

CITY OF UNION CITY
AGENDA FOR THE REGULAR PLANNING COMMISSION MEETING
OF THURSDAY, FEBRUARY 2, 2012, 7:00 PM
IN THE COUNCIL CHAMBERS OF CITY HALL
34009 ALVARADO-NILES ROAD, UNION CITY, CALIFORNIA

- I. **ROLL CALL:** Chairperson Froilan (Roy) Panlilio, Vice-Chair Lee Guio,
Commissioners Raymond Gonzales Jr., Jo Ann Lew, Gurnam (Gary) Singh
Alternates: Commissioners Harpal Mann, Dave Sweilem
- II. **APPROVAL OF MINUTES:** Regular Planning Commission Minutes of January 5, 2012.
- III. **ORAL COMMUNICATIONS:**
(This is an opportunity for persons to speak on items not listed on the agenda. According to the California Government code the commission is prohibited from taking any immediate action on an item which does not appear on the agenda.)
- IV. **WRITTEN COMMUNICATIONS:**
- V. **PUBLIC HEARINGS:** Next PC Res. #02-12
- A. **CONTINUED HEARINGS:** None.
- B. **NEW HEARINGS:** None.
- VII. **SUPPLEMENTAL STAFF REPORTS:**
- A. **CONTINUED REPORTS:** None.
- B. **NEW REPORTS:**
1. **UPDATE ON THE CITY COUNCIL'S FOUR ECONOMIC DEVELOPMENT GEOGRAPHIC STUDY SESSIONS**
- VIII. **REDEVELOPMENT AND ECONOMIC DEVELOPMENT REPORTS:** None.
- IX. **COMMISSION MATTERS:**
- A. Follow-up on Planning Commission referrals to the City Council.
- B. Upcoming applications for the Regular Planning Commission meeting for February 16, 2012.
- X. **GOOD OF THE ORDER:**
- XI. **ADJOURNMENT:**

**CITY OF UNION CITY
MINUTES FOR THE REGULAR PLANNING COMMISSION MEETING
OF THURSDAY, JANUARY 5, 2012, 7:00 PM
IN THE COUNCIL CHAMBERS OF CITY HALL
34009 ALVARADO-NILES ROAD, UNION CITY, CALIFORNIA**

- I. **ROLL CALL:** Chairperson Froilan (Roy) Panlilio, Vice-Chair Lee Guio,
Commissioners Raymond Gonzales Jr., Jo Ann Lew, Gurnam (Gary) Singh

STAFF: Joan Malloy (Economic and Community Development Director); Carmela Campbell (Planning Manager); Farooq Azim (Principle Engineer); Kit Faubion (City Attorney); Kris Fitzgerald (Administrative Assistant).

- II. **APPROVAL OF MINUTES:** The regular Planning Commission Minutes of December 1, 2011 were approved as submitted.

- III. **ORAL COMMUNICATIONS:** None.

- IV. **WRITTEN COMMUNICATIONS:** None.

- V. **PUBLIC HEARINGS:**

- A. **CONTINUED HEARINGS:** None.

- B. **NEW HEARINGS:**

1. **PEDESTRIAN AND BICYCLE PLAN UPDATE;** the City of Union City is updating the Pedestrian and Bicycle Master Plan. The plan provides for a citywide system of pedestrian and bicycle facilities and a variety of programs to allow for safe, efficient, and convenient walking and bicycling within the City. The City is updating the plan to reflect current background information as well as pedestrian and bicycle facilities that have been constructed since 2006. In addition, the update reflects the incorporation of previous analysis, which was completed since adoption of the plan in 2006, including additional Safe Routes to School projects. The update also reflects changes in response to the public comments that have been received to date. The City had adopted a Negative Declaration for the adoption of the original Pedestrian and Bicycle Master Plan in 2006. The Negative Declaration determined the project would not have a significant effect on the environment. The proposed update to the plan does not include any significant changes that would impact this determination.

Carmela Campbell, Planning Manager, gave the staff report.

Commissioner Guio asked for a better description of the “East Bay Greenway” and the potential conflict with the City’s Intermodal Station project.

Ms. Campbell replied that the City is generally supportive of the project. Ms. Campbell stated that the greenway extends from Oakland down through Fremont. She added that where the BART tracks are elevated the idea is that the trail would go beneath them. Ms. Campbell stated that the Union City BART station has berms around it limiting where the trail could go. Ms. Campbell added that there are also some complications with crossing the BART corporation yard with concerns about safety. Ms. Campbell

stated that there are some constraints when the trail gets past the north Hayward BART station in terms of the alignment. Ms. Campbell stated that the Alameda County Transportation Commission is completing the environmental clearance for the segment from Oakland to Hayward.

Joan Malloy, Economic and Community Director, stated that the path running down from Oakland generally follows the alignment of BART and Union Pacific Railroad (UPRR). Ms. Malloy noted that there was a potential conflict with the City's vision to utilize the UPRR right-of-way for passenger rail.

Commissioner Guio stated that he would like to see the intersection of Union City Boulevard and Alvarado Boulevard cleaned up and made safer.

Commissioner Lew referred to the comment letter from East Bay Bicycle Coalition about bicycle and pedestrian pathways and mid-block crossings and stated that it depends on the situation and where the bicycle lanes have to cross the street. Commissioner Lew stated that the Iron Horse trail has many different crossings and that Union City can do what cities like Dublin, San Ramon have done.

Commissioner Lew referred to the three-legged intersections and stated that at the new stop sign on Dyer Street at Jean Drive there is no crosswalk but there is a pedestrian island in the median. Commissioner Lew stated that if there was a crosswalk then drivers would be cued to look for pedestrians crossing before entering the intersection. Commissioner Lew stated that she thinks it should be a four-legged crosswalk and all crosswalks should be four-legged.

Commissioner Lew noted that some of the comments were referred to the Police Department and that it appears that the Police Department is not going to be emphasizing traffic enforcement and that they are not interested in bicycle patrols. Commissioner Lew stated that she hopes that this plan is not seen as an increase in traffic enforcement by the Police. Commissioner Lew stated that she would like to see a happy co-existence between drivers, bicyclist and pedestrians and anyone else who needs to use the roadways.

Commissioner Lew recommended adding to the resolution the following: "Whereas through the Health and Safety Element of the General Plan the City of Union City established a goal to prevent the deterioration of and to improve air quality by encouraging the use of non-polluting forms of transportation, including bicycles and walking."

Commissioner Singh asked if Union City Boulevard would be widened to add a bicycle lane.

Farooq Azim, Principle Engineer, replied that the road would have to be widened to accommodate a bicycle lane.

Commissioner Singh asked if the bicycle lanes would go up to Kaiser.

Mr. Azim replied that there are already bicycle lanes north from Alvarado Boulevard to the Hayward city limits. Mr. Azim stated that adding bicycle lanes from Alvarado Boulevard south to the Fremont city limits will be a challenge.

Commissioner Singh referred to Kate Sprotte's recommendations and stated that the trees are creating a visibility problem along Horner Street and Union City Boulevard and that they are making it unsafe for pedestrians and drivers. Commissioner Singh suggested that the trees along Union City Boulevard need to be trimmed.

Commissioner Singh referred to page 4 of the staff report at the bottom and noted that Whipple Road and Alvarado Boulevard do not meet as an intersection.

Ms. Campbell stated that would be corrected.

Commissioner Singh asked if a restroom or fountain is added who would pay for it.

Mr. Azim replied that it would be a city expense.

Commissioner Singh referred to Cesar Chavez Park and suggested that benches be added because there are not enough for the people using the park on the weekends.

Commissioner Singh suggested that the safety signs be made in multiple languages to make sure that everyone can understand them.

Commissioner Singh recommended that 7th Street have a bicycle lane.

Commissioner Singh asked if the bicycle lane proposed for Whipple Lane would be on the east side or the west side of the road.

Ms. Campbell replied that a feasibility study would need to be done to determine the design of the bicycle lanes but that they would most likely be on both sides.

Commissioner Singh referred to the intersection at Central Avenue and Whipple Road and stated that the crossings need to be repainted.

Commissioner Gonzales stated that routes that go through retail areas or areas of interest are very important because it will promote more activity of walking and bicycle riding.

Commissioner Gonzales stated that another high priority should be "Safe Routes to School".

Commissioner Gonzales suggested if funding were available to put out flyers that show the different routes and destinations in a weatherproof display in City parks, off-street trails and BART.

Commissioner Singh suggested they could be put out at bus stops as well.

Commissioner Gonzales also suggested adding fun facts and highlight the co-benefits of walking and bicycling such as reducing carbon emissions and getting healthy.

Commissioner Gonzales referred to the East West corridor and asked if it would have bicycle lanes.

Ms. Malloy replied that they will have eight foot wide shoulders which would accommodate bicycle riders that are willing to ride on the street with traffic. Ms. Malloy stated that it also includes a multi-use path that ranges between ten and fourteen feet on the northerly side of the roadway. Ms. Malloy stated that it also would connect with the path to Quarry Lakes.

Commissioner Gonzales referred to Whipple Road between the school and Mission Boulevard and stated his concerns that Whipple Road is not wide enough for a bicycle lane and an alternative route should be found. Commissioner Gonzales stated that there is a lot of truck traffic on this section of the road.

Ms. Malloy replied that part of Whipple Road is not a truck route and she will forward this comment to the Police Department.

Chairperson Panlilio suggested a school training program with New Haven Unified School District would be very valuable to the kids.

Chairperson Panlilio suggested that stores that are more accommodating to pedestrians and bicyclists should be given incentives like advertising on the website.

Chairperson Panlilio asked if there is a bicycle registration program in the City. Chairperson Panlilio suggested adding a registration program.

Chairperson Panlilio opened the public hearing.

Barry Ferrier, 32212 Allison Way, Union City, CA stated that there is a problem with older riders who were taught to ride against traffic and signage should specifically state which direction riders should ride. Mr. Ferrier noted that at the new bakery on Dyer Street it appears that on street parking is being allowed and it is too narrow for traffic and a bicycle rider. Mr. Ferrier suggested that the curb be painted red in front of the bakery. Mr. Ferrier referred to the four-legged crosswalks and noted that the one on Dyer Street and Regents near the tennis courts is only three-legged and teenagers coming from the courts are crossing the street without the benefit of a crosswalk. Mr. Ferrier suggested that crosswalks near schools and recreation areas be four-legged. Mr. Ferrier stated that he thought on the west side of Union City Boulevard it was legal to ride a bicycle on the sidewalk due to traffic dangers. Mr. Ferrier stated that if that is true then signs need to be posted letting the bicyclists know. Mr. Ferrier noted that there are several fire hydrants located directly in the center of the sidewalks along Union City Boulevard and that there is not enough room to even get a wheelchair around them much less a bicycle. Mr. Ferrier stated that there are traffic impacts on Union City Boulevard from people picking up and dropping off students at Delain Eastin School and the road needs to be widened to accommodate the school traffic. Mr. Ferrier suggested adding the flashing crosswalk signs and high visibility crosswalks on Union City Boulevard near the school. Mr. Ferrier liked Commissioner Gonzales' idea about the flyers.

Chairperson Panlilio suggested adding the flashing speed limit signs on Union City Boulevard.

Hugh McNamara, 32238 Mercury Way, Union City, CA stated that there is a lot of speeding on Union City Boulevard. Mr. McNamara noted that there may be a problem putting in a bicycle lane on the northern part of Union City Boulevard near Smith Street. Mr. McNamara stated that when Whipple Road was redeveloped eight or nine years ago bicycle lanes should have been added then. Mr. McNamara complained that bicyclist and pedestrians do not use gear that makes them more visible to motorists.

Chairperson Panlilio suggested that school training for kids on what to wear and other safety procedures.

Glenn Kirby, 30520 Hoylake St., Hayward, CA stated that he used to ride his bicycle to work at Union City offices and he still rides to destinations in Union City today. Mr. Kirby stated that this plan is a very complete plan. Mr. Kirby stated that he wants to emphasize the regional connections. Mr. Kirby stated that Union City Boulevard is a priority because it is the only north-south connection and he hopes that the City gives it a high priority as well. Mr. Kirby stated that the Bay Trail is also another important project that he hopes the City will give high priority to. Mr. Kirby stated that he thinks that both of these projects would qualify for outside funding. Mr. Kirby stated that a cross-town connection is also an important project.

Kate Sprotte, 31324 Mackinaw St, Union City, CA stated that she brought some pictures showing some of the deficiencies in the current situation, such as children unable to reach cross walk buttons, fire hydrants in the center of the sidewalk and car doors that when opened extend into the sidewalk. Mrs. Sprotte also seconded the idea of adding flashing lights at crosswalks at Rocklin Drive and Union City Boulevard and at Alvarado Boulevard and Union City Boulevard. Mrs. Sprotte noted that the elimination of school bus service has resulted in more cars driving students to school and creating traffic jams and safety issues for the students.

Chairperson Panlilio closed the public hearing.

Commissioner Lew asked if bicycles are allowed on the sidewalks along Union City Boulevard.

Mr. Azim replied that they are allowed but the City does want to make bicycle lanes for them to use instead. Mr. Azim stated that he is not sure if it is against the law but he doubts that anyone would be ticketed.

Commissioner Lew noted that by the Costco on Hesperian in Hayward there are signs designating that the sidewalk may be used by bicycles. Commissioner Lew stated that bicycles should be in bicycle lanes on the street not on the sidewalk. Commissioner Lew noted that drivers often pull into crosswalks to see oncoming traffic and that would be dangerous for bicyclists and pedestrians.

Commissioner Lew moved to recommend to the City Council approval of the Draft Pedestrian and Bicycle Master Plan update, including all the amendments stated in Exhibit A and the additional recital that Commission Lew read, and adopt a resolution confirming this action.

Commissioner Guio seconded.

AYES	5 (Gonzales, Guio, Lew, Panlilio, Singh)
NOES	0
ABSTAIN	0
ABSENT	0

VII. SUPPLEMENTAL STAFF REPORTS:

A. CONTINUED REPORTS: None.

B. NEW REPORTS: None.

VIII. REDEVELOPMENT AND ECONOMIC DEVELOPMENT REPORTS: None.

IX. COMMISSION MATTERS:

A. Follow-up on Planning Commission referrals to the City Council.

B. Upcoming applications for the Regular Planning Commission meeting for January 19, 2012.

X. GOOD OF THE ORDER:

Commissioner Guio stated that the EDAT met again this week and the EDAT is looking at a proposal for an incubation center in Union City.

Commissioner Guio noted that Whipple Road towards Interstate 880 goes from two lanes on Whipple Road to three lanes on the entrance ramp and the left most lane becomes the car pool lane and he has noticed that people approaching on the right hand lane get confused and move over to the middle lane and suggested adding dots to make the lanes clearer.

Mr. Azim stated that it is in the Caltrans right of way and they would need to be involved.

Commissioner Lew wished everyone a Happy 2012.

Commissioner Singh asked what is happening with the Redevelopment Agency and will any employees be laid off.

Ms. Malloy gave a synopsis of on-going events. Ms. Malloy stated that more information will be available when the City Manager briefs the City Council at its next meeting.

Commissioner Singh asked if this will affect the station district project.

Ms. Malloy replied that because the station district is being funded by bond money it should not be affected.

Ms. Malloy asked the commissioner's to look at the Mini-Planner's Institute brochure and let the secretary know if they want to attend.

Chairperson Panlilio wished everyone a Happy New Year.

XI. ADJOURNMENT: 8:50 p.m.

APPROVED:

ROY PANLILIO, CHAIRPERSON

ATTEST:

JOAN MALLOY, SECRETARY



DATE: FEBRUARY 2, 2012

TO: PLANNING COMMISSION

FROM: JOAN MALLOY, ECONOMIC & COMMUNITY DEVELOPMENT DIRECTOR

SUBJECT: PLANNING COMMISSION UPDATE ON THE CITY COUNCIL'S FOUR ECONOMIC DEVELOPMENT GEOGRAPHIC STUDY SESSIONS

BACKGROUND

The City Council held four economic development study sessions on specific geographic areas of the City:

- October 4, 2011 - the Old Alvarado and Union City Boulevard Area;
- October 18, 2011 - the Greater Station District Area;
- November 1, 2011 - the Central Bay Industrial Park; and
- November 29, 2011 - the Horner/Veasy Area.

The purpose of the study sessions was to provide the Council with insight to market demands and activities that may influence or drive economic development in these areas. The meetings were structured to allow the City Council to have a candid conversation with professionals from the private sector. Representatives typically included real estate developers and brokers from industrial, retail, and residential perspectives; large and small local businesses; and industrial/business organizations including the East Bay EDA and Prescience, an incubator management company. The study sessions allowed the Council to ask questions about markets, land use, and opportunities and challenges for attracting businesses and new development. This report provides a summary of each meeting so that the Council may provide staff with additional direction and priorities as a result of these study sessions.

Staff presented this summary to the Council on January 10, 2012. Based on Council feedback, staff will be returning to Council with specific updates and action items for the areas, most notably for the Old Alvarado and Horner Veasy areas. The Council was particularly interested in immediate opportunities for improving the identity of the Old Alvarado area. Regarding the Horner Veasy area, the Council requested additional information on the amortization process to explore a deadline to have the old industrial area turn over to new, more productive uses. Council comments on the Central Bay identified Whipple Road congestion as a priority, but most improvements along this corridor will require a partnership with Hayward. The Council had diverse points of view on the Station District and ultimately decided to take a wait-and-see

approach. The purpose of this report is to keep the Commission informed as to Council's direction regarding the outcome of the economic development study sessions and how their discussion may have a bearing on land use and public improvements in the future.

DISCUSSION

Attached to this staff report are the four meeting summary reports that are organized by the panelist's discussion points and a staff summary of challenges and assets that were gleaned from the panelists and Council discussion. Staff also incorporated a Current Activities summary in the body of this report, to inform the Commission of noteworthy or upcoming efforts.

Old Alvarado and Union City Boulevard Area Panel Summary

Area Challenges

1. General appearance of the area is blighted along Union City Boulevard and some areas of Smith Street. Streetscape improvements could help the appearance.
2. There is not an anchor tenant in the vacant buildings on the corner of Union City Boulevard and Smith Street which makes it a challenge to attract more retail into the Smith Street area and Pinn Brothers project.
3. The area is not pedestrian friendly. Traffic moves too fast along Union City Boulevard and bypasses Smith Street.
4. Environmental contamination of some sites along Union City Boulevard is an added burden to the redevelopment or development of these properties.
5. Existing building stock is obsolete for many current market users and blighted appearance make it difficult for infill industrial uses.
6. Abundance of available industrial space in the market has not created the pressure for redevelopment in this corridor.

Area Assets/Opportunities

1. Strong potential for Old Alvarado to become a destination downtown by attracting the right mix of retail and commercial uses.
2. The City should work with property owners to encourage refurbishing and upgrading blighted buildings.
3. Old Alvarado is attractive to the local business community and residents; however, the area is not well known to the majority of Union City's overall workforce.
4. The proximity of Union Landing to Old Alvarado is a good opportunity to interlink the two areas to attract a larger consumer base to Old Alvarado.

5. Consider working with Smith Street tenants and property owners to implement a targeted outreach / marketing campaign/program for the area to attract a larger consumer base and new retail businesses.
6. Excellent location for industrial and business uses and residential uses because of proximity to I-880 and the Dumbarton and San Mateo Bridges.

Current Activities

General Plan: Staff will be working on a Complete Streets update of the Transportation Element in the General Plan in the coming months. Several comments from the panelists discussed the need to slow traffic and create a better ambiance throughout the corridor for Old Alvarado and Union City Boulevard. Additional study will be required to evaluate appropriate pedestrian and vehicular improvements that the City may undertake to address the concerns raised. A street improvement plan would be needed to evaluate in a comprehensive manner lighting, signage, pedestrian pathways, sidewalk improvements, bike paths/lanes, street trees and landscape beautification, and vehicular movements.

Zoning: Old Alvarado has been targeted for multi-family residential growth in the Housing Element that was adopted by the City Council in 2010. The area has also been identified for growth in the Sustainable Communities Strategy planning that is being done at the regional level. To accommodate the Housing Element changes in density, staff will be working on a revised zoning code, and if needed modifications to the General Plan Land Use Element. Modifications to the zoning would not impact any lands on Union City Boulevard that are currently designated for industrial use. Changes would only impact the Old Alvarado area. A challenge that was not discussed by the panelists at the study session is the need for land assembly of small parcels to create a site large enough to accommodate residential infill development in Old Alvarado.

Economic Development Efforts: Past discussions have included implementing a downtown association with Old Alvarado property owners, retail commercial tenants, and economic development staff. Although there are various association models, an ideal downtown association would operate as a self-assessment district with the goal of developing and promoting the Old Alvarado area as a vibrant downtown community. It would function as a non-profit organization with funding provided by member assessments, sponsorships, revenue producing events, and in some cases matching City funds, if available.

These types of associations are organized with specific strategies that incorporate the elements of the organization, district promotion and design or physical appearance, and targeted business retention and attraction. Successful implementation involves a mutual effort by all stakeholders, including property owners, tenants, city staff, the Chamber of Commerce and community volunteers.

Economic Development staff could help facilitate outreach efforts that include assisting in organizing and implementing an Old Alvarado Downtown Association, work with stakeholders in raising funds to create a website, marketing materials, incorporating the Union City Shop Local Program, and planned events and activities. The merchants and property owners would be

required to take a leadership role in the management of the association and the on-going efforts to ensure a successful downtown association and the desired results.

City Council Comments on Old Alvarado/Union City Boulevard

The City Council identified the following elements that they would like staff to explore and report back to the Council in the next several weeks:

1. Identify public improvements of curb, gutter and sidewalks and pedestrian improvements.
2. Focus on place making – begin with signage and target beautification efforts. Minor steps could help with creating an identity.
3. Investigate the possible acquisition of the empty lot at Smith and Union City Boulevard for development as a parking lot to support Old Alvarado businesses.
4. Explore a business improvement district, merchant association and marketing materials to help businesses develop a stronger retail destination.

Greater Station District Area

Panel Summary

Area Challenges

1. New development will be a challenge due to the overall market conditions and bad economy.
2. The City of Newark's prior Sun Microsystems campus site can be a competing component for Union City in attracting new technology-based companies because the site has been on the market for a few years with the availability of 1.2 million square feet of R&D, lab and office space. (New leases have been signed and brokers have stated that the site may be fully leased in 2012.)
3. The Station District does not have direct freeway access, which could hinder employment users.
4. Readily (vacant) developable land located in the greater Station District area does not meet the minimum 80 acres required to develop a business campus, such as a Facebook and/or Google.
5. There is an abundance of office and manufacturing space on the market throughout the Silicon Valley and this may deter South Bay businesses from relocating to the East Bay.

Area Assets/Opportunities

1. Streamlined permitting processes have quick turnaround, which is crucial to new businesses and locally expanding businesses.
2. This area has strong opportunities to attract advanced manufacturing because of the available developable land area and proximity to public transportation.

3. Retail is a strong opportunity on Decoto Road, but it needs further study of traffic count and sales volume.
4. The Safeway Market Place and El Mercado centers are very successful because of the location, adjacent public transit and surrounding income. The low or no vacancy rates indicate the potential to attract quality retail uses.
5. BART is a strong asset for residential uses.

Current Activities

General Plan: The General Plan policies for the inner Station District around BART identify this area as a high-density, mixed-use zone. With the economic downturn, private development has stalled. Additionally, the elimination of the Redevelopment Agency by the State legislature (and confirmation by the Supreme Court) has clouded the legal status of the City-owned vacant lands. Staff will continue to evaluate options for the City to meet its development goals.

The General Plan calls for business/job intensive uses in the Research and Development Campus area east of the Union Pacific Railroad tracks that is under private ownership. To meet the envisioned use for these RDC lands, and elsewhere in the Station District, the East-West Connector roadway must be built. Partial funding is secured. Staff is working with regional funding partners to secure a complete funding package.

Retail development along Decoto Road and on the vacant 24-acre site (the Shelton property) was discussed extensively by the retail broker. While retail could generate sales tax and provide service jobs for the community, further retail studies (market viability and traffic) would be needed to determine if such a shift is feasible or desirable. While a departure from current policy, the Council may wish to evaluate this option at some point.

Residential was also discussed as a possible use for this area. Such a shift would be contrary to current General Plan policies that target long-term revenue generating uses and job creation. Surrounding, established industrial uses also pose a challenge to residential.

Zoning: Zoning for the inner Station District immediately around BART already provides for high-density, mixed-use development. There are no changes envisioned to this area as a result of the Housing Element (as there will be for the Old Alvarado Area). Neither are there planned zoning changes for the RDC.

Economic Development Efforts: Currently, staff has been very active in marketing the Intermodal Station District. Ongoing efforts include targeted marketing materials, outreach to potential investors and corporations via mailer packets, and tradeshows/mixers/networking through the membership industry associations that include, BayBio, SVASE, Link SV and Workit.Com.

Other Station District efforts being discussed include developing marketing brochures that include the adjacent retail centers (Safeway Market Place and El Mercado Center), incorporating the Union City Shop Local Program and implementing a business watch group in partnership

with the Union City Police Department's COPP's Unit and the property owners. The business watch group will meet once a month to help mitigate crime in the area, attract quality consumers and develop a marketing program and materials.

The property owner's representative of the Safeway Market Place has verbally indicated that the center will be repainted and the sidewalks steam cleaned in the coming months. These efforts will visually refresh the center, but do not address the outdated appearance of the architecture.

City Council Comments on the Station District

There were three approaches to land use in the Station District:

1. One perspective was to change the RDC area to residential zoning because it had not redeveloped with business uses in the past economic cycle and was likely not going to develop in the future with business uses. Rezoning would provide the incentive for Air Liquide to move.
2. A second perspective was that this area represented the last economic development opportunity for businesses and that if we let the land shift to residential we would miss the next opportunity for job expansion, especially because the land is located adjacent to BART.
3. A third perspective was that business/industrial uses were a priority, but that we should be flexible and have a tiered approach. That is, we should be open to alternatives if our priority land use designation does not seem feasible.

Ultimately, it was determined that no changes should be made to the Station District area at this time and that we should take a wait-and-see approach.

Central Bay Industrial Park Panel Summary

Area Challenges

1. Traffic along Whipple Road and at the Whipple Road/Central Avenue intersection is too congested.
2. Underutilized sites, primarily warehouse buildings built in the 1960s and 1970s, are a challenge and rehabilitating or redevelopment is currently not cost effective.

Area Assets / Opportunities

1. There are a good mix of business uses from advanced manufacturing, food processing, and quality distribution.
2. There is a good proximity to amenities, although not necessarily directly adjacent to amenities.

3. The Central Bay Park has well maintained infrastructure and streets with a relatively low crime rates.
4. The City has demonstrated flexibility in assisting new and expanding businesses.

Current Activities

General Plan: No changes in policy or land use are envisioned at this time for the ML, Light Industrial District. The General Plan provides a fairly intensive, industrial-development framework for the Park; and land use policies generally discourage new warehouse buildings and encourage more flex-type buildings that could accommodate a wider variety of uses.

Zoning: Zoning standards for the ML, Light Industrial District reinforce General Plan policy. Warehouse uses in newly constructed buildings (built after 1996) requires a Use Permit, which allows the City to review all of the associated impacts. Zoning standards for building height, lot coverage and parking are structured to accommodate fairly intensive development to provide flexibility for more job-generating uses.

Staff is currently evaluating a possible text amendment to the hazardous materials section of the industrial zoning code. Since its establishment, many of the standards have been incorporated into fire or building codes, thus possibly making the zoning ordinance redundant and cumbersome for new businesses. The purpose of an amendment would be to streamline this section. Staff will be evaluating alternatives, and if merited, staff will bring a text amendment to the City Council for their consideration.

Economic Development Efforts: The Central Bay Park is a stable and self-sustaining business park. Economic development staff can help facilitate meetings with the Central Bay Park property owner's and broker representatives to discuss potential solutions and strategies that include upgrading older underutilized sites and attracting quality job intensive uses. Current activities that are not specific to the Central Bay Park include the industrial roundtable that is sponsored by the Union City Chamber of Commerce. The monthly industrial roundtable offers a forum for City staff to interface directly with business leaders and the Chamber.

City Council Comments on Central Bay Park

The Council comments on Central Bay focused on Whipple Road congestion and the need to work with Hayward to make improvements. The Council pointed out that if the new Measure B passes in November 2012, funds could be made available to construct a northbound freeway exit at Industrial Boulevard. Such an improvement would ease traffic on Whipple Road.

Horner/Veasby Study Area
Panel Summary

Area Challenges

1. General appearance of the area is blighted.
2. The area has inadequate infrastructure for most new developments, including roads that do not meet City standards and inadequate sewer and water lines.
3. Multiple property owners make it difficult to consolidate land and attract new quality development.
4. Cost to improve property exceeds the value of the property.
5. Union Sanitary District's envisioned expansion, odors and truck traffic would likely restrict the reuse of the area for residential purposes.

Area Assets/ Opportunities

1. The biggest opportunity is to redevelop the entire area as one development with new infrastructure.
2. Amortization is an alternative that is in place to phase out non-conforming businesses.
3. The City should consider a "blanket" permit to accommodate temporary uses until there is a market for new development.

Current Activities

General Plan and Zoning Ordinance: The General Plan for the Horner/Veasby Area was updated in 2009 to address the unique challenges facing the area. The changes established goals and policies to encourage successful light industrial infill development to overcome the infrastructure challenges. Additionally, the City Council approved a zoning text amendment 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.

No additional changes are currently proposed; however, the landlocked mini-storage site in the residential area of Horner Street may be an opportunity for future residential infill.

Code enforcement complaints are frequently forwarded to staff for the Horner/Veasby Area. Common complaints include truck dispatching, outdoor storage, illegal land uses, and public dumping.

Economic Development Efforts: There are no specific economic development efforts targeting this area at this time.

City Council Comments on Horner Veasy Area

The Council noted that the Horner Veasy area was a significant challenge in today's market. Broadly, there was consensus among the Council that the amortization process should be explored as a method to transition the area. Specifically, the Council asked staff to return with the cost to complete the amortization process and identify which properties would qualify. There were some comments that revisiting the zoning to allow yard uses may be a consideration so that legal businesses could be established, at least temporarily. Staff is internally discussing the feasibility for the City to allow yard uses with the intent to see those uses cease with amortization and the area redevelop in the future.

Economic Development Advisory Team (EDAT) Activities

Staff recently toured the San Jose Biocenter/Prescience incubator facility as an outcome of EDAT discussions and the City Council Study Sessions. Erika Kula of Prescience was a panelist for both the Station District and the Central Bay Industrial Park Study Sessions. As a result of this tour, staff requested a proposal to evaluate the feasibility of establishing an innovation/incubator center in Union City. At the December 7, 2011 and January 4, 2012 EDAT meetings, this proposal was reviewed. EDAT unanimously supported the feasibility study and recommended that this proposal be brought to the City Council for their consideration.

The feasibility study would evaluate an appropriate technological focus for the innovation/incubator facility, market trends, interviews with the targeted audience, impacts of an innovation/incubator facility, and the needed support mechanism to promote the project (community involvement, workforce development, and the like).

RECOMMENDATION

This is an informational item for the Planning Commission on the results of the Economic Development Geographic Study Sessions. Staff has identified some changes to the General Plan and zoning text that will be forthcoming, including amendments to fully integrate the approved Housing Element, incorporating modifications into the General Plan for Complete Streets as required by State law (with consideration of Union City Boulevard and Old Alvarado areas), and the review of the hazardous materials section of the industrial districts to create a more streamlined code for businesses. Based upon Council feedback, staff will be returning to the Council with additional information on the Old Alvarado and Horner Veasy area

Planning Commission comments and questions are welcome.

**Joan Malloy,
Economic & Community Development Director**

Attached: Summary Report Old Alvarado and Union City Boulevard Area
 Summary Report Greater Station District Area
 Summary Report Central Bay Industrial Park
 Summary Report Horner/Veasy Area.

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UNION CITY COUNCIL ECONOMIC DEVELOPMENT GEOGRAPHIC STUDY SESSION

OLD ALVARADO/UNION CITY BOULEVARD AREA

OCTOBER 4, 2011

SUMMARY REPORT

PANELISTS

Commercial Developer:	Tom Wagner, Harvest Properties
Commercial Broker:	Steve Kapp, Cornish & Carey Commercial Brokerage
Residential Developer:	Wilson Hu, WestGate Ventures
Small Business:	Paddy Iyer, Paddy's Café
Corporate Business:	Terry Clark, Finelite, Inc.
Regional Industry Organization:	Scott Peterson, East Bay EDA

AREA DESCRIPTION

The Old Alvarado Area is located on the western side of Union City and consists mostly of commercial / retail along Smith Street and Union City Boulevard. The area is a mix of historic structures and newer buildings that accommodate commercial, residential and institutional uses. The area is developed with approximately 122,000 square feet of commercial space. Any new development must follow the Old Alvarado Design Guidelines to ensure compatibility with the historic character of the area.

The area contains several opportunity sites for infill development. The newly adopted Housing Element identifies higher density (approximately 43 units per acre) mixed-use projects (ground floor commercial with residential above) for some of these sites, which fulfills the City's obligation to provide its fair share of the region's housing needs as required by the State.

Union City Boulevard Area generally extends from Bettencourt Way to the railroad tracks on Union City Boulevard and near Whipple Road. The corridor is developed with a mixture of uses that include warehouse and distribution, light manufacturing, contractor yards and service and recreation uses. This area also accommodates a cement batch plant, which is a legal, non-conforming use. This area, which is zoned MS, is largely underutilized. The last industrial building in this area was built in 1969. On the west side of Union City Boulevard, a 4-acre portion of the Nuts and Spices site is currently vacant and is undergoing remediation to clean-up groundwater contamination from the adjacent Mission Line Supply property, which is also contaminated. The remediation is on-going and development of the property is possible with certain controls to address health and safety concerns. There are also several underutilized parcels that could be redeveloped into more job intensive uses.

PANEL DISUCSSION POINTS

Commercial Broker

Steve Kapp, Cornish & Carey

1. There needs to be proactive leadership by city council and staff to welcome new businesses.
2. Blighted properties create a challenge in filling vacant space.
3. Locating residential is not a desirable idea because it will create conflict with industrial uses.
4. The area is a highly desirable location for businesses now - the area is considered a “gem” of industrial opportunity for the future expansion.
5. Bad economy is even difficult for brokers.
6. Location/decision making process to attract and locate new businesses to the area are different for each industry and are very complex.

Commercial Developer

Tom Wagner, Harvest Properties

1. Warehousing sites in Union City are outdated and inefficient.
2. Environmental issues with some of the older industrial properties create a complex challenge in order to reuse the sites.
3. General appearance of the Union City Blvd. Corridor is poor, and the medians need to be cleaned up.
4. There is an abundance of industrial space available now due the current market conditions for commercial/industrial land use. Although, food uses are still very active in the market.

Housing Developer

Wilson Hu, Westgate Ventures

1. Streetscapes in the area are not very attractive.
2. The Old Alvarado Area is the one of the last historic areas to build a thriving, real downtown area.
3. May be a good location for housing due the connection to the Peninsula.
4. Union City Boulevard traffic moves too fast through the area and bypasses Old Alvarado.

5. The retail on Union City Boulevard (Pinn Brothers project) is not designed well. Consumers cannot see parking, building windows are dark, there needs to be more visibility from the street and to be pedestrian friendly. The site is not engaging.
6. Preserving St. Anne's Church and reusing the site for future commercial /retail would bring extra value and benefit to the area in Old Alvarado.

**Regional Industry Association
Scott Peterson, East Bay EDA**

1. Industrial building stock is a challenge because it does not meet current business needs.
2. Conversion of industrial to residential would create conflicting needs and negatively impact the industrial businesses from expanding and locating to the area.
3. Santa Clara County is Alameda County's largest trading partner.
4. The area gives industrial businesses good access to a diversified workforce.
5. Union City overall has a good reputation with the business community.

**Union City Small Business
Paddy Iyer, Paddy's Café**

1. Most of Paddy's Café business comes from Hayward. Staff should think of ways to draw Union Landing consumers to the Old Alvarado area.
2. Transportation for consumers is trending towards driving less; need shuttles in the City.

**Union City Corporate Business
Terry Clark, Finelite, Inc.**

1. California's business climate is very poor and the City should work at the State level for reasonable regulations and fee structures.
2. Businesses look at a region for location, not necessarily a particular city.
3. The City needs to keep current building stock because businesses need access to larger or additional buildings for growth.
4. The price and cost of doing business in the area are very reasonable for leasing buildings and/or purchasing for ownership.
5. Access to City departments and permitting process is excellent. Timelines for businesses are very important.
6. The Old Alvarado/Union City Boulevard area is well located to amenities.

7. The Union City Boulevard and Bettencourt Way traffic signal needs to be synchronized to commute hours to prevent the backing up of traffic for the area workforce and trucks. (Trucks departing the Lincoln Alvarado Business Park early in the morning tend to back up on Bettencourt Way and idle through multiple signal rotations because the signal timing does not seem long enough to clear the trucks.)
8. Mixing residential land uses with industrial land uses would limit the businesses from growing and expanding in the area and deter new business from coming to the area.
9. Union City Boulevard railroad grade separation is not an issue and does not affect business.

SUMMARY

Area Challenges

1. General appearance of the area is blighted along Union City Boulevard and some areas of Smith Street. Streetscape improvements could help the appearance.
2. There is not an anchor tenant in the vacant buildings on the corner of Union City Boulevard and Smith Street which makes it a challenge to attract more retail into the Smith Street area and Pinn Brothers project.
3. The area is not pedestrian friendly. Traffic moves too fast along Union City Boulevard and bypasses Smith Street.
4. Environmental contamination of some sites along Union City Boulevard are an added burden to the redevelopment or development of these properties.
5. Existing building stock is obsolete for many current market users and blighted appearance make it difficult for infill uses.
6. Abundance of available industrial space in the market has not created the pressure for redevelopment in this corridor.

Area Assets/Opportunities

1. Strong potential for Old Alvarado to become a destination downtown by attracting the right mix of retail and commercial uses.
2. The City should work with property owners to encourage refurbishing and upgrading blighted buildings.
3. Old Alvarado is attractive to the local business community and residents; however, the area is not well known to the majority of Union City's overall workforce.
4. The proximity of Union Landing to Old Alvarado is a good opportunity to interlink the two areas to attract a larger consumer base to Old Alvarado.

5. Work with Smith Street tenants and property owners to implement a targeted outreach / marketing campaign/program for the area to attract a larger consumer base and new retail businesses.
6. Excellent location for industrial/business uses and residential uses because of proximity to I-880 and the Dumbarton and San Mateo Bridges.

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UNION CITY COUNCIL ECONOMIC DEVELOPMENT GEOGRAPHIC STUDY SESSION

INTERMODAL STATION DISTRICT AREA

OCTOBER 18, 2011

SUMMARY REPORT

PANELISTS

Commercial Developer:	Tim Steele, Sobrato
Retail Broker:	Christine Firstenberg, Metrovation Brokerage
Residential Developer, High-Density:	Jeff White; Avalon Bay
Residential Developer, Low Density:	Jon Revells, WestGate Ventures
Regional Industry Association:	Scott Peterson, East Bay EDA
Regional Industry Organization:	Erika Kula, Prescience International San Jose Biocenter
Small Business:	Chuck Johnston, Studio 1204
Architect:	Vince Vincent, AAI Design
Large Business:	Paul Appelblom, Jatco (submitted email only)

AREA DESCRIPTION

The Greater Station District Area includes the 50 acres of land immediately around BART and the 80-acre Research and Development Campus (RDC) area to the east of the Union Pacific Railroad tracks. The vision for the area is to create a high-density, mixed-use, pedestrian-oriented town center. Over the past few years, the City has modernized the BART station; constructed an adjacent 16-bay bus facility; constructed over 600 new public parking stalls for transit users and Station District patrons; and built new connecting streets and public ways. In addition, plans are in progress to create a new east entrance to the BART station to accommodate a passenger rail station, the Capitol Corridor, Dumbarton Rail and ACE trains which allows access through the BART Station by providing a free, pedestrian pass-through. A concept plan for a pedestrian crossing (over the easterly Union Pacific Railroad tracks) between the core of the Station District around BART and the RDC area to the east also has been adopted by the City Council.

Union City is currently in the process of constructing a public plaza that is located adjacent to the future entrance to BART. The plaza is also a link to the pedestrian promenade that will continue the east/west pedestrian and bicycle access-way through the core of the Station District. The area has several opportunity sites that are currently owned by the City that can accommodate high-density residential and high-density office with research and development uses. (Under the current redevelopment legislation, the City could be ordered by the State Controller to turn these properties over to the Successor Agency for disposal by the Oversight Board.) Adjacent to these blocks is the former PSSC site, which is another opportunity site for research and development type uses

The RDC area east of the Union Pacific Railroad tracks is under multiple ownerships and is largely occupied by older industrial uses, including Air Liquide, Jatco, Sheedy Hoist, and others. Four flex-type industrial buildings were constructed in the early 2000 adjacent to the City's corporation yard. One large tract of land (24 acres) that was historically used for agriculture remains vacant.

Mayor Mark Green
Opening Remarks and Priorities

1. Remove the slag heap from the PSSC property to increase buildable land area.
2. Underground PG&E overhead power lines.
3. Complete the East-West Connector.

PANEL DISCUSSION POINTS

Commercial Developer
Tim Steele, Sobrato

1. The consensus of a vision is a good first step and crucial to development attraction.
2. Currently there is no housing market and no office market.
3. Limited access to Interstate 880 is a drawback for office location.
4. Eighty acres is an island. Technology based business like to be near each other.
5. Most existing tilt-up concrete buildings not functional for current market demands.
6. The employment demand of new office uses is 6-7 people per 1,000 square feet of space. This is a much higher density than current office standards of 3-4 people per 1,000 square feet. (Additional feedback includes that current office campuses have higher density work areas but more amenities in the building; therefore, the building carries the same density of workers overall).
7. Commercial office likes to develop around established centers like Palo Alto.
8. Research and Development (R&D) buildings have office space designs: 3-4 floor R&D buildings in clusters of 1-2 million square feet.
9. Need more amenities to attract office uses.

Retail Broker
Christine Firstenberg, Metrovation Brokerage

1. From a retail perspective Union City does very well with a low vacancy rate (4%).
2. There is a healthy housing density with higher income levels in the area for retail.

3. The location of Air Liquide is a challenge to attract anchor retail tenants to the area, especially to the vacant 24-acre site off of Decoto Road.
4. Retail uses would be best placed along Decoto Road. Attracting a retail anchor tenant with the availability of a large acre site would be required to attract more retail for the 11th Street retail development. Retail needs a critical mass.
5. PSSC site is not an attractive site for retail due to the lack of visibility from the East-West Connector and limited access from 11th Street.

Residential Developer – High Density

Jeff White, Avalon Bay

1. There is no demand for high-density residential in the current market.
2. Further south there is more of a housing shortage.
3. Low-density R&D space is obsolete and stands vacant throughout the region.
4. Location and proximity to BART and retail are great amenities for residential and other uses.

Residential Broker – Low Density

Jon Revells, WestGate Ventures

1. Housing demand is evaluated at a regional level. There is more residential pressure on infill sites and areas with high employment (Mountain View is a “hot” market right now.)
2. Start-up businesses go where the owners live.
3. Shopping centers in area (Safeway Market Place and El Mercado) are visually blighted.
4. Proximity to BART is highly desirable for housing for commuters into San Francisco and Oakland.
5. Union City has a higher-level of income and a balanced housing element that includes executive housing, medium income housing and high-density housing that brings buying power to the city.
6. “Retail follows rooftops.”

Regional Industry Association

Scott Peterson, East Bay EDA

1. Advanced manufacturing is moving towards the East Bay primarily to Fremont, Union City, Newark and Hayward.
2. The cost of doing business in the East Bay is significantly lower (20-30%), which is attracting manufacturing and other industries to Union City.
3. Specialty tech industries, such as life science, are moving in clusters toward the East Bay as well.
4. Developing any residential that infringes on or butts up against industrial areas will discourage new business such as the advanced manufacturing, life science and clean

technology industries, in either locating to Union City or expanding and staying in the City.

Regional Industry Organization

Erika Kula, Prescience International / San Jose Biocenter

1. People want to be close to where they work, most notably in the technology sectors.
2. Manufacturing space is needed for businesses transitioning from the San Jose Biocenter and other business innovation centers throughout the Bay Area.
3. When advanced manufacturing and technology-type businesses graduate from innovation centers/incubators, the cost of locating the business is a primary factor.
4. Union City is a great location to attract the technology-type business due to Union City's proximity to the three national labs, major universities and venture capital community.
5. The cost of living is lower in Union City and attractive for start-ups.
6. Union City has good proximity to quality educational institutions

Small Business

Chuck Johnston, Studio 1204

1. Good access to diverse workforce.
2. City centrally located to customers and suppliers.
3. Surrounding residential does not negatively impact his business.

Architect

Vince Vincent, AAI Design

1. Most of his activity is in tenant relocations and building rehabilitation. There has been some modification of old industrial buildings to newer, job intensive buildings with significant investment.
2. Intermodal Station District needs to build an identity. BART access is crucial and plaza is an important component to build the Station District identity.

Large Business

Paul Appelblom, Jatco (submitted by email only)

1. Development Agreements currently in place for some existing industrial businesses in the DIPSA to protect their longevity.

2. Businesses have every right to stable zoning, rules and regulations. Do not burden business, but strive to create an atmosphere that is receptive to business
3. Business is the engine that pulls the economy.

SUMMARY

Area Challenges

1. New development will be a challenge due to the overall market conditions and bad economy.
2. The City of Newark's prior Sun Microsystems campus site can be a competing component for Union City in attracting new technology-based companies because the site has been on the market for a few years with the availability of 1.2 million square feet of R&D, lab and office space. (New leases have been signed and brokers have stated that the site may be fully leased in 2012.)
3. The Station District does not have direct freeway access, which could hinder employment users.
4. Readily (vacant) developable land located in the greater Station District area does not meet the minimum 80 acres required to develop a business campus, such as a Facebook and/or Google.
5. There is an abundance of office and manufacturing space on the market throughout the Silicon Valley and this may deter South Bay businesses from relocating to the East Bay.

Area Assets/Opportunities

1. Streamlined permitting processes have quick turnaround which is crucial to new businesses and locally expanding businesses.
2. This area has strong opportunities to attract advanced manufacturing because of the available developable land area and proximity to public transportation.
3. Retail is a strong opportunity on Decoto Road, but it needs further study of traffic count and sales volume.
4. The Safeway Market Place and El Mercado centers are very successful because of the location, adjacent public transit and surrounding income. The low or no vacancy rates indicate the potential to attract quality retail uses.
5. BART is a strong asset for residential uses.

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UNION CITY COUNCIL ECONOMIC DEVELOPMENT GEOGRAPHIC STUDY SESSION

CENTRAL BAY PARK
NOVEMBER 1, 2011

SUMMARY REPORT

PANELISTS

Developer, Commercial:	Jack Balch, Balch Enterprises
Developer, Residential:	Wilson Hu, WestGate Ventures
Broker, Commercial:	Steve Kapp, Cornish & Carey Commercial
Corporate Business:	Seamus Meagher, GMC
Regional Industry Organization:	Scott Peterson, East Bay EDA
Regional Industry Organization:	Erika Kula, Prescience International / San Jose Biocenter

AREA DESCRIPTION

The Central Bay Industrial Park consists of 545-acres with approximately six million square feet of building area. The 2002 General Plan established goals and policies to convert existing warehouse and distribution facilities in this area to light manufacturing and research and development (R&D) uses that would intensify employment and sales tax generation. The 70-acre U.S. Pipe property is located north of the Central Bay Industrial Park and is the City's remaining General Industrial (MG) zoned land.

There are several opportunity sites within this general area, including: (1) a vacant 2-acre parcel on Central Avenue and Atlantic Street; (2) a 7.89-acre under-utilized contractor's yard on Atlantic Street; (3) a 10-acre under-utilized site on Atlantic Street occupied by Kerry Sweet Ingredients; (4) a vacant 1-acre parcel on Western Street; (5) A vacant 1.3-acre parcel on Pacific Street that is zoned Special Industrial; (6) the 16.5-acre San Francisco Chronicle site on Central Avenue; and (7) an undeveloped 10.5-acre portion of U.S. Pipe's site on Whipple Road zoned General Industrial. There are other underutilized sites that are occupied with outdated warehouse buildings that do not meet the current market needs of many users.

PANEL DISCUSSION POINTS

Commercial Broker
Steve Kapp, Cornish & Carey

1. The industrial park has good streets going through area and the infrastructure is in good shape.

2. The City needs to wait for the market to pick up in order to see the reuse or redevelopment of current buildings.
3. Traffic is a big problem on Whipple Road since it is one of only two ways in and out of park area.
4. Office buildings would not see this as a desirable area because it is primarily occupied by industrial uses with few amenities.
5. There is currently a supply and demand issue. There are too many vacant buildings throughout the Bay Area. Developers and businesses are not inclined to build new buildings or tear down current sites and rebuild. New construction does not pencil. It is still less expensive to buy.
6. Amenities such as restaurants and services are a plus in attracting R&D and tech businesses, but not necessarily a requirement.
7. City should rethink how to change or reuse older buildings for higher end uses.
8. The access to truck routes and rail is good and a tool in attracting new businesses.
9. Owner-occupied industrial users typically remain in the site because it is too costly to move.
10. Businesses explore moving out of the State because the State regulations have long, timely processes and are costly.
11. Vacancies at the old Sun Microsystems Campus are being filled.

**Commercial/Industrial Developer
Jack Balch, Balch Enterprises**

1. Familiar with all vacant sites at Central Bay.
2. Food manufacturing is attracted to this area because of lower costs (for the Bay Area).
3. Rehabilitation of existing buildings is most cost effective in this market.
4. The poor economy has a major impact on attracting new manufacturing companies due to the cost of relocating.
5. City is doing excellent job in attracting manufacturing and R&D.
6. Flexibility of City staff is a major attraction for businesses. Word gets out.
7. Do not force market. For example, with the SF Chronicle site it is important to let the right users come in when the market improves. Keep working with the types of industries and uses the City wants to attract.
8. Traffic is very congested on Whipple Road.
9. Police have done a great job managing crime in the industrial areas. It is important to not allow crime to “get a foot-hold” in the City.
10. Union City is considered an industrial area with some R&D. When the time is right more technology businesses will come and property owners will update their buildings.

11. There is a need to address traffic at the intersection of Whipple Road and Central Avenue. One suggestion is to extend the Whipple Road/Central Avenue turn lanes. The San Francisco Chronicle building would not be ideal to convert to an office building because it is tucked into an industrial area and office development typically needs to be close to public transit and amenities.
12. Union City has a good reputation for being business friendly because it is approachable and flexible.

Regional Industry Organization
Scott Peterson, East Bay EDA

1. An advantage for this area is the stable zoning. The City should stay flexible with older sites to attract and retain businesses. This gives a lot of advantages for sectors that are growing in the regional economy.
2. The City should strive to tap into the projected growth rate in the R&D and advanced manufacturing sectors, which are driven by commercialization of new products and the technology that comes out of the national labs and universities.
3. Working with the venture capital community is a very good strategy to attract new business. The East Bay gets a significant amount of investment dollars that are going into new businesses and expansions.
4. The workforce in the East Bay is high-quality and there is a good proximity to Santa Clara County. Alameda County and Union City are poised to capture the expansions from Santa Clara County businesses because the land and lease costs are much lower in the East Bay.
5. The City should keep tapping into the high-technology and advanced manufacturing uses because the economic development strategy has been successful. This effort should continue going forward.
6. The City should think about readapting and reusing buildings instead of how to incentive new development.
7. Keep up the work in attracting the innovation centers/incubators. There is private and public funding to establish an incubator facility. East Bay EDA will work with City in the efforts to attract innovation center/incubator.
8. An office building would not be ideal for the Central Bay Park because of the lack of access to public transit. Intermodal Station District is ideal for office development because BART and amenities are within walking distance.

Regional Industry Organization
Erika Kula, Prescience International / San Jose Biocenter

1. Central Bay is a better location to establish an incubator space than the Intermodal Station District because of the size of the industrial area and minimal residential around the area.
2. The challenge in this area is the age of buildings, which increases the costs of rehabilitation and improving building infrastructure, such as HVAC systems, that the clean technology sector requires.
3. Safety and policing are important factors in attracting more advanced-types of businesses and Union City is doing a good job in minimizing crime issues in the area.
4. This area is an ideal location for innovation centers/incubators because of the excellent proximity to the national labs, venture capital, workforce and suppliers.
5. Establishing an enterprise zone in Union City would be a good tool in attracting the quality jobs, advanced manufacturing and R&D uses because of the payroll tax credits.

Corporate Business

Seamus Meagher, GCM

1. GCM does a big portion of business in the medical equipment sector.
2. The workforce is very good.
3. Union City is centrally located, which is very good for product delivery to customers and to the proximity to suppliers.
4. The nearby Hertz Equipment Rental is a big plus. Businesses in the advanced manufacturing sector often use these types of services.
5. Traffic and access is very important. Traffic can be challenging on Whipple Road.
6. GMC is expanding on Central Avenue in Union City by rehabilitating a 50,000 square foot building that was built in the 1960s.
7. GMC did look at the San Francisco Chronicle site but it required too much redesign for their needs.
8. In his opinion, the San Francisco Chronicle site would be ideal for a mixed-use type development.
9. The City has been great to work with. Economic development has done a great job in facilitating their expansion and helping with any past issues that have come up.

Residential Developer

Wilson Hu, Westgate Ventures

1. There is no market for housing in this area at the current time.
2. Union City is a desirable area because of access to schools and employment.
3. There are good commute routes in Union City: access to Interstate 880, the San Mateo Bridge and the Dumbarton Bridge.

4. The industrial area is prosperous and clean with attractive and mature landscaping.
5. Due to the overall economy, new construction is not viable. It is more cost effective to buy existing sites vs. building out new sites.

SUMMARY

Area Challenges

1. Traffic along Whipple Road and Whipple Road/Central Avenue intersection is too congested.
2. Underutilized sites, primarily warehouse buildings built 1960s and 1970s, are a challenge and rehabilitating or redevelopment is currently not cost effective.

Area Assets / Opportunities

1. There are a good mix of business uses from advanced manufacturing, food processing, and quality distribution.
2. There is a good proximity to amenities, although not necessarily directly adjacent to amenities.
3. The Central Bay Park has well maintained infrastructure and streets with a relatively low crime rates.
4. The City has demonstrated flexibility in assisting new and expanding businesses.

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UNION CITY COUNCIL ECONOMIC DEVELOPMENT GEOGRAPHIC STUDY SESSION

HORNER/VEASY AREA NOVEMBER 29, 2011

SUMMARY REPORT

PANELISTS

Commercial Developer:	Jack Balch, Balch Enterprises
Commercial Broker:	Rob Ferraro, CBRE Commercial Brokerage
Residential Developer:	Wilson Hu, WestGate Ventures
Corporate Business:	Richard Currie, Union Sanitary District

AREA DESCRIPTION

The Horner/Veasay 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, and 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/Veasay 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.

PANEL DISCUSSION POINTS

Commercial Broker Rob Ferraro, CBRE

1. Recommends and believes that the best use for property is for yard-type uses (businesses that require outdoor storage) and construction uses.
2. The City's processes are quick and straight forward. There have not been any issues with staff response time.
3. The Horner/Veasay area would be best developed as one development because of the lack of infrastructure and costs to improve the area.

4. He is currently in the process of closing of escrow for a property in the Horner/Veasby area, which is a Hayward construction company that will be moving into the Horner/Veasby Area.
5. The more turns (access) one has to make to get to a property the less attractive the property becomes.

Commercial Developer

Jack Balch, Balch Enterprises

1. The cost of improvements in the Horner/Veasby Area make it almost impossible to develop. The property is valued at \$6.00 a square foot, but believes it will cost up to \$8.00 a square foot to develop. Therefore, the land is not worth close to \$6.00 a square foot.
2. Addressing the flood plain is not included in the estimated cost, which then increases the cost of development even more.
3. The best possibility, for the circumstances of the property, is to issue a temporary conditional use permit that excludes building a permanent structure on the property; and then setting an expiration date for the temporary uses so that when the market improves and the property can be developed as a whole.
4. Reiterated that keeping the land open as long as possible until the whole area can be developed is the best possible move at this time.
5. The types of temporary uses would include yard space type tenants and construction uses.
6. Access to the area is a challenge and not attractive for quality users.
7. Allow the temporary users to put in modular trailers, portable bathrooms, etc.
8. As part of the use permit, the City may want to charge fees to maintain the roads.
9. Create a blanket use permit process that would apply to all temporary uses locating in the Horner/Veasby area.
10. The property will probably not be developed for a very long time because of the improvements necessary and costs to do improvements.

Residential Developer

Wilson Hu

1. Recommends amortization because the City can then move all tenants at the same time when market improves. This would allow development to occur at the same time and as a whole project.
2. Believes this could be a good housing site, because of access to employment, good schools and is centrally located to freeways and bridges.
3. Does not believe that the Union Sanitary District being adjacent to the area is a problem to developing and selling houses.

4. Believes in the long run housing may be the best option to develop because the residential development would have a better return on investment (ROI) to the developer than developing industrial uses. This would attract residential developers.
5. Piecemeal development would not be ideal, developing the property as a whole would be required to ensure a successful development for the area.

Corporate Business

Richard Currie, Union Sanitary District

1. Believes that housing would be the most troublesome development for the Union Sanitary District, because the plant does create odors, depending on the direction of the winds. Also, truck traffic to the USD site would impact any residential development as well.
2. Industry is the best use and best neighbor.
3. Union Sanitary District is considering purchasing two to three acres of land that is adjacent to the plant to expand in the future, but any expansion is about ten years out.
4. USD would only purchase land adjacent to plant so there is a continuous site
5. There has been a problem with people dumping garbage because the area is isolated. However, the City has been good about addressing the problem and cleaning up the area.

SUMMARY

Area Challenges

1. General appearance of the area is blighted.
2. The area lacks adequate infrastructure for most new developments, including roads that meet City standards and adequate sewer and water lines.
3. Multiple property owners make it difficult to consolidate land and attract new quality development.
4. Cost to improve property exceeds the value of the property.
5. Union Sanitary District's envisioned expansion, odors and truck traffic would likely restrict the reuse of the area for residential purposes.

Area Assets/ Opportunities

1. The biggest opportunity is to redevelop the entire area as one development with new infrastructure.
2. Amortization is an alternative that is in place to phase out non-conforming businesses.
3. The City should consider a "blanket" permit to accommodate temporary uses until there is a market for new development.