



SUBJECT

Proposed Development of a New Industrial Campus with Two Industrial Buildings Measuring Approximately 233,000 Square Feet and 155,000 Square Feet and Related Site Improvements Requiring Major Site Plan Review and Conditional Use Permit Approval and Review and Approval of a Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program for the Former Berkeley Farms Site Located at 25450-25550 Clawiter Road (Assessor Parcel Numbers 439-0080-001-00 and 439-0080-003-14). George Condon on behalf of Dermody Properties (Applicant); DPIF2 CA 25 Clawiter Road LLC (Property Owner)

RECOMMENDATION

That the Planning Commission approves Major Site Plan Review and Conditional Use Permit Application No. 202003917, subject to the attached Findings (Attachment II) and Conditions of Approval (Attachment III); and reviews and approves the Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program (Attachments V and VI, respectively), prepared pursuant to the California Environmental Quality Act.

SUMMARY

The proposed project would result in the development of a new industrial campus on the approximately 20.4-acre site previously occupied by Berkeley Farms. Berkeley Farms vacated the site in April 2020 and the buildings were demolished soon thereafter. The site is currently vacant, except for remnant concrete slab foundations. The proposed development would consist of two industrial buildings measuring approximately 233,000 square feet and 155,000 square feet, respectively; two employee amenity areas; site landscaping; stormwater retention areas; circulation; and parking. The buildings are speculative and designed for occupation by industrial uses permitted in the General Industrial (IG) zoning district, which could consist of, but not be limited to, manufacturing, research and development, logistics, warehouse and distribution, and wholesale establishments.

The Planning Commission is also being asked to review and approve a Mitigated Negative Declaration prepared for the project. The City received a large volume of correspondence opposing the project which primarily revolved around the potential impacts related to establishment of an Amazon Last Mile Delivery Station at the site. Those comment letters and responses to those comments are included as Attachment VII to this staff report. As detailed in the response to comments and in this staff report, there is no intention to establish an Amazon Last Mile Delivery Station at this site and all potential impacts related to the proposed project will be mitigated to a level of less than significant with the implementation of mitigation measures that were made conditions of approval of the project. It is important to note that the

City also received a number of emails in support of the project which are included as Attachment VIII to this report.

This item was continued from the October 28, 2021, Planning Commission meeting to November 18, 2021, and then continued again to December 9, 2021, to allow the City sufficient time to respond to the number of public comments received on the project.

BACKGROUND

From the early 1920s through 1950, the site was used for agricultural purposes. In the mid-1950s, Herrick Steel Corporation, which fabricated steel for skyscrapers and large-scale buildings, occupied the southern portion of the site. By the 1970s, Herrick occupied the entire site. In 1991, Herrick vacated the site and the structures associated with the manufacturer were demolished. In 1996, Berkeley Farms acquired the site and constructed a 435,600 square foot main industrial building and a 7,200 square foot truck maintenance structure. Berkeley Farms employed hundreds of workers and operated continuously from 1998 through 2020. In 2020, Berkeley Farms was closed due to bankruptcy. In early 2020, the site was acquired by the project proponent and the buildings were demolished prior to submittal of the planning application.

On May 27, 2021, the applicant requested a meeting with the Council Economic Development Committee (CEDC) to explore the possibility of eliminating a building and establishing an Amazon Last Mile Facility in the remaining building¹. The applicant proposed to eliminate one of the buildings and to use the remainder of the site as surface parking for the Amazon fleet vehicles. The CEDC was not supportive of the proposal and the applicant chose to continue pursuing approval of the industrial campus with two large-scale industrial buildings.

Public Outreach. In October 2020 following submittal of the application, an initial Notice of Application Receipt for the project application was sent to 96 addresses including property owners, tenants, and businesses within a 300-foot radius of the project site. Staff did not receive any public comments, concerns or questions related to the proposed development.

On September 24, 2021, a Notice of Intent to Adopt a Negative Declaration was posted at the Alameda County Clerk's Office, published in *The Daily Review* and mailed to 183 property owners, residents, and businesses within 300-feet of the project site in addition agencies, organizations and individuals that have requested all CEQA-related notices. Prior to the end of the comment period, the City received 52 letters and emails related to the proposed project, most of which urged the City complete an Environmental Impact Report for establishment of an Amazon Last Mile Delivery warehouse at the subject site. All of the letters and responses to those letters are provided in Attachment VII to this report. The City also received 25 emails in support of the project, all of which are included as Attachment VIII to this report.

On October 15, 2021, a Notice of this Public Hearing for the Planning Commission meeting was sent to property owners, residents, and businesses within 300-feet of the project site as well as published in *The Daily Review* newspaper.

¹ May 27, 2021 Council Economic Development Committee Meeting.

<https://hayward.legistar.com/LegislationDetail.aspx?ID=4962398&GUID=7013D6B6-4095-4B5D-B213-A737792F0D94&Options=-&Search=>

On October 28, 2021, this item was continued to the November 18, 2021, Planning Commission meeting. On November 18, 2021, this item was continued again to the December 9, 2021, Planning Commission meeting.

PROJECT DESCRIPTION

Existing Conditions. The approximately 20.4-acre, triangular project site is comprised of two separate parcels (Assessor Parcel Numbers 439-0080-003-14 and 439-0080-001-00). The western lot line is approximately 1,445 lineal feet; the eastern lot line is approximately 1,800 lineal feet; and the southern lot line is approximately 1,145 lineal feet. The site is currently vacant except for concrete slab foundations from the former Berkeley Farms development, asphalt parking lots, perimeter fencing and a few trees and shrubs visible along Clawiter Road.

The site is bounded by railroad tracks on the east, Clawiter Road on the west and is surrounded by industrial uses. The site is approximately 0.3-mile north of the State Route 92 and just south of Depot Road.

Proposed Project. The proposed project would consist of demolition and removal of the existing concrete slabs and asphalt in order to construct a new industrial campus with two new, large-scale industrial speculative buildings measuring approximately 233,000 square feet (Building 1) and approximately 155,000 square feet (Building 2). The proposed buildings would be oriented perpendicularly to each other with the short end of Building 1 and the long end of Building 2 oriented towards Clawiter Road to create a continuous development along the site frontage.

The building architecture would employ a number of design strategies to break up the building massing and increase complexity along the frontages. Specifically, paint color, score lines and panels would be used to create vertical and horizontal plane breaks, differentiated materials would be used on building pop-outs and entrances to the buildings would have glazing, awnings, and geometric metal wall sculptures. The buildings would reach approximately 40 feet in height with four- to five-foot-tall parapets to screen rooftop equipment.

Approximately 17% of the site would be landscaped. Landscaping would primarily be located along the Clawiter Road frontages, at the employee amenity areas and in various stormwater detention basins on the site. There would be two employee amenity areas on the site totaling approximately 15,822 square feet. The Campus Plaza amenity area would be located at the northern part of the site and would feature food truck parking, secured furnishings, concrete seating walls, integral concrete paving and a mix of shade trees and ground cover; and, the Employee Patio amenity area would be located at the center of the site fronting Clawiter Road and would feature secured furnishings, integral concrete paving and a mix of shade trees and ground cover.

There would be 230 parking stalls dispersed throughout the site along the building frontages, along the interior areas of the site and in a pocket tucked behind Building 2. Truck loading areas would be tucked behind and to the sides of the buildings. Specifically, the Building 1

loading areas would face an interior lot line and the loading areas for Building 2 would front the railroad track that runs along the eastern property line.

The site would be accessed from three driveways at the northern, southern and middle points of the site along Clawiter Road. The northern entrance would measure approximately 30 feet in width, the middle entrance would measure approximately 20 feet in width and the southern entrance would measure approximately 38 feet in width, providing access points to varying size vehicles and trucks. The southern entrance would line up with the signalized intersection at Enterprise Avenue while the other driveways would not line up with existing intersections. There would be wide drive aisles throughout the site and around the buildings providing fire and truck access. Pedestrian walkways would be provided around each building and to the sidewalks, to the campus plaza employee amenity area at the northern end of the site and to the employee patio amenity area located along Clawiter Road, and short-term bicycle parking would be located near the building entrances.

Sustainability Plan. The proposed development will follow the City's recently adopted Reach Code for new commercial buildings². The project will be all electric with designated future solar areas on the rooftops for tenants to install solar panels. Further, the buildings would be designed with skylights and vertical windows to minimize reliance on electricity for interior lighting and all finishes would meet volatile organic compounds (VOC) limits. Water conservation elements include installation of water efficient landscaping and low flow plumbing fixtures.

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*³. The Corridor is expected to grow as an economic and employment center and evolve to achieve a healthy balance of manufacturing, warehousing and logistics as well as newer information and technology-based uses. Allowable uses include professional offices, corporate campuses, research and development, warehousing and logistics, manufacturing, and biotechnology.

The proposed development would meet *Hayward 2040 General Plan* goals and policies related to expanding the economic and employment base in Hayward (Land Use Goal 6), enhancing the visual character of the site, employing building and site design strategies and including employee amenities (Land Use Policies-6.6, 6.7 and 6.8).

Zoning Ordinance. The proposed development is located in the IG (General Industrial) sub-district⁴ where warehouse and distribution facilities over 150,000 square feet in size are subject to Conditional Use Permit approval. Further, pursuant to HMC Section 10-1.1605(B), industrially zoned sites over 10 acres in size are subject to Major Site Plan Review approval. The proposed industrial building and site design meets the IG District standards for new development as shown in Table 1:

² City of Hayward Reach Code Initiative: <https://www.hayward-ca.gov/reach-code>

³ Hayward 2040 General Plan: <https://www.hayward2040generalplan.com/>

⁴ 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

Table 1. Proposed Development Consistency with IG District Standards			
	IG District Standard	Proposed	Consistent
Minimum Lot Size	20,000 sq. ft.	888,624 sq. ft.	Yes
Minimum Lot Frontage & Average Lot Width	70 feet	1,800 feet	Yes
Maximum Floor Area Ratio	0.8	0.43	Yes
Maximum Height	75 feet	45 feet	Yes
Minimum Yards			
Front	20 feet	43 feet to parking (west)	Yes
Sides	0 feet	148 to building (south) 257 feet to the building (north)	Yes
Rear	0 feet	38 feet to building (east)	Yes
Minimum Landscaping	5%	17.2%	Yes
Parking	222 parking spaces	230 parking spaces	Yes
Minimum Employee Amenity Area	300 sq. ft.	15,822 sq. ft.	Yes
Minimum Open Space Area	10% of the site area or 88,862 sq. ft. (combined landscape, employee amenity and stormwater retention areas)	165,990 sq. ft.	Yes

In addition to meeting the development standards outlined in Table 1, the proposed development meets the Hayward Industrial District Design Guidelines⁵ and the Supplemental Standards detailed in HMC Section 10-1.1606 in that:

- The buildings are designed to create a cohesive visual relationship to each other, to the site landscaping, pedestrian and vehicular circulation and employee amenities to give the site an industrial campus feeling.
- The development is designed with primary building entrances that are oriented toward the street frontage and the building entrances include substantial glazing and sculptural design elements to differentiate the frontages.
- The building massing is broken up both horizontally and vertically with design strategies including color, score lines, roof line variations, wall sculptures and trellises.
- There are internal continuous pedestrian connections that run from the right-of-way, around the buildings and to each of the employee amenity areas and short-term bicycle parking located near building entrances.
- The amenity areas and open space incorporate unique design elements such as scored and color concrete, seating areas, decorative bike racks and a location for on-site food truck parking.
- The loading docks and truck parking is located to the sides and rear of the buildings to minimize visual and other nuisances.
- Trash enclosures are designed with walls, roofs and are screened behind the buildings.

Hayward Shoreline Adaptation Master Plan & Flood Plain Management Ordinance. On February 16, 2021, the City Council adopted Resolution No. 21-024 approving the Hayward

⁵ Hayward Industrial District Design Guidelines. https://www.hayward-ca.gov/sites/default/files/Hayward%20Industrial%20District%20Design%20Guidelines_Adopted.pdf

Regional Shoreline Adaptation Master Plan⁶. The Master Plan provides background and existing conditions along the Hayward shoreline assesses sea level rise and flood risk impacts; and provides adaptation strategies and design strategies for the Hayward shoreline. According to the Inundation Map prepared for the Master Plan, the site is not expected to experience inundation in the near or long term.

STAFF ANALYSIS

Staff has reviewed the project application and believes that the Planning Commission can make the required Findings to approve the Major Site Plan Review and Conditional Use Permit and related environmental analysis for the proposed project (Attachment II), subject to the proposed conditions of approval.

As detailed in the sections above, the proposed development is consistent with the General Plan land use designation and related policies, the Zoning Ordinance and applicable Design Guidelines. The approximately 20.4-acre site is suitable for the scale and intensity of the proposed development which is broken up into two buildings set perpendicularly to each other to break up the building massing along Clawiter Road. The proposed architecture includes strategies to further break up the building massing and increase complexity such as vertical and horizontal color planes, score lines, differentiated materials, glazing and awnings around entrances and metal sculptural elements on the walls. The buildings are surrounded by vehicular and pedestrian circulation, robust landscaping and employee amenities which are dispersed throughout the site to create an industrial campus with walking paths, various areas for respite, and a mix of hard and softscapes. The industrial campus would be compatible with and complementary to other new large-scale industrial developments approved in the area (such as the Hines development site located south of the project site) 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 in the immediately surrounding area and the industrial districts as a whole.

Warehouses and distribution facilities over 150,000 square feet are subject to approval of a Conditional Use Permit. As noted above, the scale of the site and the industrial campus warrants development of large-scale buildings, which lead to economies of scale for the developer. 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 buildings would not impact the character and integrity of the IG District or the surrounding area in that the site is surrounded by industrial structures constructed between 1959 and 1982 that contain a variety of industrial uses including warehousing, traditional manufacturing, contractor services and other general industrial uses. However, since the proposed buildings are speculative and an end user and/or tenants have not been identified, proposed Condition No. 5 would limit the potential uses that could locate within the building to those permitted in the IG District as detailed in the Hayward Municipal Code. Any uses that would require an Administrative Use Permit or Conditional Use Permit would be subject to a separate review process and conditioned to minimize or eliminate potential nuisances. Further proposed Condition No. 6

⁶ Hayward Regional Shoreline Adaptation Master Plan. https://www.hayward-ca.gov/sites/default/files/210510_Hayward%20Shoreline%20Adapataion%20Master%20Plan_Document_Pages.pdf

would require that all uses on the site be subject to the limitations on Outdoor Storage and Performance Standards provided in the Industrial Districts regulations set forth in the Hayward Municipal Code to minimize nuisances associated with future uses.

As noted above, the City received correspondence supporting the project. Additionally, the City received correspondence from the Sierra Club, San Francisco Bay Chapter, their legal representatives, the Alameda Labor Council AFL-CIO and residents opposing the project and urging the City of Hayward to prepare a full Environmental Impact Report on a proposed Amazon Last Mile Delivery Station at the subject site. As detailed in the Background section above, the applicant originally proposed locating an Amazon facility at the site to the CEDC in April 2021 and did not receive positive feedback about the proposal. At that point, the applicant elected to not move forward with the Amazon proposal.

A significant number of letters and emails received on the project specifically note that the environmental analysis prepared for the project, which reference the establishment of an Amazon Last Mile Delivery Station at the site, is not adequate in regard to Air Quality or Transportation impacts and call for economic analysis and fair wages for workers. Despite the fact that an Amazon Last Mile Delivery Station is not proposed or planned for the site, the following information is relevant to the comments received on the project:

1. The Air Quality and Transportation analysis analyzed two scenarios – one scenario that could result in the location of a last mile delivery center at the site and one that would operate as a transitional warehousing, distribution and manufacturing use. In both scenarios, the proposed development resulted in impacts to Greenhouse Gas Emissions (GHG) related to mobile and stationary source emissions. To mitigate those impacts to a level of less than significant, the applicant must implement Mitigation Measure GHG-1: Greenhouse Gas Reduction Plan as detailed in Attachments III, V and VI. After implementing on-site reductions such as all electric appliances, ensuring all electricity is from renewable sources, implementation of a Transportation Demand Management Program for workers, and other measures, the applicant may implement off-site measures such as undertaking or funding activities that reduce or sequester GHG emissions or purchase Carbon Off-Sets. With implementation of this Mitigation Measure, the GHG related impacts would be reduced to a level of less than significant.
2. As noted above, the Traffic Analysis prepared for the project accounted for various scenarios of what could occur on the site. That analysis fed into Air Quality and GHG data and were mitigated accordingly. Transportation related CEQA analysis does not analyze impacts to roadways or pavement. It analyzes Vehicle Miles Traveled (VMT). Per the City's adopted thresholds, the project screened out because the site is located in an area that is below the existing regional average VMT per employee (Attachment V, pages 123-128).
3. CEQA does not measure impacts related to pavement maintenance or roadway conditions. Impacts to roadways and pavement along project frontages is analyzed and conditioned by the City's Engineering Division. Proposed Condition Nos. 35 through 42 in part relate to roadway dedications and improvements that shall be completed or paid for by the applicant.
4. CEQA does not analyze workers' wages and does not require an economic analysis be completed for a proposed development.

5. Finally, the applicant has agreed to include Condition of Approval No. 5 to prohibit establishment of a Truck Terminal and/or Amazon Last Mile Distribution Center at the subject site.

As conditioned, staff believes that the Planning Commission can make the findings to approve the proposed project and related environmental analysis.

ENVIRONMENTAL REVIEW

An Initial Study evaluating the potential environmental impacts of this project was prepared in accordance with CEQA. The Initial Study found that the proposed project would result in potential impacts in the areas of Biological Resources, Cultural Resources, Geology & Soils, Greenhouse Gases, Hazards and Hazardous Materials, Transportation/Traffic and Tribal Cultural Resources, and contains mitigation measures reducing the identified impacts to a level of less than significant.

A Notice of Intent to Adopt a Mitigated Negative Declaration (NOI) was filed with the Alameda County Clerk on September 24, 2021. The NOI and the Initial Study were posted at the Permit Center and the City Clerk's Office at City Hall; delivered to both Hayward libraries; and 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 September 24, 2021. The public comment period for the proposed Mitigated Negative Declaration and Initial Study ran from September 24, 2021, through October 25, 2021.

As described in Public Outreach and Analysis above, prior to publication of this staff report, the City received a large volume of correspondence urging the City to prepare an EIR for an Amazon Last Mile Facility at the subject site and detailing various issues with the assumptions used in the impact analysis. A formal Response to Comments has been prepared and included as Attachment VII to this report. Please also see Staff Analysis for further discussion on this matter.

The Initial Study/Mitigated Negative Declaration (IS/MND) reviewed the project as proposed and contains full analysis about project impacts which can be mitigated to a level of less than significant. 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. The Commission shall consider and adopt findings related to the approval of the environmental analysis prepared for the project.

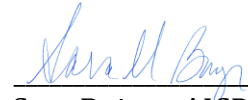
NEXT STEPS

If the Planning Commission approves the Major Site Plan Review and Conditional Use Permit and approves the environmental analysis 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, then the application will be heard by the City Council for the final disposition.

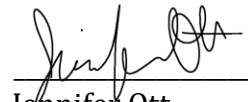
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