



## Legislation Text

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**File #:** 17-678, **Version:** 1

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**PLN17-0020;** Consideration of a Conditional Use Permit and Site Plan Review for Alvarado Commerce Center, a new 159,450 square foot industrial building for various industrial uses such as advanced manufacturing, logistics, or warehouse uses at 2756 Alvarado Street. The building space will consist of office areas, mezzanine areas, and warehouse space. A total of 165 on-site parking stalls, 17 bicycle spaces, and 21 truck loading docks will be provided. Zoning District: Industrial General (IG); Alameda County Assessor's Parcel Number 77B-800-14; Paceline Investors (applicant) and IPT Alvarado Commerce Center LP (property owner).

### SUMMARY AND RECOMMENDATION

This matter was continued to March 1, 2018 by the Board of Zoning Adjustments per the request of the applicant at its December 7, 2017 meeting. The applicant sought the hearing to be heard by the full Board of Zoning Adjustments. The applicant is requesting changes to certain recommended conditions of approval, further detailed in the attached applicant statement.

The applicant and property owner propose to redevelop the industrial site with a new industrial building at 2756 Alvarado Street. The 6.9± acre site is proposed to be cleared and replaced with a new 159,450 square foot industrial shell building. The Zoning Code requires that Warehouse-Storage Facilities and Warehouse-Wholesale/Retail Distribution Facilities in the IG Industrial General District obtain a Conditional Use Permit (Sections 2-706.B.34 and 35). Any new industrial development structure exceeding 5,000 square feet in size requires Site Plan Review approval (Section 5-2502.B.4.a). The applicant is also requesting approval for the proposed 40-foot overall height of the new industrial building, required for any buildings proposed in the IG zoning district between 35 and 50 feet.

With the recommended Conditions of Approval, staff finds that the proposed new industrial building and the various industrial uses such as advanced manufacturing, logistics, or warehouse uses would function in an orderly manner on the property without detriment or burden to the immediate area and would be compatible with adjacent industrial uses along Alvarado Street and Aladdin Avenue. Staff recommends that the Board of Zoning Adjustments:

- A. Adopt the recommended Findings of Fact; and
- B. Approve Conditional Use Permit and Site Plan Review PLN17-0020, subject to the attached recommended Conditions of Approval.

### APPLICANT'S SUPPORTING STATEMENT

See attached Applicant Statement.

### RELATIONSHIP TO SURROUNDING AREA AND BACKGROUND

The 6.9± acre subject site is located at the southwest corner of Alvarado Street and Aladdin Avenue in an existing industrial area of the city. The immediate nearby properties are zoned IG Industrial General District and are developed with various industrial uses including manufacturing, distribution, warehousing & storage, delivery & trucking, building materials, transfer station, and automobile parts sales. A majority of the buildings in the area are large warehouse-type structures. Also, the surrounding development primarily consists of one- to two-story commercial and industrial buildings.

The project site was originally developed by Sherwin Williams in 1957 on vacant, undeveloped land. Sherwin Williams operated a metal can manufacturing facility from 1957 to 1983 at the property. After Sherwin Williams, the U.S. Can Company operated a metal can manufacturing facility at the site. Operations conducted by Sherwin Williams and U.S.

Can Company included lithographing, solvent cleaning, painting, assembly, lead soldering, drum mixing and storage. In 1989, the U.S. Can Company discontinued the metal can manufacturing operations at the site. However, the company continued to use the site for warehouse operations until 1994.

From 1994 to present, the subject site has been used by various tenants for warehouse, retail, and storage activities. The site is currently developed with three connected warehouse buildings that total 133,994 square feet. The existing warehouse buildings are oriented on the southern portion of the project site and were configured to accommodate six tenants. Only one of the tenant spaces is currently occupied. The eastern-most warehouse building is occupied by Mr. Plastics, a plastics retail, distribution, design, and fabrication company.

## **PROPOSAL**

The project will involve demolition of the existing buildings on the project site and construction of a new 159,450 square foot industrial shell building. The proposed use of the property will be various industrial uses such as advanced manufacturing, logistics, or warehouse uses. Examples of uses given by the applicant for which the proposed building is intended include technology-intensive manufacturing & logistics, research & development, office, food processing, fulfillment, assembly and storage, and wholesale trade distribution. Approximately 135,450 square feet of the building will be designed to accommodate manufacturing and logistics space and up to 20,000 square feet of the building on a mezzanine level will be conditioned and could be used for office space or research and development (R&D) use.

The proposed new building will be single-story building with a maximum height of 40 feet. There will be two outdoor break areas with seating and trellises for shade. The building design incorporates contemporary architectural features along the frontage of Alvarado Street and Aladdin Avenue. The project will include window glazing, eyebrows above windows, canopies, metal panels, and recesses in the building.

Vehicular access will be provided from three driveways, two on Alvarado Street on the western portion of the site and one on Aladdin Avenue on the northern portion of the site. The project will include a total of 165 on-site parking spaces. Seventeen bicycle parking spaces will also be provided. The rear of the building will include a loading dock with 21 truck trailer parking positions.

Further, landscaping will be provided throughout the project site. The project will have landscape coverage of approximately 33,019 square feet, approximately 11 percent of the subject site. All but two existing trees located on the perimeter of the property will remain. The project will involve planting 28 new trees to the site around the building perimeter and in the parking areas. Bioswales will be located on the northwestern corner of the site and along the eastern and southern boundaries of the site. The bioswales will provide stormwater retention and will be planted with native grasses.

## **STAFF ANALYSIS**

### Conditional Use Permit

Most of the applicant's proposed land uses are permitted under the Zoning Code; a few potential land uses, such as warehouse storage or warehouse wholesale and retail distribution uses, require prior approval of a Conditional Use Permit. Distribution uses are required to be individually evaluated through the Conditional Use Permit process because they have the potential to generate higher traffic volumes and heavy freight traffic. Warehouse and storage uses are also evaluated through the Conditional Use Permit process because they are low value added uses that have lower employment densities and lower utilization of sites.

Current General Plan Policy discourages large parcels and buildings from being developed purely as passive storage warehouses and low intensity uses, which tend to have lower employment rates than other types of industrial land uses. The City's goals and policies for new industrial development is to attract advanced manufacturing and related industrial uses, and higher employment densities and high quality jobs. Given the City's low industrial vacancy rate, there is a high demand in industrial real estate and in newly constructed industrial buildings.

Staff supports granting a Conditional Use Permit with the understanding that the accessory (or incidental) use of warehousing, storage and distribution is necessary to accompany any given industrial manufacturing facility. A condition of approval has been placed so that the site does not become primarily warehouse storage or warehouse wholesale &

retail distribution use (such as a fulfillment center). Staff does not support or recommend the applicant's requested changes to the conditions of approval and the request to be compared to previous projects, as all projects and land uses must be individually evaluated and analyzed. Providing a blanket Conditional Use Permit for future warehouse & distribution uses as requested would remove the City's ability to address and resolve potential adverse impacts to traffic and infrastructure. Staff is also recommending a condition of approval prohibiting the outdoor storage of equipment, materials, and merchandise, and that all uses be conducted within the buildings.

Although not requested or proposed with this application, potential uses such as retail sales and parcel processing and shipping centers would require a separate Administrative Review permit approval through the Planning Division. Through the Administrative Review process specified in the Zoning Code, staff has the ability to review and condition modifications to the site to ensure that these potential uses are compatible, provide adequate parking, and do not result in adverse impacts.

The Zoning Enforcement Official may grant a height exception for any proposed industrial building between 35 feet to 50 feet tall. Because this item is being considered by the Board of Zoning Adjustments, the Board is responsible for considering the requested 40-foot height of the proposed industrial building. The proposed height is appropriate for the industrial development, which maintains a majority of the minimum required setbacks and landscaping, and would have a negligible effect on adjacent properties. Also, the proposed 40-foot building height is in keeping with other two-story industrial buildings in the immediate area, for example on the adjacent property to the east is the material recovery facility for Alameda County Industries, Inc. (ACI) which is 47 feet tall.

The site will be improved with adequate street access and circulation for large trucks and is able to provide enough off-street parking to accommodate most industrial uses. The proposed parking supply of up to 165 parking spaces exceeds the 160 required parking spaces. As part of the requirement for the environmental analysis, a traffic impact study report was prepared by TJKM. The TJKM report concluded that the proposed project will have a less than significant impact on nearby intersections and roadway segments. As the proposed project is consistent with the prior industrial use of the property, it will not result in significant changes to traffic patterns or traffic generation or place a higher demand on the capacity of public services and facilities.

Additionally, the San Leandro Links provides a free shuttle service from the San Leandro BART station to a nearby stops at Alvarado Street and Montague Avenue and Alvarado Street and Teagarden Street during regular commuting hours. Also, in the event future tenants may require additional parking, staff has recommended conditions of approval that appropriate measures are taken to evaluate parking should future problems arise. Staff is recommending a condition of approval that allows the City to monitor the parking supply and require additional parking, if necessary to meet the requirements of future tenants. This condition includes the ability to consider alternative options, such as providing employee shuttle services to BART or constructing parking shelving systems, if necessary.

Furthermore, the proposed project will be subject to certain limitations through the recommended conditions of approval to avoid adverse effects on adjacent uses and properties. Recommended conditions requiring site maintenance, compliance with the City's Noise Ordinance, and maintaining landscape improvements will ensure continued compatibility with the immediate industrial area. The recommended conditions of approval will maintain the character of the industrial area, promote the use of the existing industrial area, and prevent impacts to the adjacent industrial uses.

#### Site Plan Review

Any new industrial development structure exceeding 5,000 square feet in size requires Site Plan Review approval (Section 5-2502.B.4.a). The purpose of Site Plan Review is to ensure that all of the elements of the site plan are in compliance with the minimum standards of the Zoning Code and have been arranged to achieve the intent of the Code's requirements. The required findings necessary to approve a Site Plan Review proposal are contained within Section 5-2512 of the Zoning Code.

The layout and siting of the proposed new 159,450 square foot industrial building as shown in the plan sets is in conformance with the underlying IG Industrial General District. The proposed setbacks, lot coverage, landscaped areas, vehicle circulation and parking are in conformance with the Zoning Code. The requested exception to the building height, required for any IG-zoned building between 35 and 50 feet, is appropriate. The placement of the building, driveways, and parking areas provide for a logical development that maintains the required setback from the Alvarado Street and Aladdin Avenue frontages. The area to the south of the building would be used for accessing the building by trucks and includes

21 dock loading doors. The site planning and the architecture place the loading dock doors and activity on the south side of the building, to provide the architectural attention and aesthetic features to the east and north elevations facing Alvarado Street and Aladdin Avenue.

The building design as proposed is articulated to emphasize the office space at the corners. The prominent east and north elevations that face Alvarado Street and Aladdin Avenue will be appointed with various features that lessen its expansive appearance such as recessed areas, windows, and outdoor break areas. The use of the color and materials scheme, window glazing, eyebrows above windows, canopies, metal panels, and recesses of the building lessens the appearance of the elevations. The design is modern, blends in and complements the existing immediate industrial area. All roof mounted equipment has been conditioned to be screened.

The proposed landscaping concept will complement and soften the new industrial building. The applicant is proposing to have a total of 33,019 square feet of landscaping at the subject property. The new landscaped areas amounts to 11 percent of the 6.9 acre site area that will be developed and exceeds the 5 percent landscape minimum required. The conceptual landscape plan includes adding trees, shrubs, perennials, and ornamental grasses to the site. The project will retain the existing mature street trees, which will add to and improve the visual quality of the property. Further, landscaped setbacks from the perimeter property line will be provided including the street frontages and at the interior property lines. The frontage landscaped setbacks will enhance the Alvarado Street and Aladdin Avenue frontages. Also, the perimeter landscaped areas and bioswales will provide attractive buffering from adjacent properties. A final landscape and irrigation design for the project will be required for building plan check, and subject to compliance with the City's Landscape Ordinance and State Model Water Efficient Landscape Ordinance (MWELo), prior to issuance of a building permit for the proposed building.

The proposed sign program includes monument signs for identification, directional signs in landscaped planters, and wall signs and ensures that the signs are of good aesthetic and high quality in appearance so that they match and blend in with the new architecture of the new building. On-site exterior lighting has been conditioned for review of their location, height, decorative features, and construction details. No site lighting will be permitted to spill offsite or shine above the horizontal plane. Also, the design and materials used for the trash enclosures will be required to be blend in and be compatible with the proposed new building.

## **GENERAL PLAN CONFORMITY**

The project site at 2756 Alvarado Street is designated Light Industrial in the City's General Plan Land Use Map. Light Industrial areas are characterized by uses such as "wholesale activities, distribution facilities, research and development or e-commerce uses, business services, technology, and manufacturing operations which produce minimal off-site impacts" (General Plan page 3-30). The surrounding properties are zoned IG Industrial General District and most are designated as Light Industrial in the General Plan, and are developed with various industrial uses including manufacturing, distribution, warehousing & storage, delivery & trucking, and building materials. ACI's parcel to the east is designated as PI Public/Institutional in the General Plan since the facility processes and transfers recyclables, organics, and waste.

The proposed location of the use and the conditions of how the new development will be operated are consistent with the City's stated goals and policies related to Innovation in the Land Use section and the Economic Development section listed in the General Plan. The following General Plan goals and policies will apply:

### **Land Use Section - Innovation Districts**

**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-7.2** - 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-7.8 - Sense of Place.** Create a stronger sense of place and a more positive regional image in the industrial districts through improved site planning, landscaping, architecture, façade improvements, fencing and screening, and design, as well as investments in streetscape improvements.

**Goal LU-10** - Ensure that commercial and industrial projects are attractively designed and are sensitive to surrounding areas.

**Policy LU-10.4 - Industrial Sanctuary.** Protect the City's major industrial areas from encroachment by uses that are potentially incompatible with existing viable industrial activities, or which may inhibit the ability of industry to operate effectively.

### **Economic Development Section**

**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-1.2 - Maintaining San Leandro's Competitive Advantage.** Maintain and protect San Leandro's inventory of larger scale industrial sites and buildings with easy access to freeways, rail, airports, and seaports. Discourage the conversion of industrial uses to commercial and residential uses except where part of a carefully targeted citywide strategy.

**Policy ED-1.3 - Industrial Land Use Efficiency.** Encourage more efficient use of the City's industrial land supply, creating higher employment densities and high quality jobs, while discouraging the use of large sites and buildings for storage and other low intensity uses. Ensure that zoning and other development regulations support higher utilization of sites zoned for commercial and industrial activities.

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

**Policy ED-3.1 - Innovation Ecosystem.** Foster the creation of an "innovation ecosystem" in San Leandro's employment districts, where businesses collaborate with one another to improve their products, workplace performance, and the quality of the work environment.

**Policy ED-3.2 - Business Infrastructure.** Develop the infrastructure necessary to transform San Leandro into a center for innovation and creativity, including high-speed communications, sustainable energy systems, high performing utilities, and convenient access to business networks and support services.

**Policy ED-3.3 - Leading Edge Economic Sectors.** Continue efforts to attract businesses on the leading edge of the Bay Area economy, including advanced fabrication, clean tech, information services, advanced transportation, and maker businesses.

The project will provide San Leandro greater opportunities to expand or locate new manufacturing and technology businesses. The subject property is situated in the center of an existing industrial area where the new industrial development should have no effect on residences, open space, or other zoning districts. The development will result in an improvement to the appearance of the property with the removal of the existing structures on the property and the subsequent redevelopment of the property with a new industrial building that includes new landscaped areas. The proposed development, with the recommended conditions of approval, will not be detrimental or injurious to property and will not be detrimental to the public health, safety, welfare or convenience of those working or residing in the area.

### **PUBLIC OUTREACH**

This item received standard noticing for the December 7, 2017 and March 1, 2018 Board of Zoning Adjustments hearing, including a legal advertisements in the East Bay Times Daily Review newspaper, the posting of notices at City Hall and

on the property, and mailing notification to business and property owners within 500 feet of the subject property.

In addition, a Notice of Intent to adopt a Mitigated Negative Declaration was filed with the Alameda County Clerk's Office on November 16, 2017, the subject property was posted, and a copy of the draft Initial Study - Mitigated Negative Declaration was made available for public review on the City's website and at the City's Permit Center. A comment letter from East Bay Municipal Utility District regarding water service, contaminated soils, and water conservation was received on November 30, 2017.

## **ENVIRONMENTAL REVIEW**

Pursuant to Section 15063 of the California Environmental Quality Act (CEQA) Guidelines, the City prepared an Initial Study (preliminary environmental analysis) and finds that, although the proposed Project could have a significant effect on the environment, there will not be a significant effect in this case because revisions in the project have been made or agreed to by the City, and that a Mitigated Negative Declaration of environmental impact and Mitigation Monitoring Plan should be adopted by the Board of Zoning Adjustments. The Board of Zoning Adjustment's consideration of the draft Mitigated Negative Declaration is a separate but concurrent agenda item with the associated Conditional Use Permit and Site Plan Review.

## **RECOMMENDATION**

The use and project as proposed conforms both to the City Zoning Code and to the General Plan. Any potential issues associated with this application will be addressed by the implementation of the recommended Conditions of Approval. Staff therefore recommends that the Board of Zoning Adjustments:

- A. Approve the attached recommended Findings of Fact; and
- B. Approve Conditional Use Permit and Site Plan Review PLN17-0020, subject to the recommended Conditions of Approval.

## **ATTACHMENTS**

Vicinity Map  
Applicant Statement  
Recommended Findings of Fact  
Recommended Conditions of Approval  
Exhibit A - Site Plan (DAB-A1.1)  
Exhibit B - Floor Plans (DAB-A2.1)  
Exhibit C - Roof Plan (DAB-A2.10)  
Exhibit D - Elevations (DAB-A3.1)  
Exhibit E - Details (DAB-A4.1)  
Exhibit F - Colored Elevations & Material Board  
Exhibit G - Perspective 1  
Exhibit H - Perspective 2  
Exhibit I - West Elevation  
Exhibit J - Break Area Design  
Exhibit K - North & East & South Elevations - With Landscape  
Exhibit L - North & East & South Elevations - Without Landscape  
Exhibit M - Photometric Plan (P-SL-1)  
Exhibit N - Topographic Survey (C1)  
Exhibit O - Preliminary Grading and Drainage Plan (C2)  
Exhibit P - Preliminary Utility Plan (C3)  
Exhibit Q - Stormwater Quality Control Plan (C4)  
Exhibit R - Conceptual Landscape Plan (LC1.1)  
Exhibit S - Sign Program

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