



April 13, 2020

Via Electronic Delivery

Ms. Leigha Schmidt  
Senior Planner  
City of Hayward  
777 B Street  
Hayward, CA 94541

**RE: PS Business Parks, Inc.—30736 - 30760 Wiegman Road**

Dear Ms. Schmidt:

I hope in this changed environment you and your family are safe and healthy. As you may recall from our last meeting, PS Business Parks, Inc. (PSBP) owns the warehouse and distribution facility located at 30736 – 30760 Wiegman Road (Property) in Hayward, CA (City). Our long-term tenant, Keeco, vacated the premises on January 24, 2020 and we are engaged in ongoing conversations with City staff about our ability to lease the facility in the wake of the City's new industrial zoning adopted in 2019.

With the adoption of the new industrial zoning, the Property is now a legal non-conforming use. Section 10-1.2915(b) of the City's Zoning Ordinance provides that "[i]f a non-conforming use is discontinued for a period of six or more consecutive calendar months, it shall lose its legal nonconforming status, and the continued use of the property shall be required to conform with the provisions of this Ordinance." Thus, our six month period expires on July 23, 2020.

This six month timeframe only provides for a very narrow window to lease the building to the types of warehouse and distribution users that it was built to accommodate. The building on the Property is very large at 459,833 sf—or around 10.5 acres. As you likely know, in commercial real estate, the larger the space, the smaller the universe of potential customers. We want, and we assume the City wants, a good user for this unique, 10.5 acre building.

In the midst of our efforts to market and prepare the Property for a new warehouse and distribution tenant, COVID-19 hit. Then, on March 16<sup>th</sup>, the County of Alameda issued its Shelter-In-Place Order (Order) directing all businesses to cease non-essential operations in the County and, on March 17<sup>th</sup>, the City proclaimed a local emergency to acknowledge that the City cannot process land use applications within normal time limits imposed by federal, state, and local laws because City staff is required to work remotely. This Order suspends everything we are trying to do to lease this building and we are further hampered by the short fuse relative to our legal non-conforming status.



As a consequence, we respectfully request a six-month extension of the Property's legal non-conforming status until January 23, 2021 because PSBP's ability to market, show, and perform market-ready improvements to the Property has been severely impacted. These are extraordinary times that necessitate extraordinary relief and we appreciate your partnership in our shared goals.

Thank you very much for your consideration.

Sincerely,

*Richard E. Scott*

Richard E. Scott

cc: Paul Nguyen, Economic Development Manager