

**SAN LEANDRO PLANNING COMMISSION  
REGULAR MEETING**

City Council Chambers, First Floor  
835 East 14th Street  
San Leandro, California 94577

**7:00 p.m. Regular Meeting**

**February 19, 2015**

**Item 1: Roll Call**

**Present:** Planning Commissioners Esther Collier (District 6); Tom Fitzsimons (District 5); Kevin Leichner (District 1); Kai Leung (District 4); Vice Chair Ed Hernandez (District 2), Chair Denise Abero (District 3); Scott Rennie (At Large).

**Absent:** None.

**Staff:** Tom Liao, Secretary to the Planning Commission and Deputy Community Development Director; Jeff Kay, Office of Business Development Manager; Kit Faubion, Assistant City Attorney; Barry Miller, General Plan Consultant; Larry Ornellas, Facilities Coordinator.

**Item 2: Public Comments**

None.

**Item 3A: Minutes**

*Motion to approve the minutes of the January 15, 2015 Meeting*

*Hernandez/Fitzsimons: 7 Aye, 0 No*

**Item 4: Correspondence**

None.

**Item 5: Oral Communications**

None.

**Item 6A: Work Session**

General Plan Study Session on Community Feedback, Economic Conditions, and Implications for the City's Long-Range Vision.

**Secretary Tom Liao** presented the evening's two presenters. The first presentation was delivered by General Plan consultant Barry Miller and the second by Dena Belzer, President of Strategic Economics. Both Miller and Belzer are subconsultants to Placeworks, the prime contractor on the General Plan Update. [Derek Braun and Garrison Trau of Strategic Economics were also present in the audience.]

**Mr. Miller** provided a PowerPoint presentation in which he summarized the community input received to date. He grouped the key messages received from about 20 meetings into 12 key themes and reviewed each theme in his presentation.

**Dena Belzer** then provided a PowerPoint presentation on the state of San Leandro's economy, focusing on the city's position within the region. Some of the highlights included findings that retail sales per capita in San Leandro are higher than it is in other nearby cities, only 12% of the City's residents actually work in San Leandro and major shopping centers have repositioned themselves to serve middle income households. Ms. Belzer also noted that housing should be strongly discouraged in the industrial areas. She indicated the industrial areas were very productive and that efforts to "remake" them should be strategic and to focus on key locations such as Marina Boulevard. She noted that retail should be focused on key parcels such as Kaiser North and should not be dispersed across the city.

**Commissioner Rennie** noted that improving entertainment options seems to be a common theme and asked what does the data suggests about putting entertainment uses in the industrial areas. Ms. Belzer indicated that this depends on how "entertainment" is defined. Microbreweries/craft beer places might be compatible and possibly a night club, while restaurants need to be in high visibility locations. Restaurants in the City could be open for weekday breakfast or lunch, but not for weekends or dinner, and the area would still be quiet at night. Ms. Belzer stated that Marina Boulevard and Kaiser North are good retail/restaurant locations. There may be some limited areas within the industrial zone where a food production activity could have a small restaurant related to their products or a brewery could have an ancillary brewpub.

**Commissioner Fitzsimons** asked for clarification on how a brewery constituted entertainment. Ms. Belzer noted that restaurants, bars, theaters, movies, etc. are typically classified as entertainment, and these uses do better in places with traffic and often like to cluster (near arterials, freeways, etc.). Fitzsimons described such activities as "nightlife." Business Development Manager Jeff Kay noted that in the industrial area, the city is seeing an increase in gyms, sports places, archery, health and fitness establishments, which are other forms of entertainment. These uses are also pretty easy to accommodate and do not cause compatibility problems.

**Ms. Belzer** noted that there are opportunities for more restaurants downtown and in neighborhood settings like Bancroft Avenue and Dutton Avenue. She noted that the City needs to be careful with entertainment venues in neighborhood shopping areas because of noise conflicts and late night activities.

**Commissioner Hernandez** asked if the 12% figure (the number of persons living in San Leandro who also work in the city) is high or low. Ms. Belzer noted that it is a little low, but not that unusual. Commissioner Hernandez asked how the City's economic position is compared to Emeryville and asked where people come from when they commute to work in the City. Ms. Belzer responded that the data indicates mostly Oakland, Hayward and other inner East Bay cities. She again reiterated that if the objective is to have more night life, the place to focus is downtown and not industrial areas. The City needs to grow the downtown population first, so there is more support for these businesses. Connectivity is also a big part of this and connecting new jobs to local housing is a good objective. Places like The Gate need to be linked to downtown and the City needs to connect the places where people live to where people work and to create areas like an "Ale Trail" to link the brew pubs and provide connectivity. This also raises the "hip" factor.

**Commissioner Hernandez** asked about the prospect for adding housing at/around The Gate. Ms. Belzer indicated this was not advisable. The City should focus new housing at the Marina and Downtown, where people want to live. She pointed to the Gilman corridor in Berkeley as an example of what the Davis Street and Marina Boulevard corridors might become as these are non-housing areas with heavy traffic volumes, but they have a "cool" factor because of the types of businesses there. She also added that traffic is needed to support these types of development.

**Commissioner Hernandez** asked for an explanation of some of the key data points on several slides and asked about the average size of new businesses. Ms. Belzer noted that in other cities, businesses tend to be smaller. Large manufacturing facilities in San Leandro are being subdivided (e.g., The Gate). Commissioner Hernandez asked what was being stored in the City's warehouses and how the City could attract higher wage jobs. Ms. Belzer responded that many of the manufacturing/distribution jobs are high wage jobs and that tech jobs are not necessarily high wage jobs.

**Commissioner Hernandez** asked if the city was putting too much emphasis on transit-oriented development in our housing strategy. He wondered if the City should provide more housing opportunities in other locations, since the BART housing doesn't appear to be getting built that quickly. Ms. Belzer indicated it was still better to focus the growth at BART and that the City has sufficient capacity to accommodate housing demand without touching the industrial areas. She added that perhaps some strategic places on the edges of the industrial area are OK, but to definitely not scatter housing in the industrial area.

**Commissioner Hernandez** asked if Williams Street and Fairway Drive might be better retail spines than Marina Boulevard, since there is less traffic. Ms. Belzer indicated that Marina Boulevard is still better because retail wants to locate where there is traffic and where interstate access is available. Further investment in the LINKS shuttle can also improve connectivity. Commissioner Hernandez noted that 21<sup>st</sup> Amendment would be on Williams Street, but Ms. Belzer responded that this was first and foremost a brewery, and not a bar. She added that other uses could be considered

in the industrial area, but not housing. For instance, she stated, the area east of 880 and south of Marina Boulevard has a lot of room for non-traditional office space and could house creative industries in some of the big flex buildings.

**Commissioner Hernandez** asked about work-live opportunities. Ms. Belzer said there are some in the City, but the market is limited. The risk with work-live sites is that industries can be displaced or experience land-use conflicts, which is what happened in Dogpatch in San Francisco, where the work-live concept led to condos, which then led to businesses with noise complaints, which eventually left. Ms. Belzer also noted that the city needs to keep in mind that some of the industrial areas are not a suitable environment for living, due to hazardous materials, blast zones, etc.

**Commissioner Hernandez** asked about the earlier conclusion that San Leandro could not compete with Bishop Ranch and Hacienda as office markets—why would that be true? Ms. Belzer explained that those business parks had enormous areas of land and were developed as planned employment centers by big investors. San Leandro has a more eclectic mix—there are a lot of long term owners who are happy with their returns and are not looking to sell or build offices.

**Commissioner Rennie** asked if downtown housing needs to be in a mixed-use format or if buildings that were completely residential would also work. Ms. Belzer noted that single use buildings are easier to construct and that retail uses really needed to be on major shopping streets. The city should not require mixed-use on all properties, although it is OK to allow it if the developer wants to put it in. Single purpose residential is OK as there is already too much retail space in the city and it would not be effective to mandate more where it's not needed. If the City implements that, she added, the City will get martial arts studios, tutoring, etc. in those spaces. She also noted that the City does not need continuous retail to encourage walking.

In response to a question on whether there was demand for more retail at the Marina, Ms. Belzer noted there was huge untapped demand for housing there. She suggested that Kaiser North would be a better location for retail and it could accommodate some of the “experiential retail” that residents are missing. Commissioner Rennie asked if this could be in a multi-story format. Ms. Belzer indicated a mix of single and multi-story would be preferable. Commissioner Rennie asked if zoning should be more form-based and Ms. Belzer suggested that a hybrid code that combines form and use would be appropriate.

**Commissioner Fitzsimons** noted that most retail in the City is neighborhood-serving. He wondered how much of a regional draw the City is and if growth opportunities are in regional shopping or just places where residents shop. Ms. Belzer indicated that it was a little of both. Bayfair and Kaiser North developments would be regional and downtown could pull a little from Oakland and Hayward, but it is mostly going to be San Leandro residents and workers. She noted that the Downtown Berkeley Arts district took 30 years to take hold. Downtown San Leandro and the neighborhood centers should focus on San Leandro residents and not try to be regional hubs.

**Commissioner Fitzsimons** likened San Leandro's economy to the Bay Area fog—it rolls in to the city last, and it rolls out first. In other words, San Leandro is the first city to suffer when the economy turns bad and the last city to recover. He wondered how the City can be more resilient during market downturns. He speculated that if the city converted industrial space to other uses

now, it might all be vacant when the market turns. Ms. Belzer noted that “purpose built” office space is risky, whereas the existing older industrial space allows for more flexibility and market responsiveness. It’s unlikely that manufacturing is going to ever flood in to the City, but there are interesting buildings that tell an interesting story, like the “makers” and other creative industries. The Commission discussed factors that attract millennials to a community—transit, good schools, good food, etc., and Ms. Belzer noted that the economy should stay diverse to be resilient.

**Commissioner Fitzsimons** asked if the Production Distribution Repair (PDR) businesses liked to cluster. Ms. Belzer said some do and that they want to be near their suppliers, truck routes, etc. It’s a very diverse sector and it’s tied to the regional (rather than local) economy. Manager Kay noted there were businesses like 3-D printers at The Gate who want to be somewhere where they can build a cluster of similar businesses. There are now about five 3-D printers there. The beer businesses also like to cluster, Manager Kay added.

**Commissioner Leung** asked if there were any recommended marketing strategies to attract international businesses and noted that Hayward has built relationships with Chinese investors. Ms. Belzer noted that this could be done through personal connections, which is the approach that Fremont has taken. Also, Sister City connections are effective and the City could work with property owners to explore connections and build relationships. She concluded that business development is about people to people connections. Commissioner Leung noted that there were 91 sites for housing in the Housing Element, but that the City can’t seem to generate investment to build on them. Ms. Belzer indicated that some of the larger home builders like Signature and Lennar are getting significant foreign capital.

**Commissioner Collier** noted that one of the slides suggested Westgate had been there since 1952, but it was a Caterpillar plant most of that time and has only been retail since the 1980s.

**Commissioner Leichner** wondered how the City could raise the number of residents working locally above the 12% statistic. He asked what strategies the City can consider, such as down payment assistance programs. Ms. Belzer responded that there are many potential programs, but they have not specifically collected data on that issue, but that data could inform potential solutions. Manager Kay said he routinely asked major employers where their employees lived and noted that they are coming from all over—SF, Oakland, Tri-valley, and further. It would be great to capture more of that housing demand locally. Ms. Belzer suggested that other cities had launched campaigns to draw former high school alums and keep high school kids in town after they reached adulthood. Commissioner Leichner noted that people are migrating to cities for a stronger sense of place and San Leandro can offer that. He urged against retail sprawl and asked if the City could look at per square foot sales in different shopping centers to see what centers are performing well. Manager Kay indicated staff could look at some select areas and centers.

**Commissioner Abero** opened the meeting to public comment.

**Bill Rugg** indicated he was the Community Development Director for 29 years and thought the presentation was great. However, there was not sufficient discussion of the need for executive housing. The City wants Trader Joes, but the City doesn’t meet their demographic requirement because there are not enough upper income households. Higher income housing is needed to

support higher end retail. Mr. Rugg also stated that the City's schools are never described as "great," but they are never terrible either and that they could be improved. The City should work more closely with schools to recognize their importance.

**Aaron Panzer** indicated he had just moved to San Leandro in July and represents the future of the City. He and his wife moved here because it was affordable and believes marketing and showing off the city is important. The one thing missing in this discussion is what the City can do to attract and retain families. There are not a lot of places for kids in San Leandro. Mr. Panzer stated that the 12 themes sound good, but questions how the City can achieve them. What are our priorities? For example, the City needs a good brunch place. There is immense potential that has not been realized here.

**Jane Wilcox** introduced herself as being born and raised in San Leandro. She noted there was a lot of discussion of Marina Boulevard and Davis Street, but what about East 14<sup>th</sup> Street? It's an eyesore. Secretary Liao noted that East 14<sup>th</sup> Street is definitely a priority and Chair Abero noted that the agenda packet included policies from the previous General Plan for its improvement.

**Leah Hall** indicated she had sent in a letter to supplement her comments. She noted that San Leandro is a built out city which affects our plans. She concurred that the City needs more activities for youth. She also noted that Oakland and Berkeley had done a Complete Streets plan for streets along their border and San Leandro should do something similar in the North Area, potentially on Bancroft Avenue. She believes trucks should not be using residential streets and that speeding continues to be a problem.

**Barbara Kyle** noted that there were a lot of moving parts at play— and the basic question was still what do we want this City to be? The General Plan can't address all the things discussed tonight and the City needs an Economic Development Plan separate from the General Plan that will help make these ideas a reality. Maybe there needs to be an action included in the General Plan to do a strategy that pulls all of this together. Ms. Kyle indicated she was also surprised about the data regarding how many people are coming into San Leandro to shop. Manager Kay noted that some of this was business to business sales. Ms. Belzer clarified that the data included Bayfair, Costco, and the Auto Mall, which are big revenue generators and noted that there are also a lot of Oaklanders who shop in San Leandro. Ms. Kyle asked where San Leandro residents were shopping—if there is leakage, where is it to? Manager Kay noted that San Leandro appeared to have retail leakage in the food and furniture sectors.

**Nathan Landau** from AC Transit (ACT) indicated that ACT was interested in the outcome of the General Plan Update and would like to participate. The principles and themes laid out at the beginning of the presentation are consistent with ACT's vision and are transit supportive. He noted that with the passage of Measure BB, there is finally an opportunity to improve service. He noted ACT would be conducting a districtwide study of their major corridors, including East 14<sup>th</sup> Street and Hesperian Boulevard.

**Mike McGuire** was glad to hear that others think the City should be more walkable. He cautioned that the City should be careful about encouraging nightlife if that meant drinking and loud bars. He

noted that should not be the only form of “entertainment” the City pursues. Other venues such as comedy clubs, arts galleries and theaters should also be established.

**David Johnson, Chamber of Commerce**, indicated that the City should develop an Economic Development Strategy. It is important to identify the different pieces of the City, such east-west connectivity. How do we engage the community across town? Increasing connectivity (such as LINKS) is critical. We are tempted to put housing in the industrial area, but the City may achieve our objectives by making these areas more connected and accessible to the rest of the City. We need to look at Downtown. We need to check the assumptions in the [Downtown] TOD Strategy—perhaps it is time to revisit them. The City has substantial challenges with high construction costs and low land values. We want to slow traffic on East 14<sup>th</sup> Street through downtown and potentially change the parking configuration. He concluded by stating that the Land Use Committee of the Chamber of Commerce would like to work with the City as these efforts moves forward.

**Jeff Musgrove, Applied Fusion**, lives in Pleasanton but grew up in San Leandro. He operates a business in the industrial area and is concerned about blighted buildings. He has a thriving business with good living wage jobs—he is in pro-advanced industrial manufacturing. All his suppliers are nearby and there is a strong sense of community. There are a lot of obstacles and challenges. He requested the sustainability of the industrial area by keeping it healthy and attractive and concluded that Oakland is becoming expensive and there is more demand in San Leandro as a result.

**Commissioner Fitzsimons** asked Mr. Miller to clarify the definition of walkability and connectivity. Commissioner Fitzsimons wondered why the discussion of connectivity focused on east-west, but did not address the issue that Washington Manor seemed disconnected from the rest of the city.

**Chair Abero** asked if Strategic Economics could break the retail analysis down in detail by more sectors and Ms. Belzer replied yes. There was also additional discussion about the definition of and need for executive housing and the characteristics of the local health care sector. The Commissioners also discussed how the City could be more kid-friendly such as adding parks and building houses with yards, but there is also a need for more creative spaces such as rock walls and bowling.

<b>Item 7A: Public Hearings</b>
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None.

<b>Item 8: Miscellaneous</b>
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None.

<b>Item 9: Members' Comments</b>
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**Chair Abero** recognized and thanked Commissioners Fitzsimons, Leichner and Rennie for their service to the City as Planning Commissioners. **Commissioner Leung** wished everyone a Happy Chinese New Year.

**Commissioner Collier** referred to existing 2002 General Plan Element Action 1.02-B and asked if the City had followed through with the goal of revising the Community Preservation Ordinance to include stronger penalties for repeat offenders. **Secretary Liao** does not recall if the relevant ordinance has been updated since he has been with the City, but he added that Mr. Miller would be providing a policy audit of the existing General Plan to see if goals such as the ones highlighted by Commissioner Collier were achieved or not.

<b>Item 10: Staff Updates/Project Status Report</b>
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**Assistant City Attorney Faubion** responded to Planning Commission questions at last month's commission meeting about the applicability of "alienation" laws regarding the proposed Shoreline development. She noted based on her research that there is no similar requirement or process in California, as it is particular to New York, so the issue is not relevant to the Shoreline.

**Secretary Liao** also thanked the three departing commissioners for their service. He also noted there will be a March 19, 2015 Planning Commission study session.

<b>Item 11: Adjourn</b>
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<p style="text-align: center;"><i>Motion to adjourn</i> <i>Collier/Leung: 7 Aye, 0 No</i></p>
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The meeting adjourned at 9:55 p.m.

Respectfully Submitted,

Tom Liao, Secretary