



**DATE:** February 15, 2022

**TO:** Mayor and City Council

**FROM:** Assistant City Manager/Development Services Director

**SUBJECT:** Pt. Eden Way U-haul Facility: Appeal of Planning Commission Denial to Develop a New Approximately 116,844 Square Foot Industrial Building for U-Haul at 4150 Point Eden Way (Assessor Parcel Number 461-0085-020-02) Requiring Approval of Site Plan Review and Historic Resources Demolition Permit Application No. 201901039 Including Certification of an Environmental Impact Report, Adoption of a Statement of Overriding Considerations, and Approval of a Mitigation, Monitoring and Reporting Program. Jerry Owen on Behalf of U-Haul; Amerco Real Estate Co. (Applicant/Property Owner)

## **RECOMMENDATION**

That the Council adopts a resolution (Attachment V) overturning the Planning Commission denial and approving Site Plan Review and Historic Resources Demolition Permit Application No. 201901039, subject to the Findings and Conditions of Approval outlined in the attached resolution; and reviews and certifies the Draft and Final Environmental Impact Report (Attachments VII and VIII, respectively), and adopts the Mitigation Monitoring and Reporting Program (Attachment IX), and findings related to the Statement of Overriding Considerations (Attachment V), prepared pursuant to the California Environmental Quality Act.

## **SUMMARY**

The Council is being asked to overturn a Planning Commission denial of a proposed project that would result in the construction of a new industrial building to house U-Haul regional corporate offices and a warehouse on an underutilized site located at the western edge along State Route 92. If approved, the proposed industrial building would be approximately 116,844 square feet in size and reach approximately 50 feet in height to finished roof and would require demolition of dilapidated historic structures previously affiliated with the Oliver Brothers Salt Company. Off-site improvements include relocation of the Bay Trail from the current alignment along the eastern property line between two industrially zoned properties to run along the project site's western property line to take advantage of the natural setting and views to the Bay and establishment of an approximately 32-acre preserve on the western portion of the project site.

On December 14, 2021<sup>1</sup>, the Council held a public hearing on the proposed project and continued the item to a future meeting to allow the applicant to 1) continue to negotiate with and come to an agreement with labor groups; 2) explore options for installing future gateway signage on the site; 3) provide a more detailed plan about use of historic materials on the site; and 4) provide additional detail on potential environmental impacts related to sea level rise, bird strikes, use of permeable materials, and the addition of trees along the realigned Bay Trail. Additional detail on each of these topics is provided in this staff report.

This staff report is intended to be a supplement to the Staff Report provided on December 14, 2021, which contains detailed Background, Site Conditions, Project Description, Code Compliance and Environmental Analysis related to the project (Attachment IV).

## **SUPPLEMENTAL INFORMATION**

On December 14, 2021, the Council held a public hearing on the proposed project and continued the item to a future meeting to allow the applicant to: 1) continue to negotiate with and come to an agreement with labor groups; 2) explore options for installing future gateway signage on the site; 3) provide a more detailed plan about use of historic materials on the site; and 4) provide additional detail on potential environmental impacts related to sea level rise, bird strikes, use of permeable materials, and the addition of trees along the realigned Bay Trail. Additional detail on each of these topics is provided below:

*Labor Negotiation.* The applicant will enter in an agreement with Swinerton, a general contractor recognized for their union agreements with local organizations.

*Gateway Signage.* The Council directed the applicant to explore opportunities for adding gateway signage at the site. Recognizing that designing and procuring gateway signage would most appropriately be led by the City, the applicant agreed to provide space on the site and to provide a contribution based on a percentage of the cost of the building permit toward the sign. Attachment II shows two approximately 100 sq. ft. locations for the gateway signage; and, proposed Condition No. 7 (Attachment V), modeled on the condition of approval related to public art at the Gillig site, would require that the applicant contribute one third of one percent (0.33%) of the building permit construction costs for acquisition and installation of gateway signage in the development project prior to issuance of a Certificate of Occupancy for the building.

*Historic Materials Reuse.* The applicant will reuse salvaged lumber from the salt processing plant to construct interpretive sign features that would be placed along the Bay Trail. Further, salt processing equipment, such as the remains of an Archimedes screw (pictured below), will be retained and displayed at the site and/or at the Historical Society as a remnant of salt mining history in the area.

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<sup>1</sup> December 14, 2021 City Council Meeting. <https://hayward.legistar.com/LegislationDetail.aspx?ID=5357653&GUID=B1B003A8-13D7-498B-B787-56C6FEC61187&Options=&Search=>



*Sea Level Rise.* The attached Land Development & Sea Level Rise – A Primer (Attachment III), was prepared by City staff and provides additional information related to the Shoreline Adaptation Master Plan, Flood Protection Ordinance, definitions and terminology, and impacts related to new industrial development along the shoreline and the U-Haul project in particular. The Primer concludes that the U-Haul project meets the current City requirements for flood protection. Furthermore, it can be inferred that the U-Haul warehouse has 100-year (1% chance of exceedance) protection for approximately three foot of sea level rise and that the parking areas will begin to flood during king tide events with about two feet of sea level rise. The loading dock is at most risk, flooding annually with about one foot of sea level rise and daily with about two feet of sea level rise.

*Bird Strikes.* To address the concern related to bird strikes, the building design will incorporate bird-safe features that the U.S. Fish and Wildlife Service consider best practices for reducing the risk of bird strikes against buildings. Strategies include breaking up large sections of glass with elements such as dark, vertical sunshades that would protrude outward on western facing windows, installation of white panels between windows to divide glass segments, and use of sculptural cutouts which will be mounted on the north façade adjacent to the glass entry way.

*Permeable Pavers.* Permeable pavers are a porous pavement that allows water to infiltrate into the underlying soil. They may provide stormwater benefits when they are used in the appropriate environment. Kier & Wright, a civil engineering firm, reviewed the geotechnical

report prepared for the site and determined that the underlying soils, which consist mainly of undocumented fill and clay with high groundwater, can be highly expansive and are not recommended for infiltration. Thus, permeable pavers are not an appropriate treatment solution for the project site. Rather, the project site includes bio-retention areas to achieve compliance with stormwater requirements.

*Additional Landscaping between Bay Trail and State Route 92.* In examining if there is adequate space to add trees between the Bay Trail and State Route 92, the applicant found that the area is not within their property boundaries and is under Caltrans jurisdiction. The only way to add trees would be to reduce the Bay Trail width, which is not being proposed at this time.

## **FISCAL IMPACT**

In December 2021, staff included in the previous staff report a potential impact on property valuation of the proposed project as \$13 million. Redevelopment of the site would result in increased property taxes, fees for permitting and inspections, and would result in park in lieu fees totaling about \$93,475 (based on the 2021 Fee Schedule). Once operational, the development would result in minimal sales taxes related to the rental of U-Haul storage pods.

## **NEXT STEPS**

The Council may vote to overturn the Planning Commission denial, approve the project, and adopt the attached resolution with CEQA Findings and related Statement of Overriding Conditions. Following the approval, the applicant would submit improvement and grading plans and a building permit application for the proposed development.

Alternatively, if the Council does not believe that the benefits of the proposed project outweigh the environmental impacts related to the proposed project, the Council may vote to deny the project because it cannot make the requisite findings to adopt the CEQA Findings and the related Statement of Overriding Considerations.

*Prepared by:* Leigha Schmidt, Acting Principal Planner

*Recommended by:* Jennifer Ott, Assistant City Manager/Development Services Director

*Approved by:*



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Kelly McAdoo, City Manager