 space per 2,000 square feet based on the size of the building. If you would like a lower parking ratio to be considered, provide a parking memo that specifies justification for the requested parking ratio, evidence that supports a lower parking need for data centers or similar uses, and a plan for how additional parking could be accommodated in the future if the use changes. Additional parking could be accommodated through a reconfiguration of parking areas, valet parking, car stackers in a parking structure, etc.

Response: The submittal package includes an alternate parking plan consistent with the required parking at a ratio of 1 per 2,000 square feet, in the event that building 4 is no longer needed for data center use. Building 4 will consist of approximately 273,000 square feet of data center use & storage, and 5,000 square feet of office space. The rise of digital age has produced the need for warehousing, transformation, and processing of digital information. This need is met by dedicating portions of buildings to computers, servers, telecommunications, and related equipment. As such, data centers typically need 5 parking spaces for the first 5,000 square feet and 1 parking space for every additional 10,000 square feet. The proposed data storage center will have three employee shifts which will be scheduled to begin and end during off-peak hours. At buildout, there will be approximately 30 employees for the morning shift, 19 employees for the afternoon shift and 8 employees for the late evening shift. The total number of employees will be 62 that is comprised of 25 full time employees, and 37 contractors.

6. *Sustainability Plan.* Per HMC Sec. 10-1606(R), provide a Sustainability Plan describing measures that will be implemented on the site to reduce energy and water consumption and to support the City's Climate Action Plan goals and policies. Examples of sustainability measures include installation of solar panels, grey water systems, TDM strategies, and use of environmentally sustainable building materials.

Response: This is in progress and will be submitted separately.

In addition, due to recent drought conditions the City of Hayward is a proponent of need to conserve drinking water supplies. One of the highest demands of the Hayward's water supply comes from irrigation of lawns and landscaping. To end this, the City of Hayward is implementing a Recycled Water Project to provide recycled water for irrigation of parks, schools, roadway medians, and landscaped areas around commercial and industrial buildings, as well as industrial purposes. To aid this effort, the Building 4 tenant has plans to use recycled water at this facility, subject to reaching terms with the City of Hayward to extend the recycled water system to the site. The tenant is currently conducting a few feasibility studies to efficiently and successfully extend the pipeline to the site in coordination with the City. If the Tenant and City can reach an agreement it would result in several community benefits, including creating locally sustainable water supply to the site, conserving drinking water supplies, improving water supply reliability during droughts and reducing treated wastewater discharges to San Francisco Bay.