



Agenda Item

DATE: FEBRUARY 4, 2016

TO: CITY COUNCIL and PLANNING COMMISSION

FROM: JOAN MALLOY, ECONOMIC AND COMMUNITY DEVELOPMENT DIRECTOR

**SUBJECT: JOINT CITY COUNCIL/PLANNING COMMISSION REPORT:
REVIEW OF PAST ACTIVITIES IN ECONOMIC AND COMMUNITY DEVELOPMENT DEPARTMENT AND UPCOMING PROJECTS**

Staff has prepared a report to brief the City Council on past activities and to look at future projects that are on the horizon. As a joint session between the City Council and the Planning Commission, this forum allows the Council to provide comments and feedback on the Planning Commission's activities. Staff is requesting that the Council provide suggestions or direction on the presented topic areas or other areas of interest that they would like to see the Commission address over the coming year.

A. OVERVIEW OF PAST YEARS ACTIVITIES

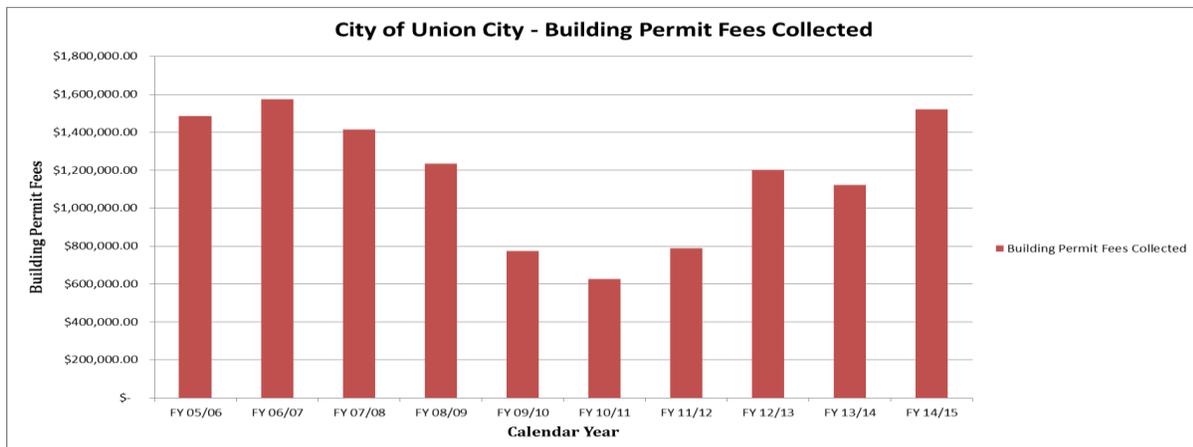
Planning Activity

The Economic and Community Development Department processes all applications for development. Some projects are handled administratively by staff, but many require Planning Commission review and approval. Below is a chart that illustrates development application trends.

	2012	2013	2014	2015
Zoning Administrator (Staff Level)				
Administrative Site Development Review	16	21	16	21
Administrative Use Permit	7	8	14	9
Planning Commission				
Tentative Parcel Map		2	1	1
Use Permit	10	10	14	6
Variance		1	2	
City Council				
Zoning Map Amendment				1
General Plan Amendment			1	3
Zoning Text Amendment	3	4	2	3
Development Agreement				1
Tentative Tract Map				2
Site Development Review	3	3	3	3
TOTAL	39	49	53	50

Building Activity

Over the past calendar year (January 1, 2015 – December 31, 2015) the City has seen building permit activity reach the previous, post-recession high in 2006 of over \$1.5 million in building permit fees.



Significant new construction projects underway over the past year:

- **Pulte Homes Patina Subdivision** – Forty-five single-family homes on 7.85 acres (old Cabello School site)

- **Central Pacific** – Four industrial buildings, totaling 300,000 square feet on 26 acres, located on Central Avenue (old Chronicle property), acquired by Terreno Realty Company
- **Coast Tropical** – An 84,000 square foot industrial building on 4.78 acres, Alvarado Business Park on Volpey Way
- **Magat Four Corners Center** – Reconstruction of a 26,500 square foot shopping center on a 2.5 acre site after severe fire damage, located on the corner of Dyer Street and Alvarado Boulevard
- **AutoZone** – A two-story, 7,928 square foot auto parts retailer on .5 acres located on Alvarado-Niles Road, near Decoto Road

Significant tenant improvements over the past year:

Retail

- Tuesday Morning, Union Landing \$300,000
- Tomatina, Union Landing \$500,000
- Buckhorn Grill, Union Landing \$400,000
- Century Theater, Union Landing \$203,000
- Xfinity, Union Landing \$133,592
- Mexico Tipico \$140,000
- Crown Plaza Hotel \$510,000
- Seafood City, Four Corners \$130,000
- Andersen Bakery, Union Landing \$300,000

Industrial

- Southern Wine and Spirits \$300,000
- Mizuho (Medical device) \$965,000
- Chef’s Warehouse \$3,000,000
- PentAir (construction) \$265,000
- Emerald Packaging \$546,000
- American Licorice \$1,200,000
- Seko Logistics (supply chain) \$288,000
- Ryss Labs \$80,000

Significant Policy and Ordinance Updates

1. **Massage Ordinance:** The State passed legislation that allowed local jurisdictions to re-regulate massage. The City Council re-established massage as a conditionally permitted use, which has allowed an opportunity for additional review of massage applications.
2. **Entertainment at Restaurants:** The City Council allowed restaurants to provide live entertainment with an administrative review and approval. At this time, we have had no complaints arising from entertainment activities and it has been a positive impact to Union Landing and sales tax activities.

3. **Hazardous Materials Update:** The City Council approved a comprehensive update of the hazardous materials ordinance to streamline the approval process and remove redundancies and overlapping requirements between the zoning code and the building and fire codes.
4. **Housing Element:** The Housing Element was approved by the City Council in January 2015. Most recently, the Council approved the General Plan Amendment that was required to bring our land use diagram and zoning map into compliance with the adopted Housing Element.
5. **Economic Development Strategic Plan:** An Economic Development Strategic Plan was approved in 2015, and it served as the guiding document for economic development activities. From this planning effort staff is working on:
 - Union Landing branding and property management,
 - Broadband study to evaluate service opportunities to our industrial areas,
 - Support of the Alvarado Merchant's Association,
 - Marketing and promotion of the Station District,
 - Engagement with several foreign investment interests,
 - Holding industrial sector meetings among businesses, and
 - Developing a database of businesses and business sectors (ongoing).

Project Approvals:

1. **Windflower Lofts:** The City Council approved the construction of 243 market-rate units that include live/work lofts along 11th Street, located in the heart of the Station District. The project has pulled building permits and site preparation has begun.
2. **McDonald's Reconstruction:** The City Council approved construction of a complete demolition and redevelopment of the McDonald's restaurant and drive-through located at the corner of Decoto Road and Union Square. The new restaurant will be 4,027 square feet.
3. **Chapel of the Chimes:** The City Council approved a request for Chapel of the Chimes to replace a failing retaining wall and expand the Upper Terrace burial area.
4. **City Ventures:** The City Council approved 36 townhouses and 3,443 square-feet of ground floor commercial along Union City Boulevard, near Bettencourt Way. The development is noted for its green-building amenities and its historic design that will complement the Alvarado Historic District.

B. 2016 PROJECTS - NEW AND ONGOING

General Plan Update

Over the past year several milestones have been met with the General Plan Update including:

- Assets, Issues, and Opportunities Report – Culmination of extensive community outreach effort.
- Comprehensive Background Report and Executive Summary – Provided a “snapshot” of Union City’s existing conditions related to physical, social, and economic issues.
- Land Use Concepts White Paper – Provided an overview of the different land use concepts for each of the focus areas and related evaluation criteria
- Study Session on Greater Station District in Preparation for General Plan (EDAT)
- Public Outreach and Decoto Neighborhood Workshops

Next steps include:

- Release of Alternatives Report (March 2016) – Will provide a comparison of each of the land use concepts using criteria that addresses a variety of topics including: transportation; infrastructure demand; hazards; fiscal impacts; and community design. This phase will include an extensive outreach component to get feedback on a preferred land use scenario.
- Preparation of Updated General Plan (*Spring 2016/Fall 2016*): Includes update of goals, policies, and implementation programs within each Element.
- Environmental Review (*Summer 2015/Winter 2017*)
- Plan Adoption (*2017*)

Union Landing Branding and Signs

On February 9, staff will be presenting a contract to the City Council for the re-branding of Union Landing. The scope of work will include developing a new brand identity for the Union Landing shopping center and new designs for the City’s pylon, monument, and wayfinding signs. Staff held a meeting with the property owners to begin discussions on how the City can work with them to keep Union Landing as a competitive sub-regional destination. Staff is hopeful that the City-led re-branding effort will usher in a new era of investment and improved property maintenance in Union Landing.

Housing Update

1. Status of the Housing Successor Agency

The City sold three Housing Successor-owned properties as moderate, affordable units. The Housing Successor retained one unit that is currently being managed (and rented) by the Housing Authority of the County of Alameda (HACA). There is approximately \$1 million in the Housing Successor Agency’s Low to Moderate Income Housing Fund (“Low/Mod Fund”). These funds are to be used on housing projects for extremely-low to low income households.

2. Nexus Fee Study and the Provision of Affordable Housing

City has joined a multi-jurisdictional affordable housing nexus study that will serve as the legal justification for an affordable housing impact fee on commercial and residential developments (includes both rental and ownership housing). The study is estimated to be completed by fall 2016.

Since the dissolution of redevelopment agencies, the City has lost its capacity to fund affordable housing projects. The City also is reevaluating its Affordable Housing Ordinance so that the City may generate more funds to support very-low and low-income rental projects.

3. Public Services Study

The City is currently conducting a study that will 1) identify the public/social service needs of the community; 2) evaluate the existing service providers; and 3) identify what service providers can best meet the community's needs. The study is estimated to be completed in summer 2016 and will inform the City's allocation process for CDBG and General Fund public service grants.

4. Transitional/Affordable Housing Partnership with KidZone

KidZone has brought to the City's attention that there is a growing increase in the number of homeless families in Union City. KidZone indicate that currently there are 65 children that are homeless within the school district. There are no homeless shelters or transitional housing located in Union City and only one homeless shelter for families in the Tri-City area. The City is working with KidZone and other homeless providers develop short-term and long-term plans. More specifically, the City is exploring the feasibility of creating transitional housing for families within Union City.

Development Projects on the Horizon

- 1. Turk Island:** Nuvera Homes, a developer out of Pleasanton, is proposing to subdivide a 6.3-acre parcel adjacent to the former Turk Island landfill and construct 33 new single-family homes. The site is located off of Carmel Way and Westport Drive next to Seabreeze Park in the 511 Area. The project will consist of luxury single-family housing compatible with the surrounding neighborhood.
- 2. Soares Ranch:** A housing developer has expressed interest in the Soares Ranch property on Alvarado-Niles Road that was recently rezoned to multi-family residential as part of the City's Housing Element implementation. The developer has communicated to staff that they may be submitting a preliminary application for a townhouse project in early February.
- 3. Masonic Homes:** Masonic Homes has submitted a preliminary application to replace its existing skilled nursing facility with a modern, state-of-the-art facility. The proposal also includes converting the current skilled nursing facility into an assisted living building and an expansion and renovation of other support facilities. The project will take place entirely within the developed portion of the existing campus.
- 4. Windflower 2:** Per the Disposition and Development Agreement, Windflower will need to exercise their option on Block 2 in the Station District prior to 2017. To meet this

timeframe, staff anticipates an application for 250-350 market rate apartments/condominiums in 2016.

5. **Shell Station Reconstruction:** The Shell Station on the corner of Alvarado-Niles Road and Decoto Road is expected to seek approvals for a complete demolition and redevelopment of the site. The pre-application identifies a complete reconfiguration of the site with a new mini-mart, carwash, and canopy with fueling islands.
6. **SyWest Development Improvements:** SyWest Development is seeking approval to upgrade the existing plaza, sidewalks, landscapes, and parking areas in the vicinity of Century 25 Theater and the in-line shops between the theater and Lucky supermarket. The renovation and reinvestment in the site will refresh and modernize the central pedestrian space of the shopping center. This renovation compliments the adjacent business improvements of Buffalo Wild Wings, Tomatina, Buckhorn Grill and the Theater.
7. **Space Sonic Fabrication Facility:** Space Sonic, Inc. is seeking approval for a precision sheet metal manufacturing, machining, and assembly use at 30300 Union City Boulevard. The business provides specialty and custom-made metal products to a variety of high-profile clients within the Bay Area, throughout the United States, and beyond. The company will occupy the 70,000 square-foot building, known as the Bemis building. The business utilizes state-of-the art precision machining equipment and anticipates ongoing investment in leading-edge technology. The company employs a staff of approximately 60.
8. **Abaxis Expansion:** Abaxis has indicated that the business is expanding into the front building along Whipple Road in the Crossroads Technology Park. The business currently employs approximately 450 people and is expecting continued growth over the next several years. Abaxis manufactures and sells blood analyzers.
9. **Integral Properties:** Integral Properties has made a preliminary application for a General Plan Amendment to convert approximately 40 acres of Research and Development Campus lands in the Station District to Residential.

C. COMMITTEES AND BOARDS

1. **Economic Development Advisory Team (EDAT):** EDAT has assisted staff to identify goals, refine strategies, and communicate the work of economic development to City Council and community. EDAT has played an important role in moving forward topics of discussion and action on business attraction and retention, and the marketing of the City. This is evident in the push for a citywide marketing and communication strategy, the development of industry roundtables, and engaging technology to support our business community (broadband analysis currently underway).

2. Public Art Board: Economic and Community Development oversees the Public Art Board and is currently working in coordination with Public Works on three art programs.

- **Alvarado Historic District Signs** – Staff is preparing a Request for Proposals for the fabrication and installation of the signs for the Alvarado Historic District including the monument sign at the intersection of Dyer Street and Smith Street. It is anticipated that the RFP will go out in late-February and the contract will be brought to the Council for approval in the April/May timeframe.
- **Mural Program** – The City Council approved a Utility Box Mural Program. Through a competitive process, one utility box has been completed on the corner of Decoto Road and Union Square. The mural depicts gladiola flowers, which is a nod to Union City’s agricultural history. There had been delays in completion of the mural due to vandalism, the artist’s schedule, and the weather. The next phase is for the painting of 13 utility boxes along the Alvarado-Niles Road and Union City Boulevard corridors. The RFP will be released in mid-February. This next phase encompasses a larger number of utility boxes to increase visibility and provide for a larger impact. At the recent Public Art Board meeting it was decided that staff would coordinate with New Haven Unified School District to engage students on the painting of the two utility boxes in front of Logan High School and the NHUSD administrative offices.
- **Youth/Teen Center** - A strong and extensive mural program and fabric art installations (both temporary and permanent) are part of the planned Youth/Teen Center. An RFP has been circulated and a final determination on an artist(s) will be made in the next several weeks.

D. CITY COUNCIL COMMENTS AND DIRECTION FOR PLANNING COMMISSION (DISCUSSION)

This is a place holder for the Council to provide additional comments and policy direction to the Planning Commission.

RECOMMENDATION

As a Joint Session of the City Council and Planning Commission, this is an opportunity for the Council to provide comments and direction to the Commission, or solicit comments from the Commission. Staff is prepared to facilitate the meeting and provide support to the discussion.