



DATE: April 11, 2017

TO: Mayor and City Council

FROM: Development Services Director

SUBJECT: Adoption of a Resolution Authorizing the City Manager to Execute an Agreement with RRM Design Group to Prepare a Comprehensive Update to the City's Industrial District Regulations and Related Environmental Analysis for an Amount Not to Exceed \$225,000

RECOMMENDATION

That the City Council adopts the attached resolution authorizing the City Manager to negotiate and execute an agreement with RRM Design Group to prepare a comprehensive update to the City's Industrial Zoning District regulations and related environmental impact analysis.

SUMMARY

In order to accomplish adopted General Plan and Economic Development Strategic Plan goals, policies and implementation programs, the City released a detailed Request for Proposals (RFP) seeking a professional urban planning firm to update the Hayward Municipal Code Zoning Ordinance related to Industrial Districts. The City received proposals from five firms. Proposals were carefully reviewed by Planning Division and Economic Development Division staff, who selected RRM Design Group as the preferred candidate. Staff requests that Council authorize the City Manager to execute an agreement with RRM Design Group for a total amount not to exceed \$225,000, and a term not to extend beyond June 30, 2019.

BACKGROUND

The [Hayward 2040 General Plan](#) recognizes that the Industrial Technology and Innovation Corridor (Industrial Corridor) is an important economic asset that must be protected and enhanced. The General Plan contains goals and policies to support land use changes that will help Hayward transition from a manufacturing-based economy into an information, technology and advanced manufacturing-based economy. The General Plan also includes Implementation Program Land Use (LU)-11, which encourages development and adoption of a specific or master plan for the Industrial Corridor sometime between 2017-2019, to achieve the General Plan goals and policies. The Industrial Corridor is shown in the dark purple crescent along the western edge of the City in Attachment IX, General Plan Land Use map.

The [Economic Development Strategic Plan 2014-2018](#) (EDSP) also contains goals related to the Industrial Sector. These include but are not limited to 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.

In early 2015, Economic Development Division staff prepared an Industrial Technology and Innovation Corridor Baseline Profile (Attachment III) to provide a clearer picture of the industrial businesses located in Hayward, to create a database of major employers and trends, and to identify locations of industry clusters. One of the main goals of the baseline analysis was to determine the most effective and efficient way to implement General Plan and EDSP goals and policies related to protection and expansion of the area.

The Baseline Report findings and recommendations were presented to the Council Economic Development Committee on March 2, 2015, to the City Council on March 17, 2015 and to the Planning Commission on April 9, 2015. Minutes from all meetings are included as Attachments VI, VII and VIII, respectively, to this staff report.

DISCUSSION

Following preparation of the Baseline Report and considering the clear guidance included in the General Plan and the EDSP, Planning and Economic Development staff concluded that preparation of a Specific Plan or Master Plan for the area would be redundant, time-consuming, costly and would still require a comprehensive update to the Industrial District zoning regulations. Rather, the City's vision and intent for the area could more immediately be realized with a simpler, streamlined approach of amending the Zoning Ordinance to bring the use categories, development standards, performance measures and infrastructure requirements into conformance with the goals and policies of the General Plan and EDSP as complemented by the market analysis and Conclusions and Recommendations included in the Baseline Report.

Staff conducted extensive research and analysis to prepare a Request for Proposals (RFP) and completed a competitive bidding process to select a consultant to prepare the comprehensive update. On August 8, 2016, the City released a detailed RFP. The City received proposals from five firms: M Group; Michael Baker International; Mintier Harnish; PlaceWorks; and RRM Design Group. A committee of Planning Division and Economic Development Division staff reviewed the proposals and interviewed four firms before determining that RRM Group was the preferred candidate to complete the subject work.

RRM's Scope of Work and Fee Schedule are attached to this staff report as Attachments IV and V. Staff found that RRM and its team members have recent experience developing updated 21-century industrial zoning regulations (South San Francisco, El Monte, among others); a strong design background with architects on staff; a thorough understanding of the complexities related to crafting use, development and performance standards to achieve the City's vision; a strong public outreach component; expertise to develop a defensible environmental analysis; and the ability to do this work within the required budget and year-long timeframe.

The Scope of Work includes two estimates for environmental review. The base Scope of Work assumes preparation of an Addendum to the General Plan EIR, which is appropriate if planned

modifications will be consistent with the General Plan and its associated Program Environmental Impact Report (EIR). However, if substantial changes are proposed that would require major revisions to the General Plan or General Plan EIR, then it may be necessary to prepare environmental studies and a Supplemental EIR. The expanded environmental scope (included as Attachment 1 to RRM's Scope) would cost an additional \$56,000 and add about six months to the project timeframe. It is important to note any modifications to the base Scope of Work, including preparation of this higher level of environmental analysis, would require City review and approval.

FISCAL IMPACT

The proposed project is expected to be completed within the initial \$165,000 estimate, which would cover the base Scope of Work and minimal CEQA analysis. A portion (\$93,000) of that cost will be absorbed within the Planning Division FY 17 approved operating budget.

The remaining \$72,000 for the initial project is not currently budgeted, and has been recommended in the Proposed FY 2018 Operating Budget for the Planning Division of Development Services. If staff finds that additional CEQA analysis is warranted and approves the consultant to move forward with the work, the additional estimated \$56,000 will also be included in the FY 2018 Proposed Operating Budget for the Planning Division of Development Services. Staff is recommending a total contract not to exceed amount of \$225,000 to cover possible additional expenses above the initial \$221,000 consultant estimate and to allow the work to proceed without having to return to Council for additional contracting authorization when the budget allocation is made for FY 2018.

NEXT STEPS

If the Council approves the attached resolution, staff will prepare an Agreement to be executed between the City of Hayward and RRM Design Group in a form approved by the City Attorney, and will hold a kick-off meeting in May 2017.

Prepared by: Leigha Schmidt, Senior Planner

Recommended by: David Rizk, AICP, Development Services Director

Approved by:



Kelly McAdoo, City Manager