City of Emeryville
CALIFORNIA

**M E M O R A N D U M**

**DATE:** November 16, 2021

**TO:** Christine Daniel, City Manager

**FROM:** Charles S. Bryant, Director of Community Development

**SUBJECT:** **Study Session – EmeryStation Overland Project, 1580 62nd Street Part 2: Overall Project**

## RECOMMENDATION

Staff requests that the City Council consider this staff report and provide comment by responding to the questions posed under the section "Issues to be Considered".

## BACKGROUND

On March 1, 2021, Wareham Development filed an application for a Conditional Use Permit and Design Review for a new 300,000 square foot research and development building and an associated parking garage at 1580 62nd Street. The project requires 100 development bonus points for building height. Wareham proposes to earn some of these bonus points through the "Flexible Community Benefit" by converting a portion of the existing live-work units in the adjacent Hollis Street Building into below market rate (BMR) units. Use of the Flexible Community Benefit requires that the entire project be approved by the City Council. Otherwise, approval of the project could be considered by the Planning Commission and would only be considered by the Council if it were appealed.

On July 20, 2021, the City Council held a study session to review the Flexible Community Benefit component of the project. At the study session, the Council requested some additional information in order to determine whether to allow bonus points to be earned through the conversion of live/work units into BMRs via the Flexible Community Benefit. The Council will first consider this requested additional information from Economic Development and Housing staff and, if the Council determines that the proposal for the Flexible Community Benefit is acceptable, then the Council will review the details and merits of the overall project as described below.

### Project Description

#### *Project and Surrounding Area:*

The project area is bounded by 63rd and 62nd Street on the north and the south respectively and by Hollis Street on the east and Overland Avenue on the west. Across 62nd Street is the Emeryville Post Office and the Heritage Square Development. Across Overland Avenue to the west are the Union Pacific main line railroad tracks. Across 63rd Street to the

north are the Alameda County Fire Services Building and a FedEx facility. Across Hollis Street there are a series of small one-story industrial buildings.

The project area is a 3.9-acre single parcel site that is currently developed with 160,000 square feet of buildings. The "Hollis Street Building" is a concrete multi-story, L-shaped building fronting on Hollis Street and containing Ruby's Café. Forty-one live work units are also located on the upper floors of this 83,000 square foot structure. There are various other older ancillary single story warehouse buildings on the western portion of the site that total approximately 77,000 square feet.

***Subdivision of Parcel:***

The applicant plans to subdivide the parcel to create two parcels. The one that will accommodate the existing Hollis Street Building will be 59,235 square feet in size. The building will be retained, and no physical changes are being proposed to it. The second parcel will be 113,325 square feet in size and it currently accommodates one-story warehouse buildings and will be the site for the proposed project described below.

***Project Proposal:***

The applicant proposes to demolish all single-story warehouse buildings and construct a new 5-story, 300,000 square foot Research and Development (biotech/lab) building and a new 496 space 7-level parking garage that includes one basement level of parking. This new Research and Development building would be located on the western portion of the parcel. The building would be 80 feet high and shaped in a U-formation with a 10,600 square foot central plaza off of 62nd Street, with the building front oriented towards Horton Street. (See Sheet A0.01: *Site Plan*).

The parking garage is proposed on the northeast portion of the site, tucked between the new building and the remaining Hollis Street Building. Access to the garage would be from 63rd Street. A small service yard would be placed between the garage and the new building, also fronting 63rd Street. An on-street loading zone would be provided along 63rd Street behind the new building, just west of the service yard. (See Sheet A1.01: *Level 01 Plan*).

The public will be able to cut through the block from 62nd Street to 63rd Street and vice versa through a proposed bicycle/pedestrian path that is 23 feet wide. In addition, an L-shaped "Art Walk" is proposed between the new garage building and the existing live-work building that will also provide a walking connection between 62nd Street and 63rd Street. This path varies in width between 9 feet and 11 feet. (See Sheets A0.01: *Site Plan* and Sheet L1.11*: Art Walk Plan*).

Research and Development Building: Sheets A1.01 to A1.05 provide floor plans for the building. As noted above, the building entry is sited behind a large plaza off 62nd Street. Back of house operations will be along the 63rd Street frontage, including trash holding

areas. An enclosed bicycle parking area accommodating 58 long term bicycle parking spaces and showers are also located at this level. (See Sheet A1.01: *Level 01 Plan*).

Sheets A3.01 and A3.02 provide elevations indicating a glass building with a combination of glass with reflective coating, tinted glass, and back painted spandrel glass. Building renderings are shown on Sheets A3.31, A3.32. A3.33, and A3.34. The height of the building is 80 feet and accommodates 5 stories. (See Sheets A3.11 and A3.12: *Building Sections*).

Much of the roof will be taken up with mechanical equipment that will be screened by a 15-foot metal screen. (See Sheet A1.06: *Lower Roof Plan*; Sheet A3.11: *Building Sections*). See also Sheet A3.01: *Building Elevation* to understand how the screen will appear visually.

Parking Garage: Sheets A2.0 to A2.7 provide floor plans for the 496-space parking garage. The proposal includes one basement parking level and six above ground levels. Sheet A2.S provides a parking Summation Chart showing the number of accessible parking spaces, standard spaces, and electric vehicle (EV) parking spaces. Forty-five EV spaces are proposed.

Sheets A3.02 and A3.03 provide elevations showing a mix of materials, although the main material is board form concrete. Aluminum slats and board form concrete with color admixture occur in smaller proportions. Planters made of metal are proposed to add interest to the building and a potential location for artwork has also been identified. The height of the building is 55 feet and accommodates seven levels of parking. (See Sheet A3.13: *Longitudinal and Transverse Sections*). Sheets A3.35 and A3.36 provide renderings for the garage structure.

Landscaping and Tree Removal: Sheet L0.02 indicates removal of 18 street trees: 13 along 62nd Street, three along Overland Avenue and two along 63rd Street. An arborist report has not yet been provided and will be required to show species, health, size, and valuation of the trees to be removed.

Sheet L0.01 provides an overall preliminary landscape plan for the project area showing 7 new trees along 62nd Street, 9 new trees along Overland Avenue and 11 new trees along 63rd Street, for a total of 27 new street trees. Sheet L1.01 shows preliminary landscaping elements for the proposed 10,000 square foot plaza/courtyard area. The plan also indicates landscaping along the “Art Walk” (See Sheet L1.11: *Art Walk Plan*).

Streetscape sections for 62nd Street, Overland Avenue and 63rd Street are provided on Sheets L2.01, L2.02 and L2.03, respectively. Both 62nd and 63rd Streetscape include a 4-foot landscape strip with an 8-foot sidewalk. On Overland Avenue a 7.5-foot pedestrian pathway is maintained with stormwater planting between the walkway and the building face varying between 0 and approximately 15 feet.

## DISCUSSION

### Conformity to General Plan and Planning Regulations

General Plan Land Use

The General Plan Land Use Diagram (Figure 2-2) classifies the project site as "Office/Technology", which is described as (Section 2.4): "Administrative, financial, business, professional, medical and public offices, research and development, biotechnology, and media production facilities." The project is consistent with this description as the new building will house Research and Development and associated uses. The Land Use Diagram also classifies the project site as being within a "Major Transit Hub", which is described as "transfer points where high-volume transit lines intersect. These are in the Amtrak station with access from both sides of the rail line, and at 40th Street and San Pablo Avenue." This is implemented through the Transit Hub Overlay Zone (TH), as described below.

Zoning District

The base zoning district for the site is "Office/Technology" (O/T), which allows for a variety of commercial uses that include Research and Development as a permitted use.

The site is also in the Transit Hub (TH) overlay zone, where all parking requirements are reduced by 50%. This is further discussed below.

In addition, the site is in the North Hollis Overlay Zone (N-H), which stipulates that the project shall be subject to the Design Guidelines in the North Hollis Area Urban Design Program (Planning Regulations Section 9-3.402(a)(2)). These guidelines include:

- All development should be oriented to public streets and rights-of-way.

- All new development shall be set back from the property line by at least 5 feet or a dimension that results in a sidewalk and landscaping zone of at least 15 feet from the roadway curb to the face of the building. The setback should be treated as an extension of the sidewalk area (where there are ground level commercial uses), or as front yards (where ground level residential uses are proposed.

- Parking should not be permitted within the required setback areas described above. To the maximum extent practicable, parking facilities should be oriented away from the public right-of-way behind, beside, or within building structures. Parking structures along the public right-of-way should, to the maximum extent practicable, include ground level uses that screen the parking and create street activity.

- Loading and service areas shall, to the maximum extent practicable, be located away from public streets and rights-of-way, and visually screened from public view

with hedges or vines. No service area shall rely upon the public right-of-way for truck staging or maneuvering that impedes pedestrian or vehicular movement.

- This area [west of Hollis Street] is characterized by larger warehouse and industrial buildings, many of which have been rehabilitated for office and commercial use. The area offers the opportunity for larger floor-plate structures including office, research and development and light industrial uses. The treatment of buildings should reflect the industrial character of the area through strong horizontal expression and roof forms (e.g., monitor roofs, skylights) and use of metal finishes, canopies, and large expanses of glass.

- The existing industrial buildings within the North Hollis area that have architectural or historic value should be preserved and reused to the maximum extent practicable. Key elements of the structures that contribute to the industrial character (e.g., canopies, roof forms, fenestration, materials, etc.) should be retained and/or replicated.

- Street trees shall be selected based on soil and groundwater tests and the table [on page 28 of the North Hollis Plan]. Trees should be planted 20 to 30 feet on center, depending on the likely spread. The tree well sizes specified in the table will provide ample exposed soil areas so that tree roots can thrive.

Floor Area Ratio (FAR)

The maximum Floor Area Ratio for the site is 2.0 and can be increased to a bonus FAR of 4.0 with a conditional use permit and the provision of additional affordable housing impact fees and community benefits. As building square footage for parking is not included in the FAR calculation, the proposed 300,000 square foot building will result in an FAR of 2.6 (300,000/113,325). This will require 30 bonus points (0.6/2 x100).

Please note that the eastern portion of the site lies in a lower FAR category (1.5 Base/3.0 Bonus) and the parking garage is partially in this category. However, as parking does not count as square footage, this does not affect the FAR calculation.

Height

The site falls within two height categories as well. The eastern portion of the site is in the 30’ (Base)/55’ (Bonus) height category and the remaining portion of the site lies in the 50’ (Base)/100’ (Bonus) category.

The proposed height of the Research and Development building is 80 feet, and it lies in the higher height category of 50 feet being the base height and 100 feet being the bonus height. This will require 60 bonus points (30/50x100).

The proposed height of the parking garage is 55 feet, and the eastern portion of it lies in the lower height category with 30 feet being the base height and 55 feet being the bonus height. This will require 100 bonus points (25/25 x100).

Section 9-4.202 (d) outlines rules for sites that have split heights limits. It states that "if a lot is in two or more height districts on the General Plan Height Map, the height limit indicated on the map shall apply to each portion of the lot, except that the height limit for the entire lot may be increased up to the maximum height limit applicable to any portion of the lot upon the granting of a conditional use permit pursuant to Article 5 of Chapter 7. Such a conditional use permit may be granted only if both of the following conditions are met:

(1) At least fifty percent of the lot area is already covered by the district with the maximum height limit; and

(2) The entire lot could be included in said district by shifting the height district boundary by not more than fifty feet as measured perpendicularly to said boundary at any point.

Although the proposal meets the first condition, it does not meet the second condition, because it would be necessary to shift the height district boundary by approximately 114 feet in order to include the entire lot in the 50'/100' height district. Therefore, the 30'/55' height district applies to the eastern portion of the site, and the project will require 100 bonus points to achieve a parking garage height of 55 feet.

Bonus Points

Pursuant to Section 9-4.204, the project as proposed requires 100 bonus points, the greatest of the number of points required for FAR (30) and for height (100).

For non-residential projects, pursuant to Section 9-4.204(d), the applicant will need to obtain half of the bonus points (50) by paying an additional affordable housing impact fee. As such, the applicant will need to pay an additional 100 percent of the affordable housing impact fee at the time of building permit issuance. For reference, the current affordable housing impact fee is $4.83 per square foot, so the applicant would need to pay $9.66 per square feet to obtain 50 bonus points if the building permit were issued today. The actual fee required will be whatever is in effect at the time that the building permit is issued.

The remaining 50 bonus points must be earned through the provision of community benefits, pursuant to Section 9-4.204(e). Possible benefits include additional public open space, zero net energy, public improvements, utility undergrounding, and a contribution to the City's small business fund. The applicant is requesting 20 bonus points from the Public Open Space community benefit and would develop an equivalent of 5% of the project site area (beyond that required by code) for public open space as an "Art Walk".

The project is also requesting bonus points from the Flexible Community Benefit category by creating affordable housing units by converting a portion of the existing 41 live/work units in the Hollis Street Building into a combination of very low, low, and moderate income housing. It should be noted that, pursuant to Section 9-4.204(b), use of the Flexible Community Benefit requires City Council approval of the entire project.

Parking and Loading

*Vehicular Parking*: Typically research and laboratory businesses need space for laboratory and office on a half and half basis, and the City has used this criterion for other such projects including the recently approved BMR Emeryville Center of Innovation project.

The estimated demand for parking for the office space (150,000 square feet) is 357 spaces (2.4 spaces per 1,000 square feet of office space excluding the first 1,500 square feet of new office buildings), ((150,000 -1,500) x 2.4/1000); and for Research and Development space the estimated demand is 223 spaces ((1.5 spaces per 1,000 square feet excluding the first 1,500 square feet), ((150,000-1,500) x 1.5/1000). As the project lies in the Transit Hub Overlay the parking demand estimates are reduced by half. This calculates to an estimated parking demand for the office portion of 178.5 spaces and that for Research and Development is 111.5 spaces, for a total of 290 spaces.

There is no minimum parking requirement and the maximum allowed is 10% more than the estimated demand. So, the maximum parking permitted is 319 spaces (290 + 10%). Pursuant to Section 9-4.404(h), the maximum may be exceeded upon the granting of a conditional use permit.

The applicant is proposing a 496-space parking garage and will therefore require a conditional use permit to allow parking above the maximum. For the Council to approve such a use permit, it would need to make the following findings:

(1) That the applicant has convincingly demonstrated that the additional parking is required to meet the anticipated parking demand of the proposed uses.

(2) That the provision of the additional parking will not result in an overdependence on automobiles and will not adversely affect transit, bicycle, or pedestrian access to the site or other adjacent uses.

*Bicycle Parking*: The project will trigger one short-term and one long term bicycle parking space for every ten automobile parking spaces indicated as the estimated parking demand. As the estimated demand is 580 spaces, 58 long term bicycle parking and 58 short term parking spaces will be required. (Note that there is no Transit Hub Overlay reduction for bicycle parking since the intent of this overlay zone is to encourage alternative transportation such as bicycles.)

The applicant shows 50 short-term bicycle parking along the bicycle/pedestrian path and 8 spaces in the plaza area. A bicycle storage room on the ground floor level of the Research and Development building accommodates 58 long term bicycle spaces. The project therefore meets the bicycle parking requirements.

*Loading*: The project will trigger 2 medium loading spaces (12' x 35' x 14' high) and 1 large loading space (12' x 50' x 14' high). The plans show three large sized loading spaces on the ground floor in back-in loading docks accessed from 63rd Street. Note that Section 9-4.409(c) stipulates that, in approving a project, the Planning Commission or City Council, as the case may be, may modify the number and size of required loading spaces because of the nature of the use or the design of the project. In this case, such modifications are not necessary because the project meets the loading requirements.

Open Space

Section 9-4.303(a)(3) requires new commercial buildings or additions that exceed 100,000 square feet to provide a minimum area of common open space and/or Privately Owned Public Open Space (POPOS) that totals at least five percent of the gross floor area. Included in this requirement, the developer must provide a minimum area of POPOS that totals at least one percent of the gross floor area. For the proposed project this equals 15,000 square feet of open space, including a minimum of 3,000 square feet of POPOS. (Note that any portion of the "Art Walk" that is intended to count towards the project's open space requirements cannot also count toward development bonus points.)

Enough information has not been provided at this stage to determine the project's compliance with these requirements, specifically dimensional requirements. The Planning Regulations outline the purpose of open space requirements as being "intended to provide high quality open spaces for active and passive recreation. They establish minimum standards for and type of open spaces required, the size of such spaces, and provisions for security and privacy". (Section 9-4.303 (a)(1). This is germane because the applicant had earlier indicated use of some of the stormwater treatment area towards the open space requirement.

Design Guidelines

As part of the required Design Review approval for the project, it must be evaluated for conformance to the Emeryville Design Guidelines and any other applicable design guidelines or criteria (Section 9-7.406), which in this case would include the design guidelines of the North Hollis Area Urban Design Plan mentioned above.

Concerning the Emeryville Design Guidelines, the proposal meets minimum sidewalk widths of 7.5 feet of unobstructed pedestrian pathway with four feet of landscaping, as called for in Guidelines A-2 and A-3, on all three street frontages. The project also meets Guideline J-16 that recommends design of the floor-to-ceiling height of the first floor to be adequate for non-office use (generally a minimum of 14 feet) by proposing a 15 feet 8

inches first floor height of the Research and Development building. Other Office/Technology related Design Guidelines J-17, J-18, and J-20 are met by using vertical elements to break up horizontal architecture, incorporating landscaping elements along street facing facades, and articulating the building base with a change in materials, color and finishes and emphasizing the building entrance.

Concerning the North Hollis Area Urban Design Program, the project appears to generally conform to the design guidelines for street orientation, parking, loading, industrial character, and preservation of architecturally significant buildings (the existing Hollis Street Building).

Stormwater and WELO Plans

The project will need to submit stormwater plans and show compliance with the Water Efficient Landscaping Ordinance (WELO).

**Environmental Review**

A traffic report and visual simulations will be prepared for the project. At this time, we do not have enough information to determine the project's CEQA status.

**Staff Comments**

The project was reviewed at the March 10, 2021, and April 14, 2021 Development Coordinating Committee meetings. The Committee generally liked the overall design of the project and had the following comments. It was noted that the proposal would require new curb and gutters for the three frontages as well as street lights. A traffic signal may be required at Hollis and 63rd Street intersection.

Building Division staff stated that additional information would be needed regarding openings of the existing live-work building that will be retained in relationship with the new property line. All emergency generators would need to be located inside the new building, and solar panels will be needed on both buildings. The Deputy Fire Marshall provided initial comments that have been attached to the staff report (see Attachment 2). Police staff commented that the "Art Walk" alley would be difficult for patrol especially the east-west segment of the Walk. Public Works staff suggested that the project provided a good opportunity for a cul-de-sac "Village Green" at the intersection of 63rd Street and Overland Avenue in order to enhance the Citywide streetscape system with small parks and improve bicycle and pedestrian safety. Please see Attachment 1 for a graphic illustrating this concept of "Village Greens" that is also a project identified as Capital Improvement Program project number ST-17. Staff thought that such a project would be better suited for obtaining bonus points than those proposed by the applicant, as discussed above. The Committee also noted that the developer should be required to underground overhead utilities along the project frontage on Overland Avenue, and agreed that undergrounding

overhead utilities on the south side of 62nd Street between Horton Street and Overland Avenue would be another way to obtain bonus points.

**Planning Commission Comments**

The Planning Commission reviewed the project at their April 22, 2021, meeting. There was one public comment who expressed concern about the large amount of parking being provided. This was also shared by the Commission in general, who wanted more analysis from the applicant to justify their request for more parking than the maximum permitted. A majority of the Commissioners agreed that the "Art Walk", while a good component of the project, would not be appropriate for bonus points; instead, they expressed support for undergrounding of utilities on the south side of 63rd Street between Horton Street and Overland Avenue for bonus points.

There was general support for staff's suggestion of a "Village Green" cul-de-sac on 63rd Street, with the understanding that it would depend on the details of its design and operation. Concern was expressed regarding the applicant's proposal to obtain bonus points via conversion of a portion of the existing 41 live-work units to affordable units. It was noted that this proposal would not actually add to the number of affordable units in the City, as the applicant stated that these units were already being rented at below market levels. There was also concern expressed regarding potentially displacing existing tenants. Most of the Commissioners were supportive of the idea of having a bicycle and pedestrian path cutting through the site directly from 62nd to 63rd Street and agreed that stormwater treatment areas should not be counted towards open space requirements. It was noted that bird friendly guidelines needed to be followed and that the design did not mirror the industrial aesthetic. The Commission was clear that all sidewalks need to meet the minimum widths as outlined in the City's Design Guidelines. One Commissioner mentioned that that project did not provide adequate sustainable features.

Please note that the applicant has made some revisions to the plans; key changes include a bicycle/pedestrian path straight path through the site instead of a circuitous path as proposed at the April Planning Commission study session, and revision ot the sidewalk design on all three building frontages to comply with the City's design guidelines.

**Bicycle and Pedestrian Advisory Committee (BPAC) Comments**

The BPAC reviewed the project at a special meeting on August 2, 2021. The Committee generally appreciated inclusion of a mid-block pedestrian and bicycle path. One Committee member stated that the plans should include details regarding curb cuts that would allow bicycles to ride through, and that building façades facing the path should be inviting and engaging to pedestrians and bicyclists. All Committee members felt that vehicle parking over the maximum should not be approved. Design compatibility with surrounding buildings was discussed, and it was suggested that stop signs be installed on 62nd Street at Horton Street. There was consensus that all the proposed open spaces, including the "Art Walk", should be open to the community at all times. Bicycle parking design was also discussed.

## Issues to be Considered

Staff requests that the City Council provide comment on the following issues and any other issues identified by the Council:

### *1. Parking*

Planning Regulations prescribes a parking maximum of 10 per cent more than the estimated parking demand. This calculates to 319 spaces. The project proposes 496 parking spaces and therefore will require a Conditional Use Permit where the following findings need to be made: that the project demonstrates that additional parking is necessary to meet the anticipated demand and that the additional parking will not result in an overdependence on automobiles.

*What type of information does the applicant need to provide for the Council to make these findings?*

### *2. Bonus Points*

The applicant proposes to obtain 20 bonus points by providing additional open space in the form of an "Art Walk" and to obtain the remaining bonus points by converting a portion of the live-work units in the existing "Hollis Street Building" as affordable units, using the "Flexible Community Benefit".

*Does the Council consider the "Art Walk" feature as being an appropriate way for the project to obtain bonus points?*

*Does the Council agree with staff recommendation that one way of obtaining bonus points could be by undergrounding south side of 62nd Street between Horton Street and Overland Avenue?*

*Does the Council have any other preferences as to how bonus points should be obtained?*

### *3. Village Green*

*What does the Council think of the staff suggestion of building a Village Green at the intersection of 63rd Street and Overland Avenue?*

### *4. Project Design*

*Does the Council have any other comments on the overall project design?*

## FISCAL IMPACT

This report is for informational purposes only; there is no fiscal impact.

## STAFF COMMUNICATION WITH THE PUBLIC

Staff has had no communication with the public on this City Council item. As noted above, the project was reviewed by the Planning Commission on April 27, 2021, and by the Bicycle and Pedestrian Advisory Committee on August 2, 2021.

## CONFLICT OF INTEREST

None.

## CONCLUSION

Staff requests that the Council discuss the issues listed above and provide feedback.

**PREPARED BY:** Miroo Desai, Senior Planner

**APPROVED AND FORWARDED TO THE CITY COUNCIL OF THE CITY OF EMERYVILLE:**

Christine Daniel, City Manager

## ATTACHMENTS:

1. Village Greens Concept Graphic
2. Deputy Fire Marshall's comments
3. Project Plans