



SUBJECT

Proposed Demolition of an Existing 14,640-Square-Foot Truck Terminal and Construction of a New 45,336-Square-Foot Truck Terminal and Related Site Improvements on a 7.9-acre parcel located at 2256 Claremont Court (Assessor Parcel Number 436-0025-043-04), Requiring Approval of a Conditional Use Permit and Major Site Plan Review, and Adoption of a Mitigated Negative Declaration and Accompanying Mitigation Monitoring and Reporting Program. Applicant/Project Manager: Ryan Bernal, Kimley Horn; Property Owner/Developer: Andrew Falzarano, Hayward Property LLC/Crown Enterprises, Inc.

RECOMMENDATION

That the Planning Commission approve Conditional Use Permit and Major Site Plan Review Application No. UP-24-0006 as shown in the proposed plans (Attachment IV), based on the Findings (Attachment II) and subject to the Conditions of Approval (Attachment III); and adopt the Mitigated Negative Declaration and accompanying Mitigation Monitoring and Reporting Program (Attachments V and VI, respectively), which was prepared in accordance with the requirements of the California Environmental Quality Act (CEQA).

SUMMARY

The proposed project would result in the removal of a 14,640-square-foot truck terminal with related parking area and refueling station to allow the construction of a new 45,336-square-foot truck terminal with related site improvements, including new parking and circulation areas, construction of a covered refueling station, and trash enclosure. The existing parking lot at the front of the property adjacent to Claremont Court would be preserved and modified slightly to meet current design standards for off-street parking. Truck terminals require approval of a Conditional Use Permit (CUP) to operate in the General Industrial (IG) zoning district. Additionally, the project requires Major Site Plan Review because the proposed plans do not meet the minimum on-site open space requirement for a new industrial development. This requirement can be reduced through the provision of on-site amenities that offset the proposed reduction, but only through Major Site Plan Review approval by the Planning Commission.

In addition to the project entitlements, the Commission is being asked to review and adopt a Mitigated Negative Declaration (MND) that was prepared for the project in accordance with California Environmental Quality Act (CEQA). The Initial Study identified a small number of potential environmental impacts that could result from the construction of the project in the areas of Hazards/Hazardous Materials and Noise; however, the MND prescribes mitigation measures that would reduce all the identified impacts to less-than-significant levels. These mitigation measures have been added to the conditions of approval, included in Attachment III.

BACKGROUND

The existing truck terminal facility on the site was constructed in the late 1980s and has been used for truck freight transportation purposes since that time. Truck terminals did not require a Conditional Use Permit when the subject property was originally developed, so the existing terminal has been operating as a legal non-conforming use for the last several decades. However, since the proposed project would replace the existing terminal with a new, significantly larger terminal, it requires approval and issuance of a CUP.

Prior to the terminal's construction, the property was undeveloped and was originally used for agricultural purposes dating as far back as the 1930s. The current tenant, Central Transport, has occupied the site for the last several years. If the proposed truck terminal is approved, Central Transport plans to reoccupy it upon completion of construction.

Public Outreach. On March 5, 2024, the City mailed 40 Notices of Application Receipt for the project to the owners and occupants of all properties within a 300-foot radius of the project site. No comments were submitted to the City in response to the Notices of Application Receipt.

On January 30, 2026, a Notice of Intent to Adopt a Mitigated Negative Declaration was posted at the Alameda County Clerk's Office, published in *The Daily Review* newspaper and mailed to the same list of addresses that received the Notice of Application Receipt, as well as to those agencies, organizations and individuals that have requested to receive all CEQA-related notices. The Draft Mitigated Negative Declaration was made available for public review and comment for a period of 20 days in accordance with CEQA requirements. To date, no comments on the Draft Mitigated Negative Declaration were submitted during the 20-day review/comment period, which ends on February 19, 2026.

On February 13, 2026, a Notice of Public Hearing for this Planning Commission meeting was sent to the same list of addresses that received the Notice of Application Receipt and Notice of Intent to Adopt a Mitigated Negative Declaration and published in *The Daily Review* newspaper. To date, staff has not received any public comments following publication of this report.

PROJECT DESCRIPTION

Existing Conditions. The project site consists of a 7.9-acre parcel containing an existing 14,640-square-foot truck terminal, with both paved and unpaved parking and circulation areas, including a small amount of ornamental landscaping located around the perimeter of the parking lot towards the front of the property. An existing, 8-foot-high vine-covered chain-link fence, located along the back of the parking lot, helps screen the truck terminal and its parking areas from the street. The existing terminal contains 42 docks for truck trailer loading and unloading and features a freestanding, uncovered refueling station at the front of the yard directly inside the perimeter fence. Access to the site is provided via a single driveway within the cul-de-sac bulb at the end of Claremont Court, with the parking lot and terminal building and truck yard sharing the same driveway.

Approximately one-third of the project site is flat and undeveloped, backing to Ward Creek. The remainder of the site is developed with parking areas and a one-story terminal building.

The site is bounded by smaller industrial buildings directly across Claremont Court to the north, two large truck terminals to both the east and west, and the Ward Creek flood control channel to the south. The Interstate 880 freeway is located less than ¼ mile away to the east and accessible via both northbound and southbound on-ramps and a southbound off-ramp along Industrial Parkway West.

Proposed Project. The proposed project would consist of the demolition of the existing building, removal of large portions of pavement on the site, and removal of the existing truck refueling station. The existing parking lot at the front of the property adjacent to Claremont Court would be preserved and modified slightly to be brought into compliance with current accessible and electric vehicle parking requirements. The proposed terminal building would be situated roughly in the same area as the existing building but would extend significantly farther to the rear (south) of the site into the currently undisturbed portion that backs up to Ward Creek.

The new building would feature 74 loading docks with approximately 40,300 square feet of warehouse/storage space and approximately 5,000 square feet of office and ancillary space, including a lobby, conference room, employee break room and employee restrooms. The terminal operator (Central Transport) plans to employ approx. 50 staff, operating daily from 8:00 AM to 5:00 PM, and generating an average of 150 total daily truck trips. The terminal yard would be resurfaced with new paving in areas that are currently gravel or where the asphalt is failing. The new refueling station would be situated directly inside the perimeter fence at the entrance to the terminal yard and be covered with a metal canopy, including the new trash enclosure. The refueling station would feature one pump with two parallel bays capable of refueling trucks traveling in either direction into or out of the terminal yard. The station's canopy would be approximately 19.5 feet tall and measure 2,856 square feet in area.

Architecture: The proposed building façade would be oriented towards the street with the main entrance and parking lot accessible from the front of the property. The building would consist of a pre-engineered metal structure just under 26 feet in height that employs a number of architectural design strategies to break up the massing and provide articulation for visual interest, particularly along the façade. Specifically, the architecture features include multiple projecting bays, vertical siding, variations in the colors of walls, doors and windowpanes, and varying roofline heights. A copy of the proposed architecture with colors and materials are included as Attachment IV.

Landscaping/Open Space: Approximately 7.5 percent (or 0.59 acres) of the site would be landscaped. Landscaping would be located primarily around the perimeters of the front parking lot and truck terminal yard, as well as the employee amenity area, and would consist of a mix of small, medium and large canopy trees, shrubs and ground cover, with all species being non-invasive and drought tolerant. There would be two employee amenity areas provided on the site, one featuring three sets of tables and chairs for outdoor dining/breaks, outdoor exercise equipment, and a trash can, and the other featuring a half basketball court tucked behind the building at the back of the site away from the majority of the daily on-site truck loading/unloading and maneuvering/parking activities.

Four pine trees were previously located in the front setback of the property adjacent to Claremont Court, but these trees were damaged due to excessive pruning over the years from

the proximity of overhead utility lines running across the property's frontage and subsequently required removal. The City Landscape Architect allowed the trees to be removed subject to replacement with all new trees to be planted around the perimeter of the front parking lot. The project will also be required to underground the existing overhead utility lines across the full length of the property's street frontage; as such, the new trees will not require the same type of pruning to avoid conflicts with any utility lines.

Parking: The front parking lot would be modified slightly to include 48 total spaces, including 18 electric vehicle charging spaces and four accessible spaces. A new pedestrian path would be provided leading from Claremont Court through the parking lot to the main building entrance. Vehicular and truck access into the front parking lot and terminal yard would remain through the existing driveway location at the eastern end of the property, immediately adjacent to the property next-door at 2200 Claremont Court.

Sustainability Plan. The proposed building will be all-electric with no natural gas connections. Electric vehicle charging infrastructure will be provided in the front vehicular parking lot, and water-efficient plumbing fixtures, landscaping, and irrigation would be provided in accordance with the Tier 2 Standards of the California Green Building Standards Code (CALGreen).

POLICY CONTEXT AND CODE COMPLIANCE

Hayward 2040 General Plan. The project site is in an area designated as Industrial Technology and Innovation Corridor (IC) in the *Hayward 2040 General Plan*¹. The IC is expected to grow as an economic and employment center and evolve to achieve a healthy balance of manufacturing and warehousing and logistics, as well as newer research and development and technology-based uses. Allowable uses include professional offices, research and development, warehousing and logistics, manufacturing, and biotechnology.

By replacing a small, aging truck terminal with a new, significantly larger terminal that allows the existing truck freight business to remain and expand its operations at the site, and which features an attractively designed building and site with high quality architecture, new landscaping and a number of outdoor amenities for its employees, the proposed development would be consistent with the following goals and policies of the Land Use and Economic Development Elements of the *Hayward 2040 General Plan*:

- ***LU Goal LU-6. Industrial Technology & 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.
- ***LU Policy LU-6.6 - Property Upgrades:*** The City shall encourage property owners to upgrade existing buildings, site facilities, and landscaped areas to improve the economic viability of properties and to enhance the visual character of the Industrial Technology and Innovation Corridor.
- ***LU Policy LU-6.7 - Design Strategies:*** The City shall encourage developments within the Industrial Technology and Innovation Corridor to incorporate the following design strategies:

¹ Hayward 2040 General Plan: <https://www.hayward2040generalplan.com/>

- 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 facade 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 large trucks.
- Develop coordinated and well-designed signage for tenant identification and wayfinding.
- Incorporate attractive building and site lighting to prevent dark pockets.
- 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.
- LU Policy LU-6.8 – Employee Amenities: The City shall encourage the provision of employee-serving amenities for major employment uses within the Industrial Technology and Innovation Corridor, such as courtyards and plazas, outdoor seating areas, fitness facilities, bicycle storage areas, and showers.
- ED Goal ED-3. Business Expansion & Retention: Grow the local economy and employment base by supporting efforts to expand and retain local businesses.

Zoning Ordinance. The proposed development is located in the IG (General Industrial) zoning district² which allows for truck terminals subject to Conditional Use Permit approval by the Planning Commission. All new structures larger than 5,000 square feet in the IG zoning district also require Major Site Plan Review approval pursuant to HMC Section 10-1.1605. The proposed architectural and site design complies with all the applicable IG zoning district standards as shown in Table 1, below, except for the Minimum On-Site Open Space requirement. However, HMC Section 10-1.1606(Q) allows a reduction to this standard through the Major Site Plan Review approval process if the approving body finds that the reduction in open space would be offset by employee or public amenities that enhance the quality of open space area provided.

Table 1. Proposed Development Consistency with IG District Standards			
Development Feature	IG Zoning District Standard	Proposed	Consistent
Maximum Floor Area Ratio	0.8	0.13	Yes
Maximum Building Height	75 feet	25 feet, 10 inches	Yes
Minimum Front Yard Setback	20 feet	211 feet to building	Yes
Minimum Side Yard Setbacks	0 feet	200 feet to building (west) 200 feet to building (east)	Yes
Minimum Rear Yard Setback	10 feet (when abutting OS zone)	35 ½ feet to building	Yes
Minimum Site Landscaping	5%	7.5%	Yes
Minimum Parking	23 spaces	48 spaces	Yes

² Hayward Municipal Code Section 10-1.1600, Industrial Districts.
https://library.municode.com/ca/hayward/codes/municipal_code?nodeId=HAYWARD_MUNICIPAL_CODE_CH10PLZOSU_ART1ZOOR_S10-1.1600INDI

Minimum Employee Amenity Area	300 sq. ft.	±2,960 sq. ft.	Yes
Minimum On-Site Open Space	10% of site area or 34,335 sq. ft. (combined landscape and employee amenity areas)	27,591 sq. ft.	No*

Staff believes the provision of a half basketball court and exercise equipment on the site for use by the facility's employees will more than offset the proposed reduction in required open space in that it gives employees an opportunity to get outdoor exercise during breaks or before or after work, which is valuable for their health and well-being. As such, staff is recommending the Planning Commission approve the Major Site Plan Review entitlement for the project allowing for the proposed reduction to the minimum On-Site Open Space requirement in exchange for the provision of high-quality employee amenities on the site. A condition of approval was added to Attachment III that would require the applicant retain these amenities in perpetuity.

In addition to meeting all of the other applicable development standards outlined in Table 1, above, staff believes the proposed project complies with the Hayward Industrial District Design Guidelines³ and the Supplemental Standards set forth in HMC Section 10-1.1606 in that:

- The development is designed with the primary building entrance oriented toward the street frontage and site's main driveway entrance, and the building's façade includes substantial glazing and articulation to enhance the architecture and add visual interest.
- The building massing is broken up both horizontally and vertically with design strategies including variations in colors of walls, doors and windowpanes, as well as in roofline heights.
- A pedestrian connection is provided which runs from the right-of-way through attractively landscaped planters and the parking lot in the front yard directly to the building entrance.
- The amenity areas and open space incorporate unique design elements and opportunities for both passive and active use, including outdoor seating areas with landscaped borders a short distance away from the building entrance and a half basketball court at the back of the site.
- The loading docks and truck parking are located along the sides of the building and behind the vine-covered perimeter fence to help minimize visual nuisances.
- The new trash enclosure is designed with walls and a roof and is hidden behind the existing, vine-covered front yard fence.

Additional staff analysis can be found in the section below and contained in Attachment II, Draft Findings.

STAFF ANALYSIS

Staff has reviewed the project application and believes that the Planning Commission can make the required Findings to approve the Conditional Use Permit and Major Site Plan Review and adopt the Mitigated Negative Declaration for the proposed project set forth in Attachment II,

³ Hayward Industrial District Design Guidelines. https://www.hayward-ca.gov/sites/default/files/Hayward%20Industrial%20District%20Design%20Guidelines_Adopted.pdf

subject to the proposed findings listed in Attachment II and per the conditions of approval contained in Attachment III.

As detailed in the sections above, the proposed development is consistent with the General Plan land use designation for the site and related goals policies in the General Plan's Land Use and Economic Development Elements, as well as the Zoning Ordinance and Industrial District Design Guidelines, with the lone exception of the Minimum On-Site Open Space requirement. However, as discussed above, the HMC allows for reductions to this particular requirement in instances when a project proposes exceptional on-site amenities for the public and/or its occupants and, in this case, staff believes that the reduction in open space would be adequately offset by the benefits that having a half basketball court and exercise equipment on the site for use by employees would support positive health and well-being. Furthermore, staff believes the site is suitable for the scale and intensity of the proposed development in that it contains adequate room for the proposed building, vehicular and truck trailer parking, landscaping, and circulation facilities for trucks loading and unloading in the terminal's yard. The proposed architecture includes strategies to break up the building's massing and add visual interest by providing projecting bays, vertical siding, variations in colors of walls, doors and windowpanes, and roofline heights. The perimeter of the site will contain a landscaping buffer, and employee amenities, including an outdoor seating area and a half basketball court at the back of the property for use by employees during breaks and before or after work shifts.

The proposed use would be compatible with and complementary to the adjoining uses, many of which are similar truck freight businesses and would therefore not have a substantial adverse impact on surrounding development. Overall, the significant investment related to the redevelopment of this site will have a positive impact on the property and its immediate surroundings, as well as the industrial area as a whole, by allowing an existing business to remain in the area and significantly expand its operations with an attractive, all-new, significantly larger facility that complies with current standards for truck terminals. Furthermore, the proposed use is desirable for the public convenience and welfare in that warehouses and distribution facilities are necessary to provide consumers with goods and services in a convenient and timely manner. The proposed building would not adversely impact the character and integrity of the IG District or the surrounding area in that the site is surrounded by industrial structures of similar size constructed over the last several decades, and which contain a variety of similar and/or compatible industrial uses including other truck terminals, warehouses, materials suppliers, and contractor services. Furthermore, a condition of approval has been included which would require that the use to adhere to the district-wide performance standards provided in the IG zoning district's regulations set forth in the Hayward Municipal Code to minimize nuisances associated with the use's daily operations.

As designed and conditioned with the requirements set forth in Attachment III, staff believes the Planning Commission can make the required findings to approve the proposed project and adopt the Mitigated Negative Declaration to mitigate any potential environmental impacts to less than significant levels.

ENVIRONMENTAL REVIEW

An Initial Study evaluating the potential environmental impacts of the proposed project was prepared in accordance with the requirements of CEQA. The Initial Study determined that the proposed project could result in potentially significant impacts in the areas of Air Quality, Hazards and Hazardous Materials, Noise, and Tribal Cultural Resources, and prescribed mitigation measures that would reduce the identified impacts to less-than-significant levels. These mitigation measures can be found in the Mitigated Negative Declaration for the project in Attachment V and have been included as conditions of approval in Attachment III.

A Notice of Intent to Adopt a Mitigated Negative Declaration (NOI) was filed with the Alameda County Clerk on January 30, 2026. Copies of the NOI as well as the Initial Study and Draft Mitigated Negative Declaration were posted at the Permit Center at City Hall and at both of the City's public libraries and also posted on the City's website. Copies of the NOI were sent to interested parties and property owners within 300 feet of the project site on January 30, 2026. The public review and comment period for the Initial Study and Draft Mitigated Negative Declaration ran from January 30, 2026, through February 19, 2026.

A copy of the IS/MND and Mitigation Monitoring and Reporting Plan (MMRP) are attached to this report (Attachments V and VI, respectively), and the mitigation measures were included as conditions of approval for the project. If it approves the project, the Planning Commission shall also consider and adopt findings related to the approval of the environmental analysis prepared for the project and contained in the IS/MND.

NEXT STEPS

If the Planning Commission approves the Conditional Use Permit with Major Site Plan Review application and adopts the Mitigated Negative Declaration prepared for the project, then a 10-day appeal period will commence from the date of decision. If no appeal is filed, then the decision will be deemed final. If an appeal is filed within the 10-day time frame, the application will be forwarded to the City Council for their consideration.

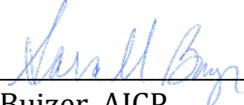
Prepared by: Steve Kowalski, Senior Planner

Recommended by: Elizabeth Blanton, AICP, Acting Principal Planner

Approved by:



 Jeremy Lochirco, Planning Manager



 Sara Buizer, AICP
 Development Services Director