

**SPECIAL MEETING AGENDA
CITY OF UNION CITY
CITY COUNCIL ECONOMIC DEVELOPMENT GEOGRAPHIC WORK SESSION**

**TUESDAY, NOVEMBER 29, 2011
7:00 PM – 9:00 PM**

**UNION CITY SPORTS CENTER
31224 UNION CITY BOULEVARD
UNION CITY CA 94587**

I. CALL TO ORDER

I.a Pledge of Allegiance

I.b Roll Call

*Mayor Mark Green
Vice Mayor Jim Navarro
Councilmember Emily Duncan
Councilmember Lorrin Ellis
Councilmember Pat Gacoscos*

II. ORAL COMMUNICATIONS

Comments from the audience regarding the topic under consideration will be received. Persons wishing to speak must complete a speaker card available from the City Clerk.

III. CITY COUNCIL WORK SESSION REGARDING ECONOMIC DEVELOPMENT

- Welcome
Larry Cheeves, City Manager
- City Council Introductions
Mayor Mark Green
- Staff Introductions
City Manager Cheeves
- Participant Introductions
Self-Introductions
- Geographic Area Presentation (Horner/Veasy Area)
Joan Malloy, Economic & Community Development Director
- Discussion
 - Opening / Initial Statements by Panelists
 - Question / Answer Period with Councilmembers
 - Written Questions from Audience

IV. ADJOURNMENT

Dated: November 22, 2011

/s/ _____
MARK GREEN
Mayor



Agenda Item

DATE: NOVEMBER 29, 2011

TO: CITY COUNCIL

FROM: JOAN MALLOY, ECONOMIC AND COMMUNITY DEVELOPMENT DIRECTOR

SUBJECT: ECONOMIC DEVELOPMENT WORK SESSION – HORNER/VEASY AREA

This is the fourth and final economic development work session that the City Council requested to review specific geographic areas of the City. The first three meetings covered the Old Alvarado/Union City Corridor, the Station District and the Central Bay Industrial Park. This meeting will cover the Horner/Veasby Area, which is located west of Union City Boulevard.

BACKGROUND

The Horner/Veasby Area consists of approximately 19 acres of underutilized land, including two acres of public streets. The Area is located on the far west side of Union City and is bounded by the Alameda County Flood Control District dredging basin on the north, Whipple Road on the East, Benson Road on the South, and Old Alameda Creek on the West. The Horner/Veasby Area is zoned ML, Light Industrial, but is characterized predominantly by non-conforming uses, including outdoor storage yards, truck parking, and residential development. Immediately adjacent to the Horner Veasby Area is Diamond Mine Storage (mini-storage), which is also zoned ML and is sandwiched into the single-family area of Old Alvarado. This site is approximately 5.11 acres and is only accessed on Horner Street through the residential area.

On January 22, 2008, the City Council adopted an urgency ordinance that established a moratorium on the issuance of entitlements in the Horner/Veasby Area (Ordinance 701-08), which was extended on February 26, 2008 (Ordinance 706-08) until January 10, 2010. The purpose of the urgency interim moratorium ordinances was to provide time for the City to evaluate infrastructure needs and market conditions to determine appropriate uses in the Horner/Veasby Area. The Council commissioned an infrastructure study, prepared by Wilsey Ham, and a marketing and economic analysis, prepared by Keyser Marston Associates. Wilsey Ham identified several infrastructure challenges in the Area and estimated the cost of preparing the site for development would range from \$5.2 million if improved all at one time to \$13.6 million if the existing parcels were developed individually. These infrastructure challenges include: inadequate sewer service, inadequate water service, inadequate storm drainage capacity, overhead utilities, the lack of road improvements (curb, gutter, sidewalk, etc.) and the property is in the flood zone. The findings of these two studies (engineering study and economic analysis)

informed the preparation of a General Plan Amendment, which clarified the City's light industrial vision for the Horner/Veazy Area.

On April 28, 2009 the City Council approved a General Plan Amendment, AG-01-09, which amended the Land Use and Economic Development Elements of the General Plan to address the unique challenges facing the Horner/Veazy Area. AG-01-09 established goals and policies to encourage successful light industrial infill development to overcome the infrastructure challenges in the Area. Additionally, the City Council approved a Zoning Text Amendment (AT-03-09) that addressed outdoor uses and storage in the ML District and established an amortization process for nonconforming uses in both the ML District and Redevelopment Project Area. If the Area were successfully developed with light industrial infill projects, it could result in additional jobs in the area.

An amortization process involves phasing out nonconforming uses and buildings once the value of the use or building has been recovered over time. The current code allows the amortization of nonconforming ML District uses in the Redevelopment Project Area. The amortization process could be applied to uses within the Horner/Veazy Area, which is located in both the ML District and the Redevelopment Project Area. Amortization would be at the discretion of the City. Nothing in the ordinance requires nonconforming uses to be amortized.

The code enables the Economic and Community Development Director to determine whether a nonconforming use, building, or structure should be amortized as well as the appropriate length of time based on the specific factors. The period of amortization would be based, in part, on an independent third party report. A notice of the Director's determination would be sent to the property owner and the owner, operator, or lessee of the use, building, or structure to be amortized. The notified individuals would then have 30 days to appeal the Director's determination to the City Council for a hearing. Upon a final determination, the nonconforming use, building, or structure would be required to be discontinued within the amortization period. Residential uses are exempt from amortization.

DISCUSSION

The format of this work session will be similar to the previous sessions. Staff has arranged for panelists to provide varied perspectives on each geographic area. Representatives for this work session include:

- Industrial/Commercial developer
- Industrial/Commercial broker
- Residential developer
- Local business (Union Sanitary District)

Attached to this staff report is a booklet to provide a broad overview of the area for the panelists and Council. Included in the booklet are wide-ranging questions intended to “seed” the discussion. The questions are not intended to be answered specifically, but rather, help guide the discussion. City-wide demographic information and city-wide real estate building data is also provided.

FISCAL IMPACT:

There will be no fiscal impacts as a result of receiving this information.

RECOMMENDATION:

There is no recommendation at this time. This information is provided in advance of the work session to guide the conversation.

Prepared and Submitted by:
Joan Malloy
Economic and Community Development Director

Approved by:
Larry Cheeves
City Manager

Attachments: Horner/Veasby Area

CITY COUNCIL ECONOMIC DEVELOPMENT GEOGRAPHIC WORK SESSION



11/29/2011

Horner/Veasby Area

GUIDE TO DISCUSSION

Horner/Veasby Area

Please Note: These questions are intended to assist you with thinking about the Horner/Veasby Area and serve as a discussion guide. It is not necessary to provide responses to all questions.

1. General Questions

- a.) From your perspective, what is necessary to make this area attractive to businesses?
- b.) How can the City influence developers / businesses decision to bring revenue, jobs and development to the Horner/Veasby Area?
- c.) From your perspective, if you had control, what would you do with this area?
- d.) What are the constraints and opportunities of this area?
- e.) Do the neighboring residential land uses conflict with the industrial area of Horner/Veasby?
- f.) Does the at-grade railroad crossing on Union City Boulevard have any influence on the development opportunities?
- g.) Is the limited access an asset or a deterrent for this site?
- h.) What kind of project would it take to encourage a significant investment/development that would generate the return on investment for the both the developer and Union City?

UNION CITY KEY DEMOGRAPHICS

Key Demographics, 2010

Population	69,516
Home Ownership Rate	71.3%
Median Household Income	\$87,205
Residents with a College Degree	44%
Management, Professional, Technical, and Scientific Occupations	48%
Sales and Office Occupations	25.8%
Education Services and Healthcare Occupations	19.3%

Racial Composition, 2010

One race	93.3%
White	23.9
Black or African American	6.3
Asian	50.9
Asian Indian	11.5
Chinese	11
Filipino	20.1
Other Asian [1]	8.4
Native Hawaiian and Other Pacific Islander	1.3
Two or more races	6.7%
Hispanic or Latino (of any race)	22.9%

Resident Profiles

Money & Brains 26.4%

High incomes, advanced degrees, and sophisticated tastes. Married with few children.

Young Digerati 21.3%

Tech-savvy, affluent, highly-educated and ethnically mixed. Trendy and fashionable.

American Dreams 7.9%

Ethnically diverse, multi-generational, multi-lingual consumer families living, working and investing in the community and the future.

Bohemian Mix 6.2%

Mobile urbanites and early-adopters, with a progressive mix of young singles, couples, and families from students to professionals.

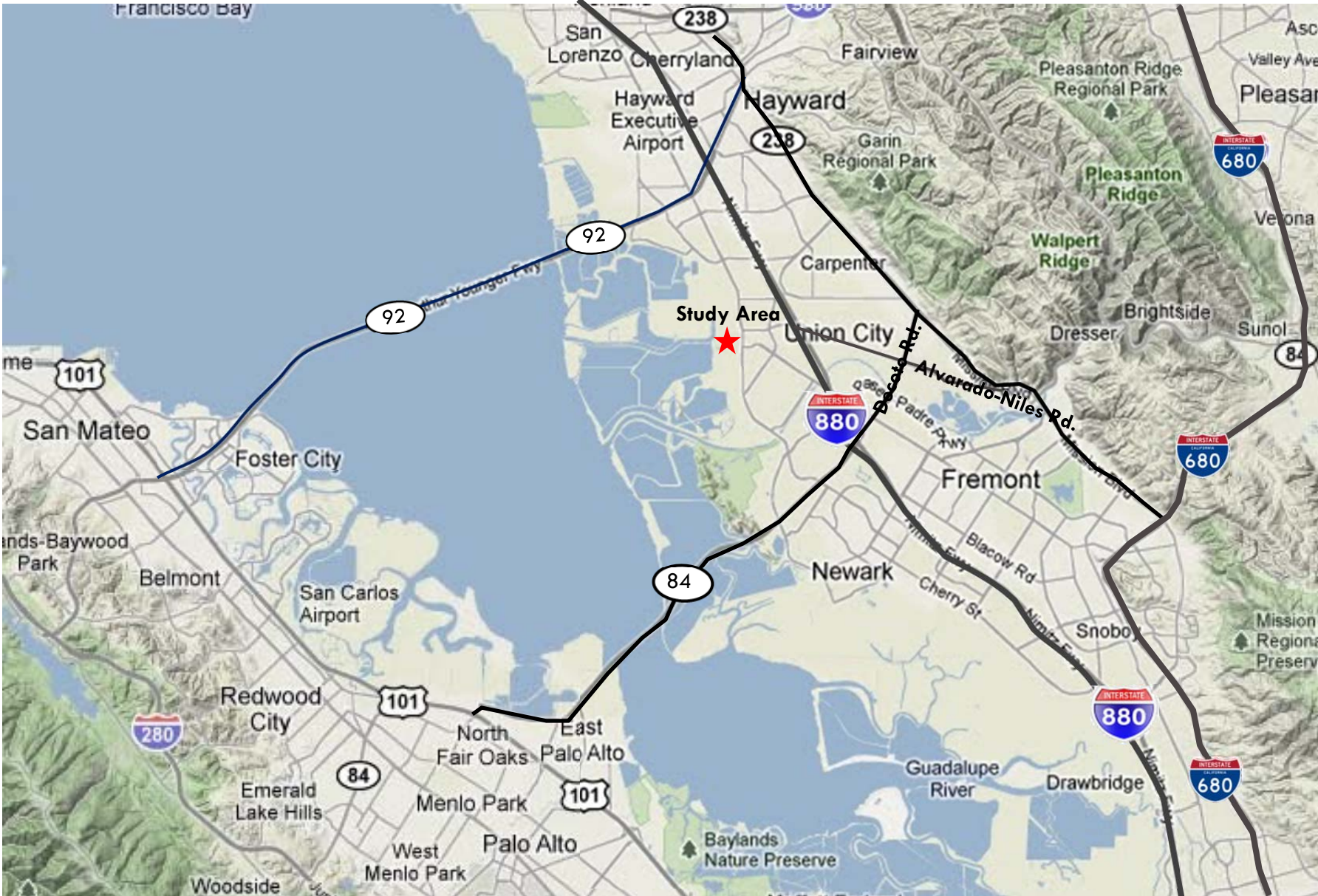
CITYWIDE BUILDING AVAILABILITY AND VACANCY ANALYSIS

Sector	Buildings	Existing RBA*	Vacancy Rate	Total SF Avail	Average Rate
<i>INDUSTRIAL</i>	265	16,153,433	7.9%	1,505,147	\$0.44/sf
<i>OFFICE</i>	41	519,395	5.7%	23,999	\$1.46/sf
<i>RETAIL</i>	141	2,132,402	4.3%	123,438	\$1.75/sf

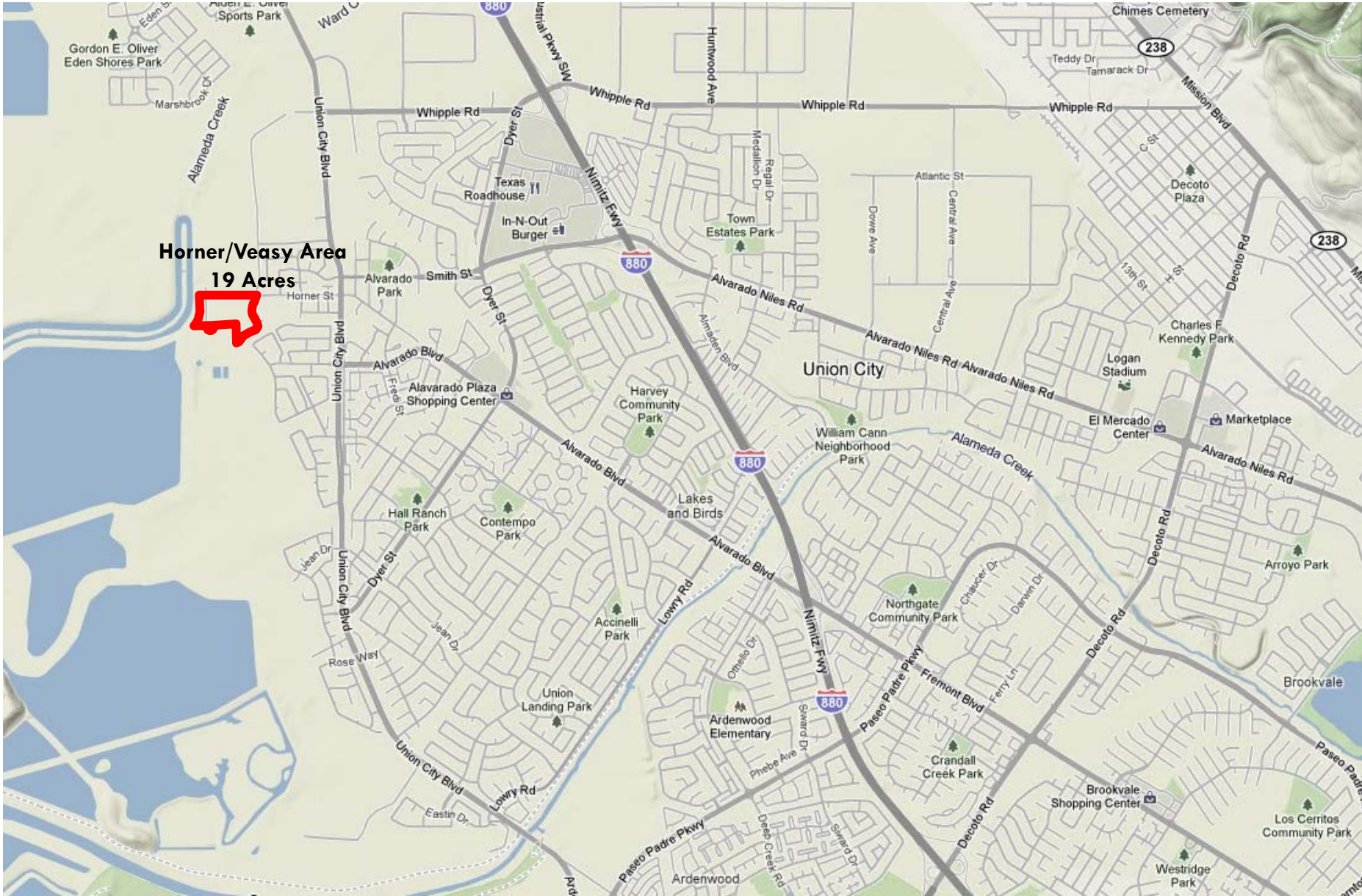
*RBA- Rentable Building Area

Source: Costar

MAP OF SUB-REGION



LOCATIONAL MAP



LAND USE MAP

Legend

- CR - Retail Commercial
- CVT - Visitor and Throughfare Commercial
- CSMU - Station Mixed Use Commercial
- OC - Office Commercial
- MS - Special Industrial
- ML - Light Industrial
- MG - General Industrial
- RDC - Research and Development
- R3-6 - Residential (3 to 6 du/acre)
- R6-10 - Residential (6 to 10 du/acre)
- R10-17 - Residential (10 to 17 du/acre)
- R17-29 - Residential (17 to 29 du/acre)
- R29-60 - Residential (29 to 60 du/acre)
- A - Agriculture
- OS - Open Space
- CF - Civic Facility
- PI - Private Institutional



HORNER/VEASY AREA



Site Information:	
Zoning	ML (Light Industrial)
General Plan	ML (Light Industrial)
RDA	Yes
Site Area	H/V – 17 acres DMS – 5.1 acres
Zoning Regulations:	
Lot Coverage	60%
Maximum Height	50-75 ft
Setbacks	Front: 25 ft Side: 10 ft Rear: 10 ft

Area Description:

The Horner/Veasy Area consists of approximately 19 acres of underutilized land, including two acres of public streets. The Area is zoned ML, Light Industrial, but is characterized predominantly by non-conforming uses, including outdoor storage yards, truck parking, and residential development. In 2008, the City Council established a moratorium on development in the area to evaluate infrastructure needs and market conditions. The infrastructure challenges identified include: lack of street improvements, location in the floodplain, lack of sewer facilities, inadequate storm drain capacity, liquefied soils, and potential soil contamination. A General Plan Amendment and Zoning Ordinance Amendment were adopted in 2009 to encourage light manufacturing infill development to overcome the above-stated infrastructure challenges. At that time, an amortization process was also established to facilitate the termination of non-conforming uses in ML zoned areas located in the Redevelopment Agency project area, such as the Horner/Veasy Area. The moratorium ended January 2010. Diamond Mine Storage was constructed in 1986 and is a legal non-conforming use. Mini-storage is no longer permitted in any district. Diamond Mine Storage is accessed through a single-family residential area

**CITY OF UNION CITY
CITY COUNCIL ECONOMIC DEVELOPMENT GEOGRAPHIC STUDY SESSION
Horner / Veasy Area**

**PANEL ROSTER
November 29, 2011**

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