



CITY OF HAYWARD

Hayward City Hall
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Cover Memo

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MEETING

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

On behalf of the Planning Commission, Chair McDermott expressed her condolences to the family members and loved ones on the passing of Sergeant Lunger of the Hayward Police Department. The Planning Commission observed a moment of silence in his honor.

ROLL CALL

Present: COMMISSIONERS: Loché, Parso-York, Enders, Lavelle, Faria
CHAIRPERSON: McDermott
Absent: COMMISSIONER: Schott

Commissioner Loché led in the Pledge of Allegiance.

Staff Members Present: Ajello, Buizer, Hinkle, Lawson, Madhukansh-Singh, Nguyen, Rizk

General Public Present: 13

PRESENTATION

Certificates of Commendation

Chair McDermott presented a Certificate of Commendation to Commissioner Lavelle for her eleven years of service on the Planning Commission, sharing that Commissioner Lavelle had served as a mentor to her and often times, was the voice of reason on the Commission. Commissioner Lavelle shared that in her eleven years of service, 141 meetings had been held and commented that it had been a pleasure for her to participate in these meetings. She was thankful for the opportunity to work with her fellow Planning Commissioners and praised City staff for their support over the years.

Chair McDermott presented a Certificate of Commendation to Commissioner Loché for his eight years of service on the Planning Commission, sharing that she had learned a lot from him. Commissioner Loché mentioned that he also had learned quite a bit from his fellow Commissioners and from City staff, and added that he was thankful for the opportunity to meet so many residents during his service.

On behalf of the Planning Commission, Chair McDermott expressed her appreciation for the commitment to the community exhibited by both Commissioners.

PUBLIC COMMENTS

There were none.

PUBLIC HEARING: For agenda item No. 1, the Planning Commission may make a recommendation to the City Council.

1. Proposed Subdivision and Construction of Four Office/Light Industrial Buildings on a 14.41-Acre Site at 28803 Marina Drive, Requiring Adoption of a Resolution and Introduction of an Ordinance for a Zone Change from Business Park to Planned Development, Tentative Parcel Map 10363, and an Addendum to the Previously Certified Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program. Elizabeth Cobb, Shea Properties (Applicant), Eden Shores Associates I, LLC (Owner)

Development Services Director Rizk mentioned that the Memorandum issued by his department on the Allowed Uses for Eden Shores Industrial Business Park Planned Development provided clarification on the land use of the proposed site. He noted that the proposed uses reflect market trends that would have added value and may feature advanced industries.

Senior Planner Ajello provided a synopsis of the staff report. She noted that the site could allow up to six tenants. Ms. Ajello stated that the application included an Addendum to the 2007 Mitigated Negative Declaration which included a traffic analysis that indicated the amount of traffic generated in the area would decrease due to the change in use from straight office use to mixed office and industrial use.

Senior Planner Ajello clarified for Commissioner Parso-York that warehousing was permitted as a secondary/support use. She added that straight warehousing where value was not being added to a product was not permissible, providing the storage of a raw material as an example. Ms. Ajello elaborated that an acceptable warehousing use would be when a raw material was being modified to make a new product at the site.

Planning Manager Buizer pointed out for Commissioner Parso-York that as indicated in Table 2: Parking Summary of the staff report, the applicant had exceeded the number of total parking spaces required for the site by proposing to provide 561 total parking spaces. Senior Planner Ajello added that the calculations for the number of required parking spaces may be conservative considering that the City's parking regulations allow for a lower parking ratio for sites containing leasable bays.

Commissioner Parso-York requested that staff explain why an office park was not recommended for the proposed site.

Economic Development Manager Hinkle said that the original intent for development of the proposed site was for a job-generating business park. He stressed the importance of considering market strengths, noting that Hayward was currently not among primary locations for the development of office parks. Mr. Hinkle stated that office parks were ideal for urbanized settings such as the downtown area and contrasted this with a business park located at Eden Shores which would be isolated. He emphasized that Hayward's market strength was in light industrial uses and shared that there currently were not enough locations in Hayward where light industrial uses could operate, pointing out that there were only a few spaces along I-92. He commented that one of the findings of the Industrial Technology and Innovation Corridor Baseline Profile report was that there was a market demand for space that could be utilized for light industrial uses. Mr. Hinkle stated that the proposed site had been vacant for twenty years and mentioned that the opportunity for developing office space at this location had not materialized over this period of time.

In response to Commissioner Lavelle's question, Senior Planner Ajello stated that staff had not received any comments from the Eden Shores Homeowner's Association after notifications about the proposed development had been sent. Commissioner Lavelle asked staff if there would be options at the site to allow for outdoor seating for employees to eat lunch. Ms. Ajello noted that per Shea Properties, the buildings at the project site would be further modified to accommodate tenants once it was determined who the tenants would be. She pointed out that there were a few locations where outdoor patios could be accommodated, exemplifying the southern side of Building 1 as a potential option. Commissioner Lavelle supported having a flexible design where picnic chairs and tables could be added. Ms. Ajello shared with the Planning Commission that the site was restricting due to an 80' public utilities easement that ran along the northern border of the site, a 33' public service easement on Marina Drive and 31.5' public service easement along Industrial Boulevard. She emphasized that the applicant had made good use of the available space by designing the development at the center of the site.

Senior Planner Ajello confirmed for Commissioner Lavelle that Buildings 2 and 3 have been designed to demise so that two tenants could operate in each building, noting that this would be market driven depending on the occupant. She gave the example that one company could potentially occupy an entire building or it could be demised to create two separate spaces. Ms. Ajello confirmed for Commissioner Lavelle that a growing firm could potentially occupy multiple buildings.

Commissioner Lavelle requested that staff elaborate on the plans for rooftop designs and asked whether there would any green elements to the rooftops. Senior Planner Ajello shared that there would be a roof parapet that would block the surface of the roof from view. She was unsure of the rooftop color and indicated that white or cool roofs were commonly used as a green component. She commented that the Planning Division did not have any requirements pertaining to the color of the rooftop surface of the proposed buildings as there were no surrounding buildings at higher elevations that could be impacted by a negative reflection from a light colored rooftop. Ms. Ajello commented that the rooftop design would become available when the building permit plans are submitted and she added that the parapet would screen any mechanical equipment that would be located on the roof.

Commissioner Lavelle asked staff if it was a drawback in the market for a Class A space to not be situated near BART. Economic Development Manager Hinkle responded that this could have been problematic if the use of the site was proposed for office space; however, since the land use for the location was for light industrial uses which are geared towards product development, the site was suitable for these uses due to the proximity to freeways. Mr. Hinkle underscored that industrial spaces were difficult to find in the Bay Area, stating that if they are not built here, then companies with industrial uses may explore operating in locations such as Livermore and other locations in the valley. He emphasized that Hayward was a great strategic location as it served as a shipping hub in the East Bay. Commissioner Lavelle complimented Mr. Hinkle on the new Economic Development programs occurring in the city and was impressed with the newspaper spread featuring Hayward.

In response to Commissioner Faria's question whether the information presented in the traffic analysis which was conducted in 2007 was still current, Senior Planner Ajello indicated that the Initial Study/Addendum recently conducted by the applicant analyzed the traffic impact and took into account the change in uses that was being proposed. She reported that the number of trips generated from office/light industrial uses was less than the number of trips anticipated for sole office use at the site.

Commissioner Faria commented that due to the proximity of the project to a residential area, she was pleased that the Addendum included industries that were screened from the list of uses.

Commissioner Loché was glad that there no major concerns from the Eden Shores residents. In regards to the landscape buffer, he asked how far this was located from the nearest residential area. Senior Planner Ajello stated that the closest residential area was on Portland Drive which was a dead end street. She noted that Shea Properties was in the process of acquiring this property from the city and once this occurred, Portland Drive would be incorporated into the project. If this were to happen, then a substantial length of the roadway would be eliminated that currently runs in front of the residential area. She shared that the applicant planned to use this space as a landscaped area and also for bio-retention. Ms. Ajello noted that this would create a 40' landscape buffer between the project site and the residential development. She added that the proposed buildings would be setback an additional 30'-50' from the property lines as there would be parking areas and two way travel lanes.

Commissioner Enders expressed concern that an Environmental Impact Report completed approximately twenty years ago was being used for the proposed project and shared that per this report, there were birds in the area that were protected under the Migratory Bird Treaty Act, as well as multiple species of other types of animals and plants that were also protected. Ms. Enders added that the burrowing owl specifically was on the State of California's species to watch list. In response to Commissioner Enders' concerns about what the mitigation measures will be for the proposed project, Senior Planner Ajello noted that the existing Mitigation Measures that were developed in 1998 and revised in 2007, included mitigations for nesting birds. She stated that the mitigation was that 30 days prior to construction, the applicant would have to conduct a nesting survey in order to identify if there were any birds nesting at the site. The applicant would have to work with the Department of Fish and Wildlife and noted that this was strictly regulated.

Chair McDermott opened the public hearing at 7:30 p.m.

Ms. Elizabeth Cobb, Vice President of Development for Shea properties, represented the applicant and introduced other staff members with Shea Properties that were in attendance at the meeting. She stated that although there were challenges with the schedule of the project and also some site challenges, she appreciated city staff for their support with the project and was hopeful that Shea Properties could identify more projects to work on in Hayward. Ms. Cobb shared that Shea Properties developed, constructed and managed its own properties. She described that due to the Great Recession of 2008, there have been significant land development changes consisting of the following: office spaces in cities becoming vacant; consolidation of the office market to the core city centers; residential moving into the city center; and industrial uses being pushed to the outer markets. Additionally, she pointed out the following general office trends due to advancements in technology: less than 50% of the office workforce was required to work at their desk; an increase of open collaboration space that required less traditional office space; and a reduction in office space per employee. Based on these changes, the office demand had shifted to priority markets in city centers that were transit oriented and had high residential density. Ms. Cobb highlighted that if the proposed site were to be built as an office use this would have been an uncertain build out for Hayward. She shared that Hayward was presenting itself strategically as industrial growth and pointed out the positive indicators for the city which were that the vacancy rates were down, rental rates were high, net absorption was high and construction was high. She pointed out that the older industrial buildings in the city were being demolished and these were being replaced with newer Class A industrial buildings. She commented that the growth occurring in the peninsula was moving closer to the strategic location of Hayward and closer to the I-880 and I-92 corridors and stressed that the Eden Shores site was the prime location for the growth. She stated that although she could not disclose which companies were exploring operating at the proposed project site, she was able to share that the interested industries consisted of

manufacturing companies with an employment range of 60-200 individuals. She indicated that the proposed site offered market competitiveness and the new construction was appealing as it would be built to today's standards. She added that Hayward had a housing market that was appealing to many people. Ms. Cobb indicated that Shea Properties' goals and objectives for Hayward were to provide a near term project, provide a Class A industrial use that would achieve high rent tenants, lead to job creation, have an opportunity for point of sale/revenue source, and complete the Eden Shores Master Plan.

In regards to Commissioner Enders concern about the impacts of the project on migratory birds, Ms. Cobb noted that there would be ample open space to the south of the project site that may be suitable for migratory birds and other protected species. She noted the following design features of the project site: there would be distinct entryways to the buildings in order to provide an office setting, which included having seating areas near the building entrances; Building 4 had a potential to feature outdoor seating; there would be landscaping between the sidewalk and curb; the sidewalk would be 10' in width to allow for shared use between pedestrians and bicyclists; there would be walkways going all the way around the building; tenants would have the option to have a single level office or a mezzanine; the parking space requirement was satisfied having surpassed the requirement by providing more than double the amount of parking you would see for straight industrial use.

In response to Commissioner Faria's question about the timeline for the project, Ms. Cobb responded that that the Planned Development approval and construction drawings were still pending and she added that Shea Properties anticipated the start of construction by 2016.

Commissioner Enders thanked the Shea Properties team for their commitment to the City of Hayward and for truly considering the types of projects sought by the City. Commissioner Enders asked the applicant about the marketing plan for the site. Ms. Cobb indicated that the project was a \$40 million investment for her company and noted that they had already engaged their broker in order to help identify market trends. She commented that the ideal situation would be to have tenants for the site at the time of submission of the construction drawings.

In response to Chair McDermott's question about the potential number of employees that could be employed at the project site, Ms. Cobb responded that it would be difficult to guess who the end user of their property will be until they get through the entitlements. Economic Development Manager Hinkle noted for Chair McDermott that acquiring Portland Drive from the City was an item that was still being evaluated.

City Attorney Lawson disclosed that the City Council discussed this item during the Closed Session on July 21, 2015 under the heading of Property Negotiations. He noted that there probably will be a deal and that this was dependent on the price considerations. Mr. Lawson said that Economic Development Manager Hinkle will be working with Public Works Engineering and Transportation Director Fakhrai to conclude these negotiations quickly.

Chair McDermott asked if there had been any interest by STEM (science, technology, engineering, and math) companies, stating that there was a preference to have more of such industries in this area. Ms. Cobb responded that the project could not be advertised until entitlements had been acquired.

Chair McDermott commented that depending on the type of light industrial use that will operate at the proposed site, transportation may be critical given that the site was not located near BART. She asked if alternative shuttle service options were being considered. Ms. Cobb responded that a requirement of the project was to conduct a Transportation Demand Management Plan to identify options for bus service, carpool and other forms of alternative transportation available for the site. She added that access for bicycles was easily available

in this area due to the network put in place through the Eden Shores Master Plan Development.

Development Services Director Rizk shared that the City was currently undertaking a Transit Demand and Feasibility Study where the transit demand for the Industrial area was being evaluated and the feasibility of operating a shuttle service was being considered.

Chair McDermott emphasized the importance of considering viable options for transportation and parking in the event of a parking shortage. She shared an example of how her company, which was located on Clawiter Road, entered an agreement with Heald Business College and paid the school to use their parking lot as an overflow area so that employees belonging to her company could park in Heald's parking lot.

Chair McDermott closed the public hearing at 7:58 p.m.

Commissioner Enders made a motion per staff recommendation, which included Exhibit A: Eden Shores Industrial Business Park Development Standards and Exhibit B: Revised Conditions of Approval that were attached to the Memorandum. The motion was seconded by Commissioner Loché.

AYES: Commissioners Loché, Parso-York, Enders, Lavelle, Faria
Chair McDermott
NOES: None
ABSENT: Commissioner Schott
ABSTAIN: None

COMMISSION REPORTS

2. Oral Report on Planning and Zoning Matters

Update on the trail feasibility analysis associated with Final Map Tract 8058 by David Rizk, Development Services Director

Development Services Director Rizk provided the Planning Commission with an update on Final Map Tract 8058 which was an item previously heard by the Planning Commission where the Commission had requested that staff study the feasibility of a public trail along the east side of the property. He indicated that a private trail easement existed on the west side of the property and, after having conducted the study and consulting with the City Attorney's Office and the City Council, staff determined that a public trail along the eastern property boundary was not feasible, as the subdivider was not willing to dedicate the property. This would then require the City to pursue eminent domain proceedings to force the dedication. He noted the following concerns with the property: it was very steep; there would be liability and maintenance concerns for the City associated with such trail; and the point where the trail would end was on Hayward Boulevard, which was not marked with crosswalks. Chair McDermott appreciated the update provided by staff.

3. Commissioners' Announcements, Referrals

There were none.

APPROVAL OF MINUTES

4. Approval of Minutes of the Planning Commission Meeting on May 28, 2015

It was moved by Commissioner Lavelle, seconded by Commissioner Faria, and carried unanimously with Commissioner Schott absent, to approve the minutes of the Planning Commission Meeting on May 28, 2015.

ADJOURNMENT

Chair McDermott adjourned the meeting at 8:15 p.m.

APPROVED:

Heather Enders, Secretary
Planning Commission

ATTEST:

Avinta Madhukansh-Singh, Management Analyst I
Office of the City Clerk