

## **EXHIBIT A**

### **RECOMMENDED FINDINGS OF FACT PLN20-0024**

**1788 Fairway Drive, APN 77B-855-7-8  
Michael Huffaker, Prime Now LLC (Applicant)  
Prologis USLV NEWCA 7 LLC (Property Owner)**

The Board of Zoning Adjustments hereby approves PLN20-0024, subject to the following findings:

#### **CONDITIONAL USE PERMIT FINDINGS**

**1. That the proposed location of the use is in accord with the objectives of this Code and the purposes of the district in which the site is located.**

The location of the proposed 395 square foot supermarket to be attached to the existing 49,752 square foot warehouse and distribution facility located at 1788 Fairway Drive is in accord with the objectives of the Zoning Code because a supermarket is conditionally permitted in the IG Industrial General Zoning District and because the Project meets the objectives of the Zoning Code. The Conditional Use Permit for a supermarket enables customers to walk in and purchase products including alcoholic beverages at an existing warehouse and distribution facility that would not otherwise be able to serve walk-in customers. The supermarket and warehouse and distribution business promotes economic stability and strengthens the City's economic base. The Applicant has requested a parking exception and a parking study was conducted that concluded there is adequate parking based on the demand present and determined the Project will provide adequate off-street parking and loading facilities, and a safe and effective traffic circulation system. The Project complies with all other regulations related to parking, traffic, and circulation of the Zoning Code's Off-Street Parking Regulations. The Project does not exceed the capacities of existing streets, utilities, or public service because the supermarket will be located within an existing industrial building that has access to Fairway Drive and existing utilities and is already serviced by the City.

The Project meets the purposes of the IG Industrial General Zoning District in accordance with Zoning Code Section 2.12.100 because:

- a) the Project would contribute to providing a broad range of manufacturing, distribution and storage, and service uses because the supermarket is a type of service use that will give patrons and customers access to an on-site community-serving grocery and retail store to make purchases for a wide variety of food, groceries, and household products;
- b) the Project strengthens the City's economic base and provide employment opportunities close to home for residents of the City and surrounding communities as the supermarket is a business that generates tax revenue and sales and would provide residents and community members the opportunity to seek employment at the supermarket;

- c) the Project encourages the adaptive reuse of existing industrial buildings as the supermarket would use the existing industrial building and site to conduct its operations;
- d) the Project ensures high quality site and building design for the reused building as the supermarket will use the existing building and is conditioned to make certain improvements that will enhance the quality and design of the site such as a new screening for equipment at the sides of the building, repainted curb, landscaping, and interior tenant improvements;
- e) the Project is compatible with the character of the area in which it is located and minimizes the impact of industrial uses on adjacent residential districts because the supermarket itself has a minimal impact based on its size and the supermarket would be a service type use and all operations will be contained within the site which minimizes the impact of industrial uses on the residences at the southeast of the property;
- f) the Project ensures the provision of adequate off-street parking and loading facilities as the Applicant has requested a parking exception and a parking study was conducted and concluded that there is adequate parking based on the demand present. The Project complies with all other regulations related to parking, traffic, and circulation of the Zoning Code's Off-Street Parking Regulations; and
- g) the Project would provide a certain type of retail sales which are permitted under specified limitations as the supermarket would provide sales of products, goods, and alcohol while subject to the City's Conditions of Approvals.

**2. That the proposed location of the use and the proposed conditions under which it would be operated or maintained will be consistent with the General Plan; will not be detrimental to the public health, safety or welfare of persons residing or working in or adjacent to the neighborhood of such use; and will not be detrimental to properties or improvements in the vicinity or to the general welfare of the City.**

The Project is consistent and in alignment with the City of San Leandro's General Plan goals, objectives, and policies related to General Industrial which contains a wide range of manufacturing, transportation, food and beverage processing, technology, warehousing, vehicle storage, office-flex, and distribution uses as well as a limited range of commercial uses and the supermarket would be a type of commercial use as it sells a variety of products including alcohol and provides a number of services such as a point of sale from a register to purchase, pick up, and deliver products, goods, and alcohol. Additionally, the supermarket is incidental to warehousing, storage and distribution as products are placed on shelves and transferred to vehicles and vans to be distributed which is allowed in the General Industrial District. The location, land uses, operational conditions and design of the Project comply with these provisions because the Project is considered a supermarket that contains a public facing point of sale station or counter, and it is open to walk-in customers to purchase a variety of goods including alcohol.

The Project will not be detrimental to the public health, safety or welfare and will not be detrimental to properties or improvements in the vicinity or to the general welfare of the City because the Project is reusing an existing building and site in an industrial zoned property which housed industrial and commercial uses and the supermarket would operate and use the building and site in a similar way compared to previous occupants and businesses that occupied the site which did not result in conditions detrimental to public health, safety or welfare. The Project has been appropriately conditioned and is subject to compliance with the City's uniformly applicable development policies, including the provisions of the General Plan, Zoning Code and Municipal Code, attached hereto and incorporated herein by reference, all of which contain policies and requirements to ensure that development in the City does not create a public nuisance or conditions detrimental to the public health, safety or welfare of the community.

The Project is consistent with the General Plan because the following General Plan goals, policies, and actions apply (note: LU-Land Use; ED-Economic Development):

GOAL LU-7 Sustain dynamic innovation districts which place San Leandro on the leading edge of the Bay Area's manufacturing and technology economy.

Policy LU-7.1 Leveraging Locational Assets. Build on the locational strengths and transportation features of San Leandro's industrial area to support the area's continued development as a major advanced manufacturing, technology, and office employment center.

Policy LU-7.2 Adaptive Reuse. Encourage private reinvestment in vacant or underutilized industrial and commercial real estate to adapt such property to changing economic needs, including the creation of flex/office space and space for technology-driven businesses.

Policy LU-7.3 Zoning Flexibility. Ensure that industrial zoning regulations are flexible enough to achieve the vision of San Leandro's industrial area as an "innovation ecosystem", where new methods of production, operations, and design are supported.

Policy LU-7.4 Tax Base Enhancement. Encourage business development that improves the City's ability to provide the public with high-quality services and which minimizes increases in the tax burden for existing businesses and residents.

GOAL ED-1 Attract jobs and investment across all economic sectors.

Policy ED-1.1 Leveraging San Leandro's Assets. Build on San Leandro's strengths, including its central location, transportation infrastructure, affordability, industrial land supply, and business-friendly reputation to leverage economic growth and private investment in the city.

Policy ED-1.10 Tax Revenues. Encourage development that generates sales tax, property tax, and other revenues that sustain municipal services.

GOAL ED-3 Adapt, reimagine, and reinvent traditional business models to put San Leandro on the leading edge of the innovation economy.

Policy ED-3.8 Sharing Economy. Explore ways in which new San Leandro businesses and start-ups can benefit from the sharing economy, including the sharing of business and industrial space, vehicles, and services that are more affordable when shared by multiple users.

GOAL ED-4 Create attractive, economically vibrant commercial areas that are easily accessible to San Leandro residents and employees.

Policy ED-4.1 Retail Diversity. Encourage a diverse range of commercial uses, offering goods and services that fully meet the needs of San Leandro residents and businesses.

Policy ED-4.2 Improving the Retail Mix. Achieve a retail mix that includes small, locally-owned businesses as well as large national retailers. A particular effort should be made to attract higher-quality retailers, such as brand name clothing stores, home furnishing stores, and high-quality supermarkets.

The location and conditions under which the Project will be operated and maintained are consistent with the General Plan because the Project will provide a 395 square foot supermarket with space for the shelving of products in the 49,752 square foot warehouse. The supermarket is connected to the warehouse where products and goods will be picked up and delivered through drivers using online platforms and applications. The Project will use an existing building and site to conduct its operations and the existing exterior appearance is compatible with the immediate neighborhood where there are industrial, commercial and residential districts and uses.

The Project will not be detrimental to the public health, safety or welfare of persons residing or working in or adjacent to the neighborhood and will not be detrimental to properties or improvements in the vicinity or to the general welfare of the City because the operation of the supermarket will be contained within the existing building and site that provides adequate infrastructure and access to public streets. The supermarket would be contained in the building and would not involve any physical expansion to the building. Therefore, the use can be easily integrated and have a minimal impact to the vicinity.

- 3. That the proposed use will comply with the provisions of this code, including any specific condition required for the proposed use in the district in which it would be located.**

The Project complies with the provisions of the Industrial General Zoning District requirements and is compatible with existing adjacent development because the Project conforms to the development standards, including setbacks, height, floor area ratio, lot

coverage and landscaping requirements.

The Project includes a parking exception and will provide adequate parking based on the comprehensive Parking Analysis Report prepared by DKS Associates dated November 9, 2021. As noted in the report, the on-site parking supply would be sufficient to meet the parking requirements of the supermarket use and all other tenants. The site has a total of 272 parking spaces comprising 265 spaces and seven ADA spaces. The Parking Analysis assumes a capacity of 265 spaces because it is unknown what portion of the parking demand will be eligible to use the seven ADA spaces. The Project tenant contains 49,829 square feet of warehouse, 3,154 square feet of office and 395 square feet of supermarket space. The site also has a 134,425 square feet building materials store (Floor and Décor), a 135,439 square feet warehousing facility (East Bay Logistics), a 36,657 square feet vacant tenant (Space D) and a second 59,244 square feet warehousing facility in Building 2. Per the Zoning Code parking requirements and tenant uses, the total required number of spaces is 348 thus deficient of 83 spaces.

The Parking Analysis shows the estimated hourly parking demand for the Amazon warehouse and supermarket and took into consideration delivery worker shifts, onsite employees and customers entering the supermarket. According to the analysis, at peak times which are between 10AM and 7PM, the maximum demand comprises one customer, 11 delivery workers, and 70 onsite workers totaling to 82 spaces occupied at any time during peak hours.

The Parking Analysis used expected peak parking demand based on rates from the ITE Parking Generation Manual for building materials retail tenant (Floor & Décor) and warehousing tenant (East Bay Logistics) occupying Building 1. The Parking Analysis matched Floor & Décor to a "Building Materials and Lumber Store" which has a peak demand of 77 spaces and matched East Bay Logistics warehousing portion to "Warehousing" and the office portion to "Small Office Building" which has a peak of 53 and 9 spaces respectively.

The remaining tenant within Building 1 is 36,657 sq. ft. however has no parking demand because the space is not leasable and not occupiable as it does not meet ADA and other building and fire code regulations.

Building 2 is a warehouse use and assumed to have no parking demand at the subject parking lot because while Building 2 is on the same parcel, visitors and employees do not use the subject lot because the entrance to the building is on Factor Avenue and there is onsite parking at the frontage of the building along Factor Avenue. Additionally walking from the subject parking lot to the entrance of Building 2 requires walking approximately half a mile and walking through a rear driveway that is occasionally gated. The Applicant conducted an interview with the property owner and confirmed that visitors and employees of Building 2 do not use the subject lot for parking.

Based on the Parking Analysis and methodology to calculate demand during peak hours, the Project tenant which includes the supermarket and warehouse has a demand of 82 spaces, the Building and Materials Store has a demand of 77 spaces, the warehouse tenant has a demand of 62 spaces, and the unleaseable space and Building 2

has a demand of zero spaces. This totals to 222 spaces in demand which is lower than the 265 spaces available at the subject lot. Therefore, with a surplus of 43 spaces, the Project would provide adequate parking.

- 4. That the proposed use will not create adverse impacts on traffic or create demands exceeding the capacity of public services and facilities, which cannot be mitigated.**

The Project will not create adverse impacts on traffic or create demands exceeding the capacity of public services and facilities because the Project is a 395 sq.ft supermarket that is accessory to the existing permitted 49,829 sq.ft warehousing and distribution use. Based on the Parking Analysis, at peak hours, it is estimated that there will be one customer for the supermarket. Based on the minimal size of the supermarket and low traffic to the supermarket, the proposed use will not create adverse impacts on traffic or create demands exceeding the capacity of public services and facilities.

### **PARKING EXCEPTION FINDINGS**

- 1. The strict application of the provisions of this Code would cause particular difficulty or undue hardship in connection with the use and enjoyment of said property.**

Based on the existing multiple tenant mix and their land uses and the number of existing parking spaces, the total parking requirement from the Zoning Code would exceed the existing spaces available on site. Because the establishment of a 395 sq. ft. supermarket requires a Conditional Use Permit which includes the review of the Project to comply with all development regulations including parking, it was found that the site is deficient of parking based on the Zoning Code's parking requirements. The property site is a former mattress factory that has been redeveloped into multiple industrial and retail tenants with existing spatial constraints limiting the ability to provide additional parking. After a detailed parking analysis, parking for the combination of industrial and retail land uses identified on the subject Property was determined to be adequate. Thus, the provisions of this Code would cause difficulty for the supermarket to meet all regulations as it would not satisfy the parking demands listed in the Zoning Code.

- 2. That the establishment, maintenance and/or conducting of the off-street parking facilities as proposed are as nearly in compliance with the requirements set forth in this Code as are reasonably possible.**

There are a total of 265 parking spaces and seven ADA parking spaces on the existing site which are in compliance with the requirements of the Zoning Code. These spaces are available for use by the multiple tenants on site. Based on the Parking Analysis, the site does provide adequate parking where the total demand is 222 spaces and thus have a surplus of 43 spaces.

The supermarket parking demand is one space during the peak hours and the Zoning Code would require the supermarket to provide two spaces out of the 272 spaces on site. There is off-site parking available along sections of Miller Street. The supermarket would

minimally impact the existing site due to the minimal traffic expected and parking required.

- 3. That the provision of additional parking measures for projects shall be allowed to include car share features, transit passes for tenants in residential, commercial, or mixed-use developments, and within one-quarter mile proximity to a transit corridor or other transit facility including a bus stop or BART station.**

There are a total of 265 parking spaces and seven ADA parking spaces on the existing site which are in compliance with the requirements of the Zoning Code. These spaces are available for use by the multiple tenants on site. Based on the Parking Analysis, the site does provide adequate parking where the total demand is 222 spaces and thus have a surplus of 43 spaces.

The site is directly served by the San Leandro Links Shuttle with a stop at the corner of Miller Street and Fairway Drive. The site is also served by Route 34 and the bus stop is located at the intersection of Fairway Drive and Merced Street which is approximately a quarter mile from the site. These transit stops provide an alternative way to access the site, further reducing the potential parking demand for all tenants on the parcel.

- 4. Parking exceptions may be granted to affordable housing and senior housing facilities, or mixed-use developments with shared parking.**

This Project does not include affordable housing and senior housing facilities, or mixed-use developments with shared parking.