



**PLANNING COMMISSION MEETING
REMOTE PARTICIPATION
Thursday, May 13, 2021, 7:00 p.m.**

This meeting was conducted utilizing teleconference and electronic means consistent with State of California Executive Order No. 29-20 dated March 17, 2020 the Planning Commission will be participating in public meetings via the Zoom application.

MEETING

A meeting of the Planning Commission was called to order at 7:00 p.m. by Chair Roche.

ROLL CALL

Present: COMMISSIONERS: Ali-Sullivan, Bonilla, Goldstein, Mendall, Oquenda, Stevens
CHAIRPERSON: Roche
Absent: COMMISSIONER: None

Staff Members Present: Billoups, Brick, Chan, Chang, Garcia, Lochirco, Martinez, Nguyen

PUBLIC COMMENT:

There were no speakers.

PUBLIC HEARING:

For agenda item No. 1, the decision of the Planning Commission is final unless appealed. The appeal period is 10 days from the date of the decision. If appealed, a public hearing will be scheduled before the City Council for final decision.

1. Proposed Development of Two New Drive-Through Restaurants and a Significant Exterior and Interior Remodel of an Existing 94,500 Sq. Foot Commercial Building Located at 26231 Mission Boulevard, APN: 452-0020-009-01 and 452-0020-006-10, Requiring Approval of a Conditional Use Permit, Site Plan Review, and Various Warrants and Exceptions from the South Hayward BART Form-Based Code. Application No. 202002474 Merlone Geier Partners (Applicant), MGP XII Hayward Center LLC (Property Owners)

Associate Planner Martinez provided a synopsis of the staff report and PowerPoint presentation. Mr. Martinez noted that the following staff were present to answer any questions: Economic Development Manager Nguyen, CEQA consultant Theresa Wallace from LSA, and traffic consultants Mike Alston and Damian Stefanakis from Kittelson.



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Mr. Will Geier, Vice President and Mr. Kim Whitney, Project Manager, with Merlone Geier, spoke about the proposed project and their business plan.

Mr. Whitney introduced Mr. Brandon Layman with Raising Cane's Chicken Fingers, Ms. Michelle Bennet with In-N-Out Burger and Mr. David Glinchey with Sprouts Farmer's Markets. They each provided a synopsis of their projects and shared their individual business plans and organizations.

Chair Roche opened the public hearing at 7:56 p.m.

Mr. Anthony Fidel, Bunker Hill resident, spoke in favor of the project which will be a huge benefit to this area, hopes for a brewery for this area, and has concerns about security issues as there is a large homeless population in this area.

Mr. Carl Gorringer, Hayward resident, recommended building an infill BART station and design the area to make it walkable, suggested a mixed student village with commercial stores, including a health grocery store and said unbundled parking would work in this area.

Mr. Kim Huggett, President of the Hayward Chamber of Commerce, spoke in favor of the project, referred to the letter the Chamber submitted, how the project will retain an important tax base, and the two new unique drive thru restaurants and Sprouts Farmers Market will create new jobs. Mr. Huggett encouraged the Planning Commission to support the item.

Xandr, resident of new SoHay development, spoke in support of the project as it is greatly needed for all the new residents and asked about a timeline.

Marcella, Hayward resident, thanked everyone for the detailed presentation, spoke in favor of project, encouraged the Commission to approve this project and how it will address the lack of sufficient grocery stores that are in great demand.

Chris, Hayward resident, spoke in favor of the project noting that the project will increase traffic in the area. He asked that the Planning Commission take the traffic impacts and density into consideration when developing Parcel Group 5.

Chair Roche closed the public hearing at 8:07 p.m.

Discussion ensued between the Planning Commission, City staff and the applicant Merlone Geier, regarding the following: interest from local unions; will there be grading performed onsite; the proposed 22 EV charging stations seems low; timeline of project; will Sprouts



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Market pull out if drive-thru restaurants pull out; is applicant willing to participate in the Adopt-a-Block program; the approach to retail and what it means in the next 20-30 years; has there been a conversation with BART about this space; to lessen traffic impacts on Mission Boulevard is it possible to make the third lane a designated turn lane onto Harder; to address trash and traffic issues post the contact information of the owner on the buildings; and is the developer open to having pop-up tenants.

Questions for Raising Cane, Sprouts Farmers Market, and In-N-Out Burger regarding the following: hiring goals and proposed wages; with the hours of operation there are concerns about security; community benefit participation; and for first few weeks of the two drive-through restaurants' openings, what is the plan for traffic control.

Mr. Brandon Layman for Raising Cane, said they will be employing 45-50 employees total with 6-8 executive level salaries, each shift manned by 2 managers with 10 staff; they have a competitive wage structure and that minimum wage is not par for the course; the hours of operation are the typical hours in California; Raising Cane has a security team that comes in to make sure sites are safe and well-lit and works with local law enforcement to keep both staff and the public safe; plus there will be cameras that face the dumpster disclosure to deter any negative behavior. Mr. Layman spoke about how their organization is active in community benefits which can be viewed on their website and that they offer scholarships for their associates.

Ms. Michelle Bennett for In-N-Out, said their priority is local hiring to staff three shifts per day, averaging 10-15 associates per shift, competitive wages averaging \$15-\$17 per hour, there are programs for associates and that they are one big family. Ms. Bennett said what is done for every single opening is that they have a traffic control company that will assist for about a month, who will work with local municipalities and will have a traffic plan in place.

Mr. Whitney said that so far there has been no contact with the Unions and provided the project timeline with a completion date of August 2022 and that tenants should be able to open in the first quarter of 2023.

Associate Planner Martinez said that on a voluntary basis, the developer has surpassed the minimum EV charging station requirement; spoke about the standard umbrella condition of approval that when the developer applies for the permit it will include the number of EV charging stations; and noted that the applicant stated that they will also be installing the infrastructure for eight more EV charging stations. He said that the understanding is that the two-anchor drive-through restaurants will drive the traffic and customer volume for the entire site to help support the Sprouts Market. Mr. Martinez said from what he understands, the City has not had any contact with BART regarding the space and this might also be because of the COVID pandemic and lack of ridership.



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Mr. Greg Geersten; senior partner with Merlone Geier, said they specialize in buying old shopping centers and transforming them into productive retail centers; they work diligently to find the right mix of tenants; with the goal for communities to have successful, busy shopping centers for customers to frequent. He said that they incorporated a lot more details beyond what was required, such as solar panels on the larger building and In-N-Out Burger. Mr. Geersten said all the tenants will be working to ensure that they are part of and contributing to the community. Mr. Geersten said there will be small mom and pop tenants next to major retailers. Since the pandemic, their business plans have changed, such as their designs allow for additional spacing in case something like this pandemic occurs again. Mr. Geersten said the build out of the spaces depends on tenants needs on whether Merlone Geier or the tenant will build out the space. He spoke about the required tenant Covenants, Conditions and Restrictions (CC&R) regarding trash management and if tenants do not adequately comply, then the developer will take care of the issue and then bill the tenants. Mr. Geersten said that he is glad that trash management is addressed in the COAs as this is a big and expensive issue and he is willing to place contact info on the NextDoor app. He said that they are open to having pop-up tenants.

Assistant City Attorney Brick reminded everyone that BART has the power of eminent domain.

Commissioner Oquenda said that he researched the developer and is comfortable that MGP is the developer for this project and is confident that the retail project will be a benefit for the Hayward. Mr. Oquenda said that he is excited about the Sprouts Market coming to Hayward and what this will mean for the community; he is glad there will be EV charging stations; and is interested in the two-anchor drive-through restaurants. Mr. Oquenda said that the retail layout is a good fit for this site and will attract strong commercial tenants.

Commissioner Ali-Sullivan requested the applicant investigate more EV charging stations and that the Hayward community is anxious to have the Sprouts Market open.

Commissioner Bonilla is excited to see how this project will transform the community and particularly that corner and that though this is a small retail project for the developer, this is a major event for Hayward, and he wants to make sure that the Commission is being diligent and prudent during the decision process. Mr. Bonilla appreciates that the developer will be giving priority to small mom and pop businesses so that they can have an opportunity to be a part of this project.

Commissioner Stevens appreciates the high-quality design and is in full support of project. Commissioner Goldstein shared that he is active on the NextDoor application; he does not make any comments about pending projects on this app; and shared that there has been a flood of comments in favor of the project as the public appreciates that a Sprouts Market is



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coming to Hayward; he is glad that Raising Cane's Chicken Fingers is coming to the City as he likes their food. Mr. Goldstein appreciates all the work of staff and the developer to make this project happen and listening to the Hayward community to bring the elements that is sorely needed in Hayward.

Commissioner Mendall shared that a third Hayward BART station was discussed by the City Council eight years ago and BART rejected this idea; noted that the City has passed the \$15-dollar minimum wage which will be in place when this commercial space opens. Mr. Mendall said the design team did a fantastic job on the car queuing plans for the two drive-through restaurants and that the overflow will be in the parking lot and not impact the City streets; he is thrilled and grateful that this center is remaining 100% commercial and thanked the applicant for listening to the City Council and the Hayward community on what they have been asking for. Mr. Mendall said that it is great that Sprouts Market is coming to Hayward, as the Hayward community has been asking for better grocery stores such as Whole Foods, Sprouts and Trader Joes, for a long time. He is not surprised that a prospective tenant is a furniture brand which will be a great fit for Hayward. Mr. Mendall hopes that this project gets unanimously approved.

Chair Roche is excited to see this corner revitalized with the proposed project but has concerns about dangerous traffic impacts at the Mission Boulevard entrance where one of the drive-through restaurants will be located. Ms. Roche asked staff to research whether the third lane can be a dedicated turn lane onto Harder to eliminate this traffic hazard. She is glad the COAs outline trash management for the drive-through restaurants and grocery store tenants; suggested applicant be open to reserving one of the spaces for pop up tenants. Ms. Roche is excited that the Sprouts Market is coming to Hayward.

Associate Transportation Planning Engineer Chang said that staff would need to look at the available right-of-way to be able to determine if the third lane can be made into a dedicated turn lane onto Harder. He said there are some City projects for bicycle lane improvements along Mission Boulevard and that part of the \$100,000 that the applicant is contributing will go towards future pedestrian and bicycle improvements.

Commissioner Ali-Sullivan is excited about this project and that Raising Cane's Chicken Fingers and In-N-Out Burger are higher caliber restaurants. He said that once it was made known that a Sprouts Market was coming to Hayward, the tone of the public comments changed and said this is a huge win for Hayward.

Commissioner Oquenda made a motion to approve the staff recommendation. Commissioner Bonilla seconded the motion.



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Chair Roche made a friendly amendment to include in the COAs the applicant's contact information for any trash management issues.

Commissioners Oquenda and Bonilla accepted the friendly amendment.

Mr. Greg Geersten said that they have a regional property manager and will post this information onsite and on their website.

A motion was made by Commissioner Oquenda, seconded by Commissioner Bonilla, to approve the staff recommendation with language added to COA #141 that the owner will post the contact information for the property management company both onsite on a primary building and pad buildings as well as on their website to allow residents and customers to report trash and debris nuisances on the property.

The motion passed with the following roll call votes:

Mr. Geersten confirmed for everyone that the Sprouts' and Raising Cane's leases have been signed and that the In-N-Out Burger lease will be signed in about a week.

AYES:	Commissioners Ali-Sullivan, Bonilla, Goldstein, Mendall, Oquenda, Stevens Chair Roche
NOES:	None
ABSENT:	None
ABSTAIN:	None

APPROVAL OF MINUTES

2. Approval of the Planning Commission Meeting Minutes of April 22, 2021.

A motion was made by Commissioner Oquenda, seconded by Commissioner Mendall, to approve the Planning Commission Meeting Minutes of April 22, 2021. Commissioner Mendall mentioned a small typo correction, staff confirmed that the correction has been done.

The motion passed with the following roll call votes:

AYES:	Commissioners Ali-Sullivan, Bonilla, Goldstein, Mendall, Oquenda, Stevens Chair Roche
NOES:	None
ABSENT:	None



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ABSTAIN: None

COMMISSION REPORTS

Oral Report on Planning and Zoning Matters:

Acting Planning Manager Lochirco spoke about the item for the May 27 meeting and announced that there will be a modification to the staff report moving forward, this change will provide more graphic friendly and easier to comprehend reports.

Commissioners' Announcements, Referrals:

Commissioner Goldstein announced the Hayward Education Foundation annual fundraiser auction, which is online this year, begins on June 17. Mr. Goldstein said this is a non-profit and can be found at the following website www.haywarded.org.

Commissioner Mendall requested that staff provide quarterly updates on applications and status on in-progress projects and that the Commissioners receives these reports on a regular basis.

Acting Planning Manager Lochirco said the report timeline has change from quarterly to every six months and that staff will provide these updates to the Commission.

Commissioner Stevens reminded everyone that Hayward has a jewel in downtown Hayward every Saturday which is the Farmer's Market and encouraged everyone to visit and participate in this wonderful weekly event.

Commissioner Ali-Sullivan acknowledged that he and many Hayward residents have been fasting for the past month for Ramadan. He said that today marks the end of Ramadan and wished everyone a happy Eid, the Festival of breaking fast.

Chair Roche requested staff to provide the Commission sufficient lead time on items coming before the Commission with three to six months lead time for the larger items. Ms. Roche said the Friday before the meeting does not provide enough time to for the Commissioners to adequately research projects.

Acting Planning Manager Lochirco said staff can certainly provide this to the Commission and added that for the next two meetings, on May 27, there is one item on the agenda, a multi-family residential project off Berry in South Hayward. On June 10, there will be the updated cannabis regulations for consideration and recommendation to Council. Mr. Lochirco said there is a U-Haul project towards the end of June and the Parcel Group 3



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development is in the pipeline. Mr. Lochirco said that staff will keep the Commission informed by adding items to the Commission's Tentative Schedule and circulate this report with the agendas.

ADJOURNMENT

Chair Roche adjourned the meeting at 9:22 p.m.

APPROVED:

A handwritten signature in black ink, appearing to be "R. Stevens", written over a horizontal line.

Robert Stevens, Secretary
Planning Commission

ATTEST:

A handwritten signature in black ink, appearing to be "Denise Chan", written over a horizontal line.

Denise Chan, Senior Secretary
Office of the City Clerk